



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Building a better SPPA

Our Annual Business Plan 2023/2024

What's inside

Contents

Page 3	Chief Executive Foreword
Page 5	Our year in numbers
Page 6	Our Vision and Purpose
Page 7	Our Strategic Aims
Page 8	Our Priorities
Page 9	Who we are
Page 12	What we do
Page 14	Who we work with
Page 16	Our Business Priorities
Page 22	How we will measure success
Page 24	Budget 2023/2024

CEO Foreword

Transforming our service

A year ago, the SPPA launched its Corporate Plan. As we emerged from the uncertainty of Covid, we set out an ambitious five-year view of service improvement, technological advancement and business development.

Year one, 2022/23, was the year of 'stability and improvement'. Throughout the year, demand increased (understandably) from members looking for financial certainty in an uncertain world. Coupled with the ramifications of the largest piece of regulatory change in the pensions industry in recent years - [the 2015 McCloud Remedy](#) - not to mention recent changes to lifetime allowance and annual pension allowance, we continue to adapt at pace.

Whilst challenging, these external issues have not derailed our strategic direction as an organisation. Instead, they have strengthened both our resolve and focus on delivering what matters most to scheme members. This year we have streamlined our business priorities to retain that clarity and emphasis around what we need to achieve, without deflecting us from core service delivery.

This Annual Business Plan for 2023/24, year two of the Corporate Plan period, reflects what our 600,000+ members need us to deliver and is a reminder that our Purpose - to pay pensions accurately and on time - is more important than ever. It is ambitious, but achievable if we work together.

Our members need more certainty regarding their financial future. So, our focus remains firmly on **improvement**.

Improvement in our service, improvement in our member experience, improvement in our technology and improvement on how we invest in and develop our people.

We approach these priorities with renewed confidence. In the last year, we have:

- Continued to deliver our key customer service targets, including significant improvement in customer call response times
- Enhanced our communications with employers to improve how they are cascading information
- Successfully progressed our Pensions Administration Platform Improvement Programme. Providing certainty about our principle technical partner for at least the next five years.
- Welcomed more colleagues back into our office safely, having invested in new technology and processes to support hybrid working.
- Recruited over 40 new colleagues who will help us over the next 36 months to deliver the 2015 McCloud Remedy
- Undertaken largest investment in our people with the Leadership Development Programme being rolled out to 20% of our colleagues.



CEO Foreword - continued

I am confident that this year we will continue to build on this success.

We are also investing more time in better understanding our organisational performance. Recent benchmarking exercises and a more in-depth approach to understanding Agency performance has resulted in us setting clearer performance metrics. I believe these will drive the right activities and the right improvements for us to deliver on our 2023/24 commitments.

Lastly, I want to thank our colleagues for their dedication and flexibility in challenging circumstances and, similarly, offer the same gratitude to our members who are the foundation stones for the health and wellbeing of this country.

It remains our honour and privilege to serve those who serve Scotland.

David Robb

Chief Executive Officer



Our year in numbers

2022/2023

Our Colleagues

We have 360+ colleagues



£2.5 Billion

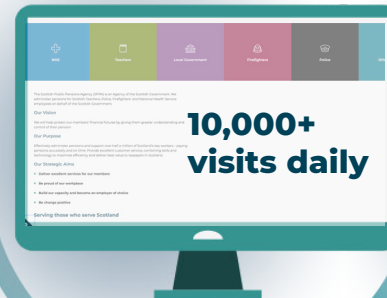


Annual Pension Spend

We have an annual pension spend of over £2.5 Billion

Our website

Our website has over 10,000+ visits a day



625,000+

Our members

We have 625,000+ members across our schemes

Our Vision

We will help protect our members' financial futures by giving them greater understanding and control of their pension.

Our Purpose

Effectively administer pensions and support over half a million of Scotland's key workers - paying pensions accurately and on time.



