

Meeting	Management Advisory Board
Meeting date	11 February 2025
Meeting time	11:00 – 14:00
Meeting location	SPPA Tweedbank (Hybrid)

Members in attendance	Jane Malcolm	Meeting Chair
	Mark Adderley	Non-executive Board Member
	Norman McNeil	Non-executive Board Member
	Clare Scott	Non-executive Board Member
	Mark Tarry	Non-executive Board Member
	Alan Wright	Non-executive Board Member
Other attendees	Heather Carson	Deputy Director, Corporate Hub, Corporate Transformation and Workplace Directorate , SG
	Stephen Pathirana	Chief Executive Officer, SPPA
	John Burns	Chief Financial Officer, SPPA
	Iain Coltman	Head of Policy, SPPA
	Christopher Nairns	Chief Operating Officer, SPPA
	Stuart MacArthur	Head of Strategy, Governance and Comms, SPPA
	Debbie Trafford	Head of People and Place, SPPA
Minute taker		Governance Delivery Lead, SPPA
Apologies	Frances Graham	Head of Business Transformation, SPPA

1 Welcome and apologies

- 1.1 The Chair welcomed everyone to the meeting.
- 1.2 Frances Graham was noted as an apology for the meeting.
- 1.3 Two existing declarations of interest were noted in relation to the Scottish Teachers' Pension scheme:
 - Clare Scott – independent professional observer of the Fife Pension Fund who are an active employer in the Teachers' scheme

- Jane Malcolm – non executive director on the General Teaching Council of Scotland, which employs staff who are in local government pensions schemes where the SPPA acts as advisers on policy matters

2 Opening Remarks

2.1 The Chief Executive Officer, SPPA provided opening remarks:

- Noted the core Remedy deadline of 31 March 2025 and confirmed SPPA would not be in a position to deliver everything by that date
- Emphasised the need for clarification from HMRC on guidance around Remedy, which would help the agency to get to a better place
- Acknowledged affected members would be disappointed and the need for SPPA to manage those affected through the process
- Confirmed the Executive Team (ET) were currently working Business Planning for their respective areas
- Briefly mentioned SPPA funding which would be discussed later in the agenda, highlighting the issues the agency faced in terms of forward planning.
- Highlighted a shift in Scottish Government (SG) strategic planning, with public bodies asked to think more about funding principles.

2.2 The Board discussed:

- Feelings of stakeholders around Remedy deadlines being missed and how SPPA could tailor communications to manage effectively
- The need for resources to be split proportionate to service requirements across all Pension schemes
- The engagement from SG in terms of funding, noting work was still required in this area
- Continuing to work with staff unions/representatives to engage with members, with a review planned

3 Approval of Minutes/Outstanding Actions

3.1 The Board members agreed to approve future minutes offline; draft minutes will be circulated via email to members for

approval and link will be included on meeting agendas for noting/matter arising purposes only.

3.2 The minutes of 5 December 2024 were **approved**.

3.3 The outstanding actions on the tracker were discussed with the Board highlighting:

- MAB 1023.02 (Corporate Governance to add a formal annual review of the risk appetite to the MAB annual agenda planner) – It was agreed that risk appetite should be covered in detail by the Audit & Risk Committee (ARC) with onward submission to MAB for awareness and any further consideration.
- MAB 0524.01 (People Committee to discuss Risk Management at the September 2024 Board meeting) – It was agreed that this action should be closed as the People Committee was no longer in operation, with wording on tracker to be updated when action closed.
- MAB0524.02 (Management Advisory Board to receive a report at the August meeting on the implications for SPPA of the Pensions Dashboard project) – Action to be re-allocated to the Head of Business Transformation, SPPA. The Board highlighted an update paper on the project would be helpful.
- MAB 1023.01 (Corporate Governance Team to consider including the People Board in the Framework Document, review how risk and finance are referred to in the Framework Document; and review the Governance Schematic to accurately represent the CEO's relationship to MAB) – It was noted that the reference to the People Committee should be revised and the Chair requested the due date to be re-forecasted on forward action planners.

4 Audit and Risk Committee Update

4.1 The Chair of the Audit and Risk Committee (ARC) presented the update, noting:

- Internal Audit plan was being finalised and internal audit reported that they were in a good place to meet new Audit standards

- ARC had provided comments on the draft audit plan which were being considered by SPPA
- ARC had requested improved reporting on Business Transformation projects.
- ARC members took part in a Risk Management deep dive; all comments shared with the team following the session.
- External Audit provided an update on lessons learned following the Annual Report & Accounts (ARA) process
- ARC felt that resolving the resourcing issues which affected the ARA process was equally, if not more crucial in the longer term, than to delivering the technical actions.
- A discussion on the emphasis on shortening the Annual Report took place, which should result in less errors and be easier to Audit.

4.2 The Board discussed:

- Recruitment of Finance colleagues into SPPA to help bridge gaps, noting the ongoing recruitment of a Senior Financial Accountant was underway
- The pathway for internal Finance colleagues' progression, with SPPA acknowledging the need for proactive training and guidance to be provided to alleviate risk.
- Challenges around delays in relation to resourcing and the barriers SPPA face in terms of bureaucracy
- The work still required by SPPA to fill key roles in the Finance team, currently occupied by temporary colleagues, with permanent staff of sufficient quality.

