



Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba

Building a better SPPA

Our Annual Business Plan

2025/2026

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CEO Foreword

As the new CEO I am pleased to be setting out the 25/26 Business Plan of the SPPA. To be able to set out the plan for the coming year, we need to reflect on the year that has just passed and the challenges of delivering McCloud Remedy.

On arriving at the agency it took me a little time to understand and articulate the scale of addressing McCloud Remedy, and it is worth reiterating here. As an agency our core business is to ensure the monthly pensions of more than 235,000 individuals and the 12,000 people retiring each year from NHS, Teachers, Police and Fire receive their pension accurately and on time.

To address the McCloud decision, we had to ensure over 65,000 people who had already retired received a choice to switch between CARE or final salary pension. When thought about this way, this is five times our annual workload, which has had to be achieved alongside our normal business. This has proved to be a mammoth undertaking, and we have felt the strain of this like every other public pensions agency in the UK.

It would be fair to say that we have had to divert all our available resources to achieving this and while we have lots of work still to do, we have achieved huge amounts. I want our members who are still waiting for their McCloud Remedy choice to know that we are deeply sorry that we have not been able to do this for you by the original deadline. Everyone here is working incredibly hard to see this work completed. I would also like the team here at SPPA to know that I am hugely proud of them.

Completing McCloud remedy is our top priority for the coming financial year. Beyond delivering on McCloud Remedy, we now have to prepare the ground for the next legislative project which is the Pensions Dashboard. This is a UK Government portal that will allow all people who have paid into different pensions across their careers to see those

pensions in one place. Beyond these requirements we want to focus on improving our core services. Aside from paying pensions accurately and on time, this is about delivering on our annual events accurately and on time. This includes the Annual Pension Increase in April, the issuing of Annual Benefit Statements by August as well as issuing Annual Allowance statements to affected members in September. We are looking to put better governance around these processes and hope to see improvements in our services from this. We are also drawing to a close the Pension Platform Programme, which was really about the procurement of our pensions platform which has now been in place for two years.

We are replacing this with a Transformation Programme. This is really the start of our digital journey, and I expect this to mature into us having deeper digital capability. Within this there are a number of work streams we are developing and what we end up achieving in this coming year will very much depend on how much resources are consumed by Remedy. Improving our data is at the heart of this as this is our route to a better quality and more efficient service for our members. Underpinning all of this, we have been taking a lot of actions to support staff development and build a healthy and productive work culture here at the SPPA, with the establishment of a colleague forum, diversity network and a clear hybrid arrangement of two days a week in the office. These actions are starting to bear dividends and we will continue to build on this progress over the coming year.

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

Stephen Pathirana
Chief Executive Officer



Stephen Pathirana
Chief Executive Officer

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 year in numbers

2025/2026

Our members

We have 640,000+ members across our schemes

640,000+

£3.6 Billion



Annual Pension Spend

We have an annual provisional pension spend of over £3.6 Billion

Our website

Our website got over 4 million visits this year



390+

Our Colleagues

We have 390+ colleagues

What we do

The Scottish Public Pensions Agency is an agency of Scottish Government. We administer pensions for over 640,000 Scottish Teachers, Police, Firefighters and National Health Service employees.