Our Strategic Aims

Deliver excellent services for our members

**Build our capability
and become an
employer of choice**

Be change positive

**Be proud of our
workplace**

Our Ways of Working



Bring the outside in



Improve every day

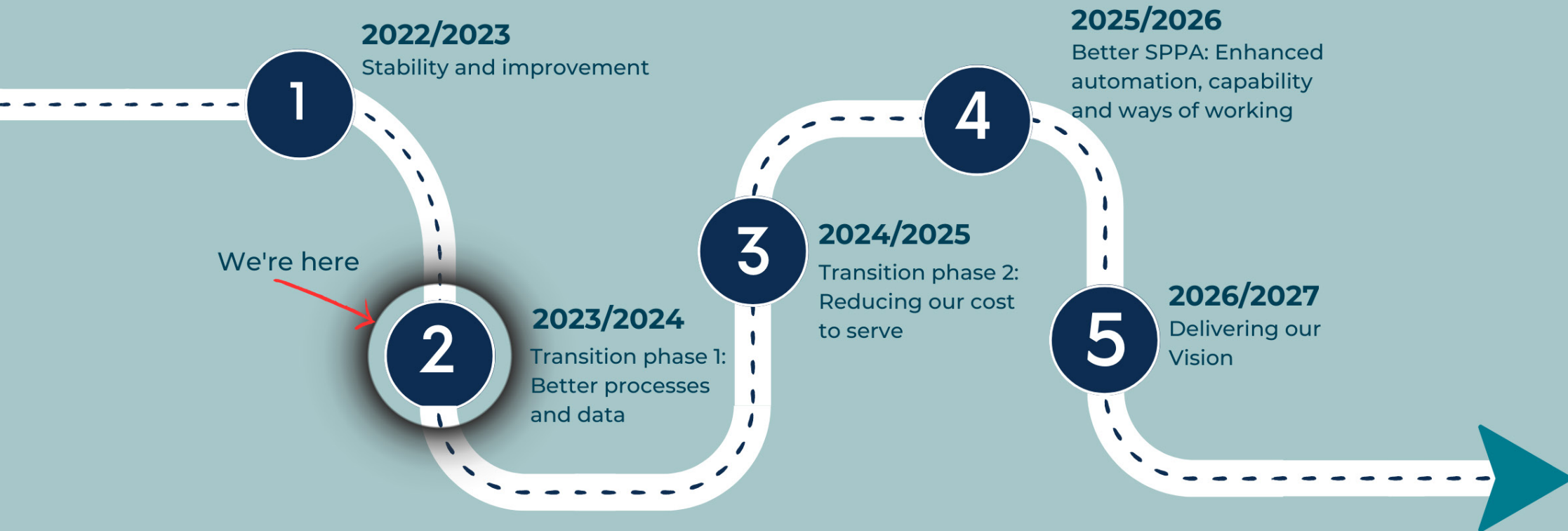


Always add value



Our Priorities

1. Improve our service
2. Effectively support members, employers and colleagues through Remedy 2015 changes
3. Deliver phase one of the pension administration platform improvement programme
4. Develop our workforce and increase our capability
5. Be more cost effective



Who we are

The SPPA is an Agency of the Scottish Government based in Tweedbank in the Scottish Borders.

We have 360+ colleagues making us one of the largest employers in the region.

The Agency has four main business areas:

- **Operations**
- **Finance, Risk and Procurement**
- **People, Strategy and Communications**
- **Policy**



