



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Annual Report and Accounts 2024/25

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SG/2026/4: Scottish Public Pensions Agency Annual Report and Accounts 2024/25

1. Performance report

1.1 Introduction

This report is produced in accordance with HM Treasury's published Government Financial Reporting Manual 2024/25.

The Performance Overview contains:

- A high-level summary of the SPPA's purpose, vision, and ways of working
- A high-level summary of the SPPA organisation structure
- An at-a-glance summary of our 2024/25 performance as measured against our priorities and KPIs, as well as a summary of principal risks.

The Performance Analysis contains:

- Further detail on our 2024/25 performance as measured against our priorities and KPIs
- A summary of our financial performance.

1.1.1 Chief Executive statement

Dr Stephen Pathirana, Chief Executive Officer



It is a pleasure to introduce my first full year's Annual Report and Accounts for the Scottish Public Pensions Agency (SPPA) as Chief Executive, following my appointment in May 2024. I stepped into this role at a time of significant challenge for the Agency and I'm pleased to reflect on the progress we have made over the past year and the direction we are now taking, while recognising there is still much to do.

At the heart of the challenges in the 2024/25 reporting year has been the delivery of the 2015 Remedy programme, an unprecedented and complex undertaking that has required the full focus of our people, systems and leadership. I was disappointed that we were unable to meet all the original McCloud Remedy timeframes, and I am truly sorry for any inconvenience this has caused to our members.

As someone stepping into a new role as Chief Executive, I wanted to find a way to express just how challenging this task has been which both colleagues and stakeholders understand. Each year our agency supports approximately 12,000 people into retirement. In contrast, delivering the McCloud Remedy has required us to correct over 60,000 pensions for people who have already retired, and to provide updated pension information to more than 300,000 active members, some of which involves recalculating data going back over a decade. This represents an increase of more than five times our normal organisational workload. For any public service organisation, this would be a herculean task and I am hugely proud of our people and the tireless effort they have put into progressing this work.

We know that the challenges faced by the SPPA are not unique. Pension agencies across the UK have encountered similar challenges. Significant data quality problems have had to be addressed, and in many cases, we were dependent on receiving updated information from employers. Much of the work has required manual

intervention, and at times we have had to wait for clarity from HMRC on tax treatment. All of this has added to the complexity and timeline, none of which brings comfort to members still waiting for their pension choice.

I want to reassure members that we have been doing everything in our power to progress delivery. As of the end of the 2024/25 reporting year, we continue to make strong progress.

It is important to acknowledge that the 2024/25 Annual Business Plan was overly ambitious when compared to the original budget and resource levels we had in place. As the year progressed, it became clear that we were underfunded and under-resourced to deliver the full scope of planned activity. We reassessed our position and sought additional funding from Scottish Government, which was approved. This allowed us to strategically refocus our business plan, prioritising the delivery of the McCloud Remedy and reallocating resources accordingly. As part of this reassessment, we closed and deferred initiatives that were no longer viable within the revised budget envelope.

In this context we have developed a more realistic and deliverable plan. This has enabled us to make more targeted progress and better align our efforts with the capacity available.

Despite the significant demands of the McCloud Remedy, we have continued to strengthen our core services. Where we received retirement notifications four months in advance, we successfully processed and paid pensions on time in 99.7% of cases. However, we recognise that our accuracy rate for pension processing has fallen this year, from 95.6% to 91.6%, and we are taking steps to address this. We introduced a secure webform to enhance the way members contact us, expanded our stakeholder engagement capacity, and launched new digital content and member newsletters. Our “Ready for Retirement” webinars remain a valued resource, and satisfaction with our telephone support services continues to rise. These improvements reflect our commitment to delivering a service that is not only timely, but also accessible and responsive to the needs of our members, while we continue to focus on improving accuracy.

To prioritise the delivery of the McCloud Remedy, we formally closed the second phase of our pensions administration platform improvement programme and redirected additional resources into the organisation to support this critical work. We recognise that delivering a high-quality service for our members depends on having accurate data from employers and empowering members to access and update their records. Ultimately, our goal is to operate a fully digital, streamlined process, but we are not there yet.

To move us in the right direction, we are developing a transformation programme aimed at enhancing the member experience and increasing automation across our services. This includes the rollout of the Engage portal and the future implementation of i-Connect to enable monthly contribution data submissions from NHS and Teacher employers, and the development of a digital retirement form.

Over the next couple of years, we will bring these changes into effect, laying the foundation for a more modern, efficient, and user-friendly pensions administration system.

Our people are our greatest asset. We have developed a stronger working relationship with the PCS union, successfully implemented a 35-hour working week, invested in leadership development, and sustained stable engagement scores during a period of significant organisational change and workload pressure. Over the final six months of the year, we focused on developing a new hybrid working policy, requiring colleagues to be in the office two days per week, which launched in April 2025. These efforts reflect our ongoing commitment to creating a workplace where colleagues feel supported, valued, and empowered to perform at their best.