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

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



What we do

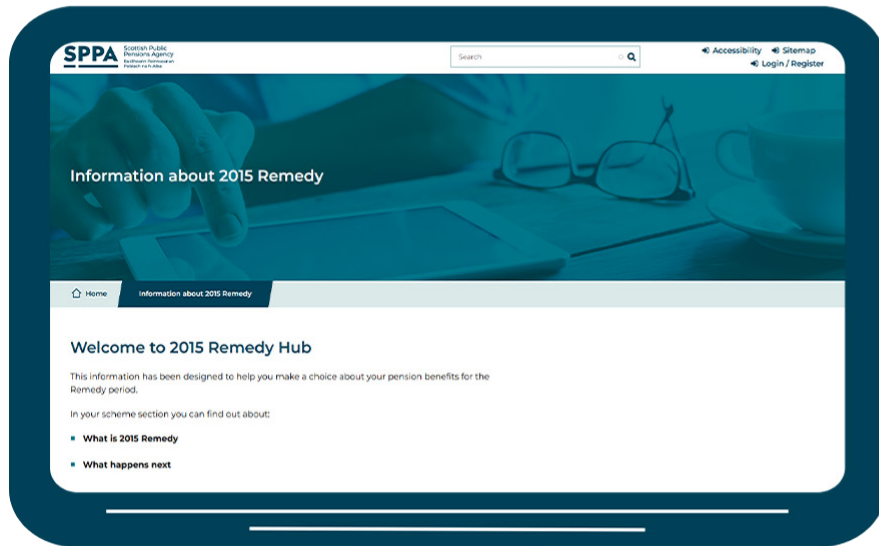
2015 Remedy

On 1 April 2015, public sector pension schemes were reformed, and the Career Average Revalued Earnings (CARE) pension scheme was introduced (also known as the 2015 scheme). Most members were moved from their legacy scheme into this new scheme, but some older members were able to stay in the earlier schemes. This was found to discriminate against younger members.

The 2015 Remedy aims to rectify that discrimination. We are giving all eligible members a choice between legacy scheme pension benefits, and 2015 scheme pension benefits, for the Remedy period (1 April 2015 to 31 March 2022). To find out more please visit our 2015 Remedy hub on our website.

Pre reform scheme closure

From 1 April 2022, all of our NHS, teachers, police and fire members became members of the 2015 CARE pension scheme and the pre-reform schemes are closed.



Visit our remedy hub:
www.pensions.gov.scot/2015-remedy

Who we are

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

We have over 390+ colleagues making us one of the largest employers in the region.

The Agency has six main business areas:

- Operations
- Transformation
- Finance and Procurement
- People & Place
- Strategy, Governance and Communications
- Policy

At the SPPA, our people are our most important asset. They play a key role in delivering our purpose and vision.

We are aiming to build a culture where we support colleagues wellbeing, invest in their development, they feel empowered and their contribution valued. This isn't about any one action, but about how we work on a whole range of interventions that impact our people, from hybrid working, through to way we invest in development, and support diversity in the organisation.

Our 2025/26 plan therefore reflects our commitment to the development and experience of our colleagues. Through building a diverse and capable workforce we will ensure the organisation is able to provide an excellent service for our members in the longer term.



Who we are

Our Executive Team



Stephen Pathirana
Chief Executive
Officer



Frances Graham
Chief
Transformation
Officer



Debbie Trafford
Head of People
and Place



Stuart MacArthur
Head of Strategy,
Governance and
Communications



Iain Coltman
Head of Policy



John Burns
Head of Finance
and Procurement



Christopher Nairns
Chief Operating
Officer

Who we work with

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.

Audit and Risk Committee

The Audit and Risk Committee (ARC) responsibilities are to provide advice on issues of risk and controls, finance, governance and assurance. It is currently made up of two non-executives from the MAB and one independent member.

Scheme Advisory Board

The five Scheme Advisory Boards (SABs) 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. The SPPA provides secretariat support for the four unfunded NHS and Teachers schemes and chairs the Police and Firefighters boards.

Our Business Priorities

This year our business priorities are:

1. Continue to improve our service whilst being more cost effective
2. Progress our legislative work, specifically bringing closure to any outstanding work in relation to McCloud Remedy, so that we can deliver on this responsibility to our members
3. Progress our legislative responsibility to align to the government pensions dashboard
4. Establish a transformation programme
5. Continue to invest in our people to ensure we are a happy, healthy and resilient organisation

To enable us to deliver these priorities we will:

Increase our capability and improve our colleague experience.

Our Business Priorities



1. Continue to improve our service whilst being more cost effective

We will do this by:

- Introducing a dedicated Quality Assurance function to build a Quality Management System designed to guide our Continuous Improvement journey and reduce lifecycles and rework
- Managing all annual events as projects ensuring deadlines are adhered to and lessons learned are incorporated into 2025 exercises
- Delivering a new online member portal (Engage) for all pension schemes, helping members to self-serve their pension needs online, leveraging webform contacts to better satisfy member demand

What success will look like:

- We will see improvements in our performance on delivering time and accurately Annual Pension Increases, Annual Benefit Statements, Annual Pension Savings Statements
- We will continue to pay new awards accurately and on time
- Response times to customer emails/webform will reduce