Who we are

Our Executive Team



David Robb
Chief Executive
Officer



Frances Graham
Chief Operating
Officer



Garry Cossar
Head of People,
Strategy and
Communications



Iain Coltman
Head of Policy



Karen Morley
Head of Finance,
Procurement and
Risk

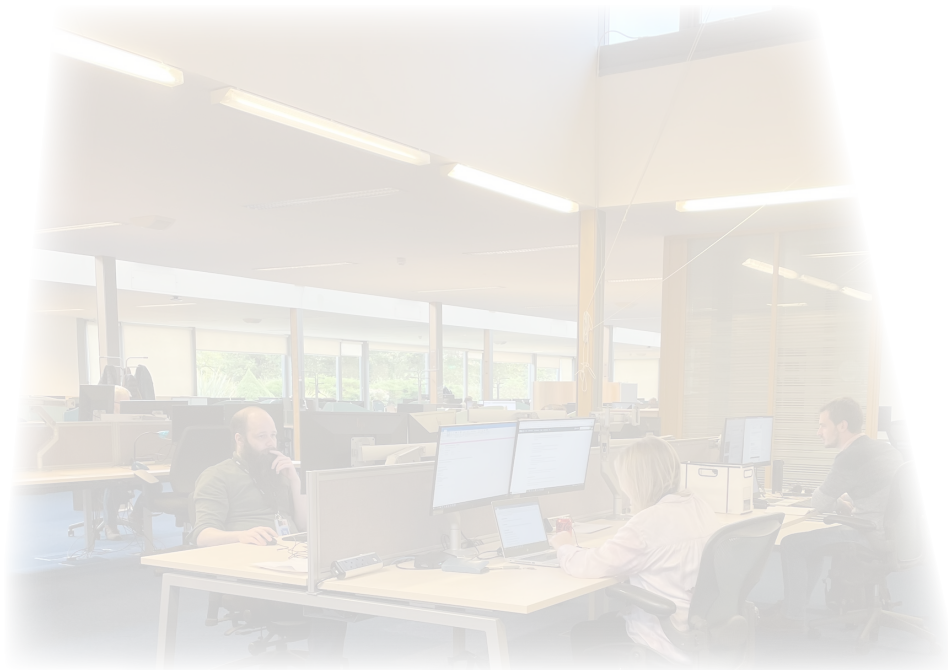
Who we are

Our People

We are based in a magnificent setting in the Scottish Borders and we're cultivating a working environment that matches our setting. One where people can learn, develop and play a key part in delivering our Vision - one that is linked closely to the Scottish Government's National Performance Framework.

We are aiming to build an environment where our people are empowered to develop their careers and take more control of their work/life balance. This means creating the right opportunities for our people to progress themselves and build a career with the SPPA and Scottish Government.

Our 2023/2024 plan therefore reflects the importance and commitment SPPA is putting into the development of our colleagues and having a multi-skilled workforce that is set up for the future.



What we do

The Scottish Public Pensions Agency is an Agency of the Scottish Government. We administer pensions for Scottish Teachers, Police, Firefighters and National Health Service Employees on behalf of the Scottish Government.

We provide advice to Scottish Ministers on public sector pension issues, and we are responsible for developing the regulations of Scotland's NHS, Teachers, Police, Firefighters and Local Government Pension Schemes.

SPPA also Provides a pension calculation service for the Legal Aid (Scotland) Pension Scheme and the Scottish Parliamentary Pension Scheme.



What we do

National Performance Framework

Our Purpose, Values and National Outcomes



National Performance Framework

The Scottish Government sets out its outcome for Scotland in the [National Performance Framework](#). The SPPA contributes to the delivery of these outcomes and ensures that what we do reflects the purpose and values of the framework.

By delivering our services to members, we are contributing outcomes including health and economy. We're providing financial security to over one in 10 people and their families in Scotland, bringing them peace of mind regarding their financial arrangements before, during and after their retirement.

Our aim is to ensure that everything we do provides measurable value - to our colleagues, members, stakeholders and the wider public. Whether it's being inclusive and diverse in the service we offer. Supporting our colleagues to develop, working in a more environmentally sustainable way, or giving back to our communities, we want to make a difference.

We are also involved in Scottish Government commitments made in the [Programme for Government](#) and the [National Strategy for Economic Transformation](#).