Action MAB0225.01

SPPA to circulate final internal audit plan to MAB (once agreed by ARC)

Deadline: April 2025

Owner: SPPA Head of Strategic Governance

5 Agency Dashboard

- 5.1 The Chief Operating Officer, SPPA provided an update on the Agency Dashboard and noted:

- Completed casework is on target, with acknowledgement this had been very challenging
- MAB feedback welcome on the iteration of the Dashboard.

5.2 The Board further discussed:

- Pressures around timelines with SPPA prioritising workloads to meet regulatory requirements.
- Priorities would need to be balanced against Remedy work in 2025, which would potentially impact numbers
- More work was required on the Dashboard itself, to present a true reflection on what is being delivered and more importantly, what is not. Solutions were being developed to address this. SPPA commented that previous dashboard information had been unreliable.
- Capturing how work is prioritised on the Dashboard
- The potential for time markers to be included for each of the processes to give MAB an idea of service levels and costs
- The opportunity for SPPA to create a glossary to provide insight into what the figures on the Dashboard represent
- A more comprehensive Dashboard was required with additional data; SPPA to re-work
- Data which was included on previous iterations of the Dashboard and why this wasn't on the current version; work was ongoing by SPPA to address Data issues as current data was not accurate enough to include.

Action MAB0225.02

SPPA to rework Agency Dashboard

Deadline: June 2025

Owner: SPPA Chief Operating Officer

6 Investment model for Oracle Cloud

- 6.1 Heather Carson, Deputy Director of Corporate Hub within SG Corporate Transformation and Workplace Directorate introduced the paper and noted:

- The implementation of Oracle Cloud which was driven by a shared services agreement across Scottish Government
- The policy rationale for the investment model, designed to drive value-for-money behaviours and create an attractive product which was fit for purpose
- SG will bear the implementation costs with customers being responsible for the running costs of the model
- The investment model is in the testing phase with the plan to roll out to public sector organisations in 2026/27.
- More work is required on KPIs to demonstrate the quality of the service, and to maximise the potential and benefits of the platform
- SG had reached out to colleagues in Government using similar models so were not setting a precedent
- The model will help customers to be more active and influential with the aim to derive savings in the wider public sector

6.2 The Board further discussed:

- Other public sector organisations on the Scots platform that currently used the investment model
- Whether figures could be reported to highlight business savings and how this would be tracked
- A Benefits realisation plan was in progress, but customers were not currently in a position to feedback due to snagging issues
- A large piece of work was underway in DG Corporate round the shared services agreement, with a lot of change management taking place
- Where SPPA sit on the list of priorities and the creation of a prioritisation framework
- How the budget for the programme has evolved over time as the complexity increased with regards to technology and underpinning services
- How SPPA were very supportive of the investment model and how it provides clear public accountability
- The possibility of all public bodies using the Oracle platform in the future, with this cited as a possibility

7. Agency Funding Model

7.1 The Chief Executive Officer and Head of Policy, SPPA introduced the paper, noting:

- The current annual budget system isn't consistent, with SPPA not being allocated the same budget every year, making it difficult to plan ahead
- The difficulty in setting out strategic planning as SPPA relied on Ministers sharing its views and agreeing on budgets
- A switch to a more sustainable funding model would allow the agency to plan more effectively
- Alternative schemes had been introduced in UK Civil Service, with the proposed SPPA model broadly similar
- The model would give the agency autonomy over its funding and the chance to remove uncertainty
- Transparency would be improved with a very clear relationship between scheme administrators and employers
- The potential for growth in the medium to long term, with the opportunity to bid for other scheme administrations in public pension business when a sustainable funding model in place
- Continued ministerial support would be required
- The agency would be under more scrutiny from employers but this may increase input/interest
- Provisional plan was to introduce the model around April 2027

7.2 The Board noted the points raised, then further discussed:

- The importance of how the new model would help with forward planning and obtaining set budgets
- The need for further exploration of the funding model principles with the Board broadly agreeing it sounded sensible
- Issues around service quality levels and how this would impact SPPA
- If the new model was the most efficient way to run a pensions administration company as budget pressures would still exist elsewhere

- If it was the correct time for another major change program with other major transformation projects currently ongoing
- Agreed further conversations should take place offline and topic to be re-visited further down the line.

8. Any other Business

- 8.1 It was noted that the Pension Boards networking event with MAB and ARC would take place on Thursday 15 May 2025.

9. Effectiveness review of this meeting against MAB role

- 9.1 The Board encouraged SPPA to include the purpose of each paper on the agenda so the Board are clear on what they are being asked to provide. It was also noted that forward agendas would be useful to ensure MAB continue to provide value going forward.

Recommendation MAB0225.01

SPPA to create MAB Agenda plan

Deadline: April 2025

Owner: SPPA Head of Strategic Governance

Recommendation MAB0225.02

SPPA to clearly outline purpose of each paper

Deadline: April 2025

Owner: SPPA Head of Strategic Governance

Version Control		
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