I would like to thank all our colleagues, partners, and stakeholders for their dedication, professionalism and support throughout the year. Together we are building a stronger, more agile SPPA – one that is ready to meet the challenges of tomorrow and to deliver for our members today.

Dr Stephen Pathirana
Chief Executive
June 2025

1.1.2 Statement of purpose

The Scottish Public Pensions Agency (SPPA), an Executive Agency of the Scottish Government, administers pensions for NHS employees, teachers, police, and firefighters in Scotland. Our core mission is to pay pensions accurately and on time, while delivering excellent customer service. We serve all members of these four public sector schemes: pensioners, active contributors, and deferred members and also work closely with their employers.

1.1.3 Business Model and Operating Environment

The SPPA is primarily funded by the Scottish Government to deliver statutory pension administration services. In addition, it provides contracted pension administration services to other public bodies, generating supplementary income. The agency operates in a dynamic environment influenced by regulatory changes, demographic shifts, and the increasing demand for digital services. It must also align with the guidance from UK Pensions Regulator and broader public sector reform initiatives.

1.1.4 Scope of Responsibility

- Administering, on behalf of the Scottish Ministers, the public service pension, premature retirement compensation, and injury benefit schemes.
- Advising Scottish Ministers on public sector pensions policy.
- Preparing, in accordance with government policy, the regulations governing these and other schemes for which the Scottish Ministers have regulatory responsibility.
- Developing the regulations covering; the NHS Pension Scheme (Scotland) NHSPSS, the Scottish Teachers' Pension Scheme (STPS) and the Police and Firefighters' Pension Schemes in Scotland.
- Being a national centre for the administration of public pensions and the provision of policy advice.
- Developing the regulations for Scotland's Local Government Pension Scheme.

- Providing pension administration services to third parties on a contract basis. Current customers include the Scottish Parliamentary Pension Scheme and the Scottish Legal Aid Board.
- Following regulatory guidance and codes of practice issued by the UK Pensions Regulator in observance of its powers under the Pensions Act 2004.

1.1.5 Our structure

1.1.5.1 Executive Team

During 2024/25, several changes were made to the Executive Team.

David Robb retired as Chief Executive Officer in June 2024, following which Dr Stephen Pathirana, appointed after a successful recruitment exercise in May 2024, assumed office as CEO in June 2024.

The role of Head of People, Strategy and Communications was discontinued in November 2024. Its responsibilities have been divided between two new positions: Head of People and Place (formerly Head of People) and Head of Strategy and Governance.

The role of Head of People was expanded to include oversight of our Estates and Environment team, resulting in the new title of Head of People and Place.

We welcomed a new Head of Strategy and Governance in November 2024.

Additionally, the role of Chief Operating Officer has been divided into two distinct positions: Chief Operating Officer and Chief Transformation Officer. This division ensures the Chief Transformation Officer has clear accountability for both business transformation and routine operational changes, while the Chief Operating Officer role will concentrate on operational service delivery and support teams.

Table 1.1.5.1.1: SPPA Executive Team

Role	Post holder
Chief Executive Officer	David Robb (Left June 2024) Stephen Pathirana (Joined SPPA in May 2024 and assumed the CEO role in June 2024)
Chief Operating Officer	Frances Graham (Until December 2024) Replaced by Christopher Nairns (Interim, from December 2024)
Chief Transformation Officer	Frances Graham (From December 2024)
Chief Finance Officer	John Burns
Head of People & Place	Debbie Trafford (Previously interim, Substantive from November 2024)
Head of Strategy, Communications and Risk	Laura Pacey (Left November 2024)
Head of Strategy & Governance	Stuart MacArthur (From November 2024)
Head of Policy	Iain Coltman

1.1.6 Strategic Business Planning

The Agency introduced a new [Corporate Plan](#) for 2022-27 following engagement with stakeholders, colleagues, and our Scottish Government (SG) sponsors. The Corporate Plan outlines our roadmap to 'build a better SPPA'. The 2024/25 Annual Business Plan sets out the priorities the Agency needed to deliver for the year ahead, in line with the Corporate Plan.

Our Corporate Plan

Our Purpose

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

Our Vision

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

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

To deliver on these Strategic Aims, we have committed to ways of working that will drive everything we do.

- We will **bring the outside in** to make full use of the expertise and skill that we have access to as a Government Agency, through our Boards and our employers and member networks.
- We will strive to ensure that **everything we do adds value**.
- We continue to learn and **improve every day**.

1.1.7 Our priorities

The priorities set out in our 2024/25 Annual Business Plan were:

1. Improve our service whilst being more cost effective
2. Effectively support members, employers and colleagues through 2015 Remedy
3. Deliver phase two of the pension administration platform improvement programme.

The Annual Business Plan set out the activities required to deliver each priority, what success would look like, and how progress would be measured and monitored.

1.1.8 Key Performance Indicators (KPIs)

In 2024/25, the Agency committed to a streamlined and practical set of overarching KPIs to represent our key activities. These