Pension Boards

We have four Pension Boards covering our Police, Firefighters, NHS and Teachers Schemes. The Boards have an equal number of employer representatives and member representatives, and each are led by an independent chair and independent vice-chair. Pension Boards are responsible for assisting the Scheme Manager with the governance and administration of the Scheme. This includes ensuring compliance with the scheme regulations, and any other relevant legislation and requirements as set out by the Pensions Regulator in relation to the scheme.

Management Advisory Board

The Management Advisory Board (MAB) is made up of highly skilled and experienced non-executive members who provide the Executive Team with counsel, guidance and support to best deliver the Agency's strategic commitments. It meets on a quarterly basis.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is a subcommittee of the MAB and meets on a quarterly basis. The committee's responsibilities are to provide advice on issues of risk and controls, finance, governance and assurance. It is made up of three non-executives from the MAB.

Who we work with

Scheme Advisory Board

The five Scheme Advisory Boards provide advice to Scottish Ministers on the desirability of changes to the Scottish Schemes.

Boards comprise employer and member representatives, and board members have a wide-ranging experience of workforce issues and public sector pensions/ SPPA provides secretariat support for the four unfunded NHS and Teachers schemes and chairs the Police and Firefighters boards.

People Engagement Committee

The People Engagement Committee was established in 2023 to support the Executive Team in the discharging of people related duties through a process of review, constructive challenge and providing relevant advice.

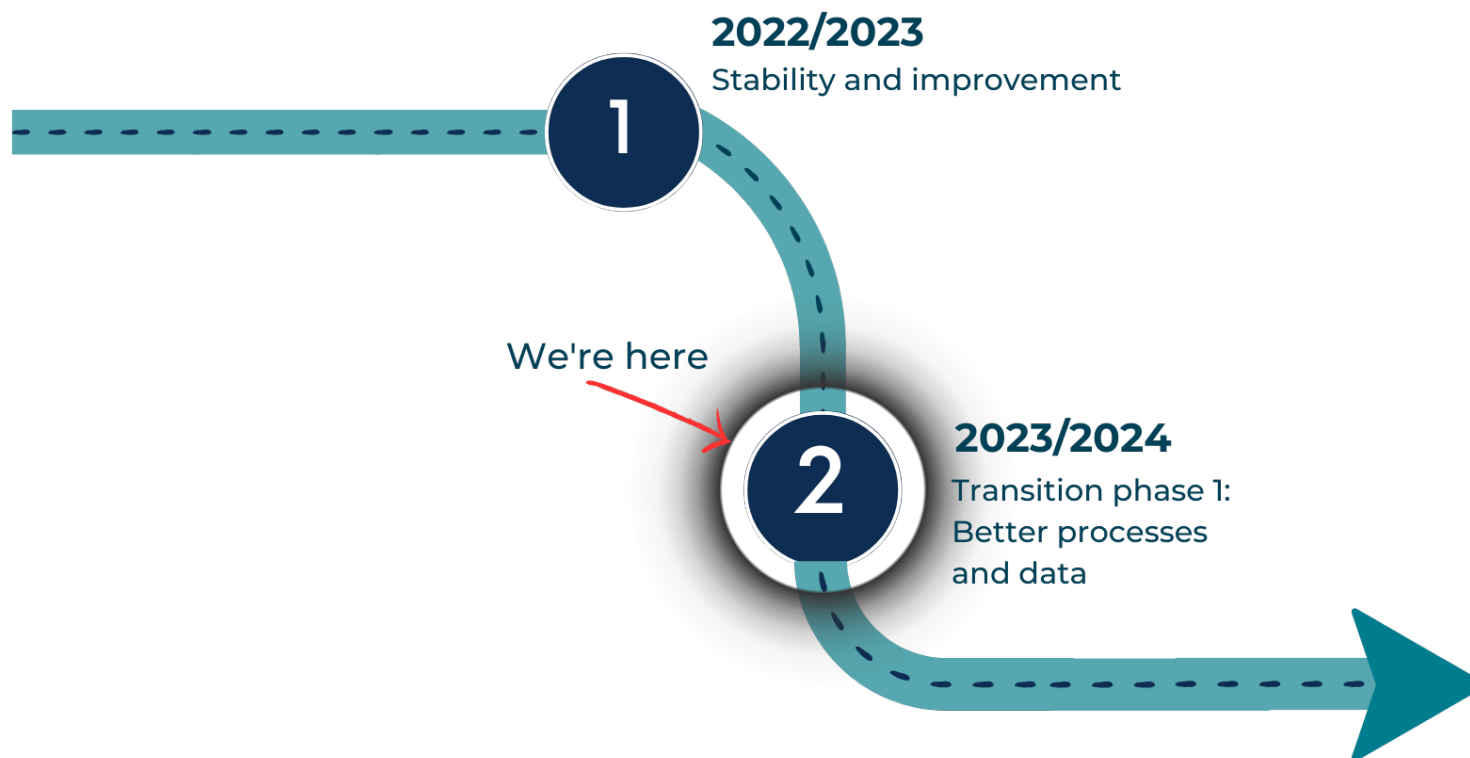
More information on who we work with can be found on our [website](#).

