MINUTES OF MEETING OF THE SPPA EXTERNAL MANAGEMENT BOARD
Tuesday 21 October 2014

Present:

James Taylor	Chair
Alex Smith	Non-Executive Director
Sheena Cowan	Non-Executive Director (via telephone)
Julia Edey	Non-Executive Director
Alistair Brown	Acting Director of Financial Strategy
Neville Mackay	SPPA Chief Executive
Pam Brown	SRO Fire & Police Project
Eleanor Guthrie	Deputy Director of Operations
Marion Chapman	Director of Corporate Services
Chad Dawtry	Director of Policy
Ian Waugh	Director of Finance
Susan Gray	Director of Business Change Programme

Minutes: Jackie Forbes

INTRODUCTORY REMARKS

1.   Mr Taylor welcomed everyone to the meeting.

2.   There were no Declarations of Interest submitted.

Minutes of Previous Meeting, Matters Arising and Declarations of Interest – Oral Report

3.   The minutes of the previous meeting, held on Tuesday 29 July, were agreed. All Actions arising had been completed.

Audit and Risk Committee (ARC) Report (Oral Report)

4.   Alex Smith spoke to the draft minutes of the Audit and Risk Committee meeting held on the 7 October. The following points of interest were highlighted.

4.1   An Internal Audit Review of IT systems, projects and contracts had resulted in substantial assurance. Two actions were due for completion in November 2014.

5.   A review of the SPPA Scheme Accounts has been completed by Audit Scotland. The quality of the accounts was commended by the auditors and there were only minor recommendations to note.

6.   The Corporate Risk Register was reviewed and noted by ARC. Some minor changes in Corporate Risks were reported to the Board. The overall trend was of risks being reduced, as some of the business critical changes associated with the 2015 reforms and the implementation of the police and fire project began to be delivered.

7.   A report in the Business Transformation Programme was presented to ARC, focussing on performance, risk and assurance only. The ARC was satisfied that these elements of the Programme were being handled adequately.

SPPA Quarter 2 Progress Report 2014-15 (Paper 40.2)

8.   Mr Mackay presented his paper to the Board and started by noting that the crystallised final version of the 14 – 15 Business Plan was almost finalised. There were still some minor adjustments for the year to be concluded and this work was in hand. On completion a link to the completed Business Plan will be issued to EMB members for information.

9.   There are 27 key business plan tasks identified for the current year and all of these are progressing satisfactorily. However, he noted that some of the Directorate level performance targets had fallen short of their targets. These are misleading as a red reading can result from one case being answered 1 day late, not because there had been a drop in the service level of the Agency. The Board agreed that at the next opportunity the targets should be reviewed, with the possibility of implementing 3 year rolling averages being considered.

10.   The Altair operating system is now in place and running as well as can be expected with operations staff using it for the majority of their day to day work. This project has been an excellent piece of work and the Board commended the Agency on delivering this successfully.

11.   There has been another year on year increase in the number of Teachers summer retiral applications which now stand at over 2,300. These have been processed successfully over the summer. The Board noted that this was a good achievement by Operations staff and the feedback from teachers stakeholders has been positive.

12.   The Communications Project relating to the 2015 Schemes is progressing well and products for stakeholders are to be finalised shortly. It was noted that the Governance Agreements for the project have been established. There has been an increase in the expected cost of producing these products from £200,000 to £360,000.

13.   It was also noted that the Agency has now developed a terms of reference for its workforce planning exercise, which had been deliberately held back until after the outcome of the Referendum was known. It is hoped that the results will be available by the end of Q4 for inclusion in the next corporate plan. The Agency is looking for some external expertise to help support this work.

14.   The Agency car park is going to be extended and this will provide an additional 25 spaces, subject to planning permission. It is anticipated that this will be completed early in the new year (Jan/Feb 2015).

SPPA Quarter 2 Finance Report 2014-15 (Paper 40.3)

15. Mr Waugh presented this paper to the Board. The Audit and Risk Committee asked that the Board agree that the CEO could sign off on the Scheme Accounts. This was agreed by the Board.

16. There was also a discussion around pressures on the Agency Budget for 2014 - 15 including the key elements of staffing; training requirements; and variable costs.

17. It was noted that Agency staffing compliment was currently sitting at 274 full time equivalents (FTEs) and this was expected to rise to 292 by the end of the Financial Year.

18. The Board asked if, in the future, it might be possible to amend the way Annex A of this paper is laid out so that the details from Table 1 are easily identifiable in the Annex. This was agreed.

Action: Mr Waugh paragraph 18

SPPA Programme Board Update (Paper 40.4)

19. Mrs Gray presented this paper to the Board and reported that the overall status for the Programme was amber. This was because although the altair Migration project has been completed and the initial tranche of police and fire responsibilities have been successfully transferred, there are still many milestones to be delivered across the remainder of the Programme as a whole.

20. In terms of individual projects, Mrs Gray reported that the Procurement project is red, altair is green (complete) and the remaining 5 projects are all amber. The only one missing from this list is NHS Choice 2(3) which is due to commence in the new year. A paper on this is to be taken to the next Programme Board in December.

21. There has been a lot of work undertaken on Programme "Leadership" which focuses on engaging internal and external stakeholders. For internal stakeholders (staff) there has been a series of events – (a) 2 All Staff events (158 attended), (b) a round of "elevenses" one for each of the projects to allow for informal questions to be put to the Project Manager(s) and (c) a follow up All Staff event in December. Alongside this sits the fortnightly Core Brief updates and the Business Change intranet site that has been developed.

22. The Board expressed their approval of progress to date and of the robustness of the programme management arrangements.

23. Mrs Gray then took the Board through the Benefits Map developed for the Programme. The next stage for this is to provide Baseline Data gathered from the individual projects and establish who owns the realisation of each of the benefits. Baseline data will be provided to the Review Team at the Gateway Review in November 2014.

24.   The Programme Budgets were baselined in September and robust reporting against these can now be undertaken.

25.   The Board asked how we would measure customer satisfaction. Mrs Gray responded that this would be monitored using processes currently used – built across the annual Customer Survey and the CEM Benchmarking Survey.

Police and Fire Project Update (Paper 40.5)

26.   Mrs Brown informed the Board that the Director of Operations was acting as the Project Manager for delivery of the Fire and Police project until January 2015. At which point it is anticipated that Donald Forbes (the Senior Operations Manager) would take on responsibility as part of his day to day management responsibilities for the Police and Fire team.

27.   There was an issue for a while around the transfer of knowledge from the current administrators to the SPPA . This has now been resolved and staff from the SPPA were now off site shadowing current administrators. In addition there are now two staff from Lothian and Boarders on site for 4 days a week until the end of October.

28.   A transition plan has been discussed and put in place with the Local Authorities to bring the schemes to the SPPA in a phased hand over.

29.   The biggest concerns at present are the number of uncompleted tasks being passed to SPPA by the existing service providers as well as balancing the running of the project and normal operational services in tandem.

30.   The main issue for the project had been managing the expectations of the current service providers. as the project progresses, the level of co-operation has increased substantially.

SPPA IT Procurement Project – Update (Paper 40.6)

31.   Mrs Chapman talked to the main points from this paper. There are currently two main issues with this project – timescales and resourcing. A pragmatic approach is being taken to maintain the relevant timescales and to ensure that resourcing is procured without major impact on current business activities and other projects.

32.   In order to undertake a robust procurement exercise the scope for extending the current IT contracts was explored with the Scottish Government Legal Directorate (SGLD). Two suppliers agreed to this however, the third declined to extend. In order to mitigate the impact of this on resourcing requirements, a specialist company was approached to assist with the drawing up of the Invitation to Tender specification. Unfortunately they were unable to provide the required level of assistance and so this work will be wholly undertaken in - house.

33.   The project is being progressed with the intention of hitting all of the current milestones but there is a theoretical possibility that the 2017 implementation deadline might be missed. The contingency arrangements for this were discussed.

34.   The Board was content with this approach.

Governance Project Update (Paper 40.7)

35.   Mr Mackay presented this paper to the Board. The purpose of this project is to set up the relevant Pension Boards and Scheme Advisory Board as well as reviewing the arrangements for the External Management Board.

36.   Project set up work has been completed and the first Project Board was held on 22 September. A Ministerial letter is due to be issued to workforce stakeholder groups advising them that a decision has been reached on the makeup of these boards. Reaction to these letters will determine if alterations to the makeup are required. Any delays arising as a result of potentially adverse stakeholder reaction would mean that it will become increasingly challenging to have all the arrangements in place by April 2015.

37.   The Board were concerned about the timescales involved with the Board recruitment exercises and were advised that the appointments process would be as streamlined as possible.

Altair Project Update (Paper 40.8)

38.   Altair went live on 22 September incurring one week of down time which was engineered to be across the Bank holiday weekend to reduce impact on the office. The migration was completed within timescales and to cost. Testing has been completed and staff are now using altair for day to day work. Paylink, which had been a concern across the period of the project, was also up and working well.

39.   Training had been carried out prior to go-live and after go-live there was support in place from Heywood, the SPPA IT team and floorwalkers and there have been no significant issues to date.

40.   Next steps are to run a lessons learned workshop which will feed into the ongoing work of the Business Transformation Programme and the IT Procurement Project.

41.   The Board were impressed with this project and it's outcome and offered their congratulations on its successful completion.

2015 Scheme Regulations Progress Report

42.   Mr Dawtry spoke to this paper and gave the Board a brief rundown of the background to this project and to the parliamentary requirements that dictate what has to be done and in what timescales.

43.   Across this project there will now be a total of 12 Statutory Instruments (SI's) drafted and put into place (down from 16). To date 2 SI's for LGPS have been laid. One SSI has been laid for Teachers and subsequently been revoked. After

discussions with the Scottish Government Legal Directorate additional checks have been put in place to ensure that this does not occur again.

44.   The project is currently rated as amber, although the Teachers and NHS elements are running on time (green). Contingency planning has been put in place and highlighted three main areas of risk: late receipt of scheme regulations from England and Wales; insufficient resource within SPPA and insufficient resource within SGLD to action regulations by 1 April 2015 deadline.

45.   There are some options for saving time if required. These include shortening the consultation periods to 4 weeks and, if required, to breach the 28 days requirement for the time the regulations have to be laid in Parliament. Both of these actions had been used previously in extremis.

46.   The Board explored whither there was any additional actions which might assist with this, for instance speaking to SGLD about outsourcing other areas of work that they are involved in to free up their time in relation to the pensions work. Mr Dawtry undertook to consider this further.

47.   The Board were content with the progress that this project was making.

Scheme Valuations (Oral Report)

48.   Mr Dawtry spoke to this item and advised that final valuations of the NHS and STSS schemes were expected in December.

49.   Mr Dawtry undertook to keep the Board informed of how this progressed.

Next Meeting

50.   The next meeting of the Board is scheduled for Tuesday 3 February at 13.30 in SPPA.

Summary of Actions

Number	Para	Action	Action Officer
1	18	Finance Report The Board asked if, in the future, it might be possible to amend the way Annex A of this paper is laid out so that the details from Table 1 are easily identifiable in the Annex.	Mr Waugh