Our Business Priorities



2. Progress our legislative work, specifically bringing closure to any outstanding work in relation to McCloud Remedy, so that we can deliver on this responsibility to our members

We will do this by:

- Providing members with Remediable Service Statements
- Maintaining an up-to-date Remedy Hub on our website
- Working closely with other stakeholders, such as employers and unions, so that messages reach as many people as possible

What success will look like:

- We will provide deferred members with a Remediable Service Statement, given recent delays
- We will provide all retired members with a Remediable Service Statement given recent delays
- We will provide Remedy impacted ABS-RSS and PSS-RSS given recent delays
- We will put all members decisions into payment when received or as soon as possible dependent on volumes
- We will have embedded all remedy processing into BAU processes from Project Deliverables

Our Business Priorities

3. Progress our legislative responsibility to align to the government pensions dashboard

We will do this by:

- Contracting with Heywood Pensions Services for them to become our Integral Service Provider and support us with Dashboard Registration
- Project Initiation stage to commence after recruitment for project manager, programme manager, data lead and data analysts

What success will look like:

- Registration for Dashboard programme, with ambition for this to be within timelines of October '25 or where not possible full communication and extensions are in place

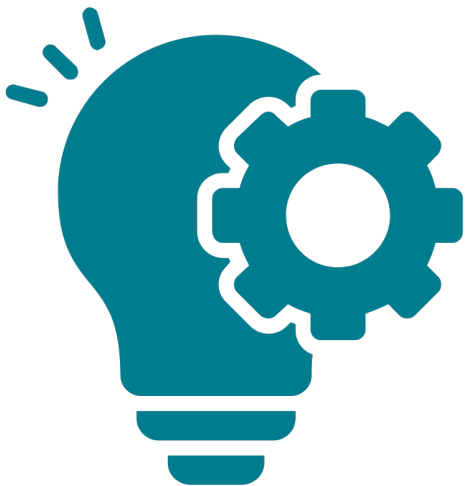


Our Business Priorities

4. Establish a transformation programme

We will do this by:

- Begin roll out of an employer data interface [i-Connect] for the NHS and Teachers pension schemes, to bring it into line with the Police and Fire schemes, making it easier for employers to share member data
- Cleansing and organising our member and employer data. This will support the launch of the online pensions' dashboard and other pension calculations
- Begin the digitisation of members' Retirement Journey to reduce paper use and allow future automations
- Review Project management governance of annual events



Our Business Priorities

4. Establish a transformation programme - continued

What success will look like:

- I-Connect will be launched for teachers and planned for NHS
- Commencement of paperless journey for the retirement process with proof of concept approved
- Our annual event governance will have more stable and documented processes



Our Business Priorities

5. Continue to invest in our people to ensure we are a happy healthy and resilient organisation

We will enhance organisation-wide people management and we will invest in our people and culture.

We will do this by:

- Implementing and embedding our hybrid working policy
- Providing practical training for all people managers, underpinned by consistent objectives and supported by a mentoring programme
- Improving the consistency of year end performance gradings
- Delivering a diversity and inclusivity awareness programme for all colleagues
- Introducing a talent development programme to give colleagues more access to development opportunities and career progression
- Ensuring that all colleagues have access to growth and empowerment through learning and development



Our Business Priorities

5. Continue to invest in our people to ensure we are a happy healthy and resilient organisation - continued

What success will look like:

- An established hybrid working rhythm which has a positive or neutral impact on engagement, turnover and attendance
- We will commit to funding the first cohort of our new talent development programme, and sponsor colleagues to complete graduate apprenticeships in Finance, Software Development, and Data Science
- We will achieve improvement in our overall engagement score, and we will reduce variability across all business areas to reflect a more consistently positive colleague experience
- We will improve access to learning and development by measuring learning hours per colleague and ensuring a minimum 12 hours per year



Budget 2025/26

Our financial principles

We are focused on paying pensions accurately and on time and our members rely on us to get it right. 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 2025/26 Budget Table

	SPPA	BAU	Projects
Fiscal Resource	£,000	£'000	£'000
Pay	22,968	22,081	887
Non Pay	10,440	8,544	1,896
Income	(2,788)	(2,788)	-
Total	30,620	27,837	2,783
Capital	2,800	300	2,500

Serving those who serve Scotland



SPPA

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