What we will do

Our Corporate Plan and Roadmap

Our [Corporate Plan](#) sets out our roadmap to stabilise, improve and deliver on our vision to help protect our members financial futures by giving them greater understanding and control of their pension. The annual business plan sets out the activities and priorities we take each year to deliver the outcome of this plan.

In 2023-2024 we will continue to stabilise and improve our operations and move towards **Transition phase 1: Better processes and data.** This year's plan has therefore been developed as a continuation of the 2022-2023 plan, with our priorities and activities updated to reflect the next step in this journey.



Our Business Priorities



The SPPA has ambitions to become a modern and accessible organisation with easy-to-access information, providing intuitive and usable services. We will do this by:

- putting our members at the heart of all that we do and will continue to listen to their feedback to understand their needs and expectations.
- We will do this by moving to a whole service approach to change, and by making best use of modern technologies (such as Artificial Intelligence).

1. Improve our service

- Use a user-centred approach, improve information accessibility and self-service
- Improve engagement with our members and employers through more relevant, targeted communications
- Move towards a service management model for continuous improvement

What success will look like:

- Increase in the proportion of new awards paid accurately and on time
- Improve our customer satisfaction scores



Our Business Priorities

2. Effectively support members, employers and colleagues through Remedy 2015 changes

On 1 April 2015, public sector pension schemes were reformed and the Career Average Revalued Earnings (CARE) pension scheme was introduced. Most pension scheme members were moved from their legacy scheme (final salary) to the reformed (CARE) scheme, but some protections were put in place for members who were close to their retirement date. These protections meant that older members stayed in their pre-reform schemes. The Court of Appeal found that this discriminated against younger scheme members.

The UK Government is removing this discrimination for the period between 1 April 2015 and 31 March 2022. This is known as the remedy period.

Pre-reform scheme closure

From 1 April 2022, all of our NHS, Teachers, Police and Fire members have become members of the 2015 pension scheme and the pre-reform schemes are closed.

To find out more please visit our [Remedy 2015 hub on our website](#).



Our Business Priorities



2. Effectively support members, employers and colleagues through Remedy 2015 changes

- Support members, employers and colleagues through regular updates and FAQ's on our online Remedy hub
- Better communications by listening to our members and taking on board their feedback
- Reinstate all impacted members to their legacy scheme by 1 October 2023
- Introduce the facility to produce dual-calculations for retirees from 1 October 2023
- Provide those members subject to immediate detriment with options in October 2023
- Introduce the facility to deliver dual Annual Benefit Statements from 2024
- Commence rectification from 2024

What success will look like:

- Meet all of our regulatory deadlines for Remedy 2015



Our Business Priorities



3. Deliver phase one of the pensions administration platform improvement programme

- Migrate to new cloud hosted pension platform and supplier managed service, ensuring best practice service management disciplines and processes are implemented
- Introduce a fully managed service for all schemes by 1 October 2023
- Successfully migrate pensions calculations to Java and implement key changes to Annual Pension Increases by November 2023
- Deliver a colleague centred communications plan to support roll out of our new platform

Our Business Priorities

4. Develop our workforce and increase our capability

- Build a more professional Agency by identifying necessary skills and providing pathways for development
- Design and deliver a workforce framework for forecasting resource requirements
- Improve our communications with colleagues by listening to, and acting on, their feedback

What success will look like:

- Improve our colleague engagement score
- Reduce skills gaps



Our Business Priorities



5. Be more cost effective

- Continue to develop a strong risk culture working with our new risk champions to improve information flow and promote best practice
- Improve Agency planning, reporting and use of data to help us better understand our performance, and identify and implement ways to improve services
- Improve the quality of data, including that of our members to ensure information is accurate and up to date

What success will look like:

- Working within allocated budget
- Improve our cost effectiveness rating



How we will measure success

Measuring and reporting performance

Measuring, monitoring and reporting performance is essential for:

- Understanding what success looks like
- Identifying what we are doing well
- Identifying where we can improve
- Enabling our teams to make the right decisions at the right time
- Making sure we are delivering on our commitments

We provide colleagues with regular business intelligence to facilitate ongoing performance monitoring. Reports on our strategic performance are delivered:

- **Monthly** to our Executive Team and made available to all colleagues
- **Quarterly** to our Management Advisory Board, Pension Boards and Director General
- **Annually** through our Annual Report and Accounts

How we will continue to improve

Improving every day is one of our core ways of working and we will continue to foster a culture of change positivity and innovative thinking. Our approach to service improvement through user centred design, improving colleague and external engagement, as well as our commitment to the principles of diversity and inclusion, will help us better meet the needs of our members, colleagues and stakeholders.

Our 2023/2024 Key Performance Indicators

The 2023/2024 Annual Business Plan sets out a revised set of key performance indicators aligned to our business objectives for the year. These measures have been developed through engagement with colleagues and key stakeholders to ensure that the measures we use allow us to properly assess our performance against what we want to achieve.

- 1. Increase in the proportion of new awards paid accurately and on time**
- 2. Improve our customer satisfaction scores**
- 3. Meet all of our regulatory deadlines for Remedy 2015**
- 4. Improve our colleague engagement score**
- 5. Improve our cost effectiveness rating**



Budget 2023/2024

Our financial principles

First and foremost, we are focused on paying pensions accurately and on time and our members rely on us to get it right. This year, as ever, financial transparency is an important focus particularly as we continue to work to reduce our cost to serve, delivering better value for the taxpayer. This will remain an important priority for us in the years ahead and we will identify ways we can operate more efficiently while still delivering and improving our core services.

SPPA Agency Administration 2023/2024 Budget

	SPPA	BAU	Projects
Fiscal Resource	£'000	£'000	£'000
Pay	18,000	14,300	3,700
Non Pay	6,000	5,000	1,000
Non cash	6,200		
Total	30,200	19,300	4,700
Capital	3,500	1,900	1,600

Budget 2023-2024 - continued

Operating Budget

	2023/2024 Budget £m
Agency Administration	33.7
Fiscal Resource	24.0
Capital	3.5

Schemes administration budget *

	2023/2024 Budget £m
Agency Administration	33.7
Scottish Teachers Pension Scheme	2,280.0
NHS Pension Scheme	4,641.0
Total SPPA	6,954.7

* Please note that while we provide administration services for police and firefighter pensions, the SPPA does not manage contribution collection, preparation of annual accounts or budget or financial management for these schemes

Serving those who serve Scotland



SPPA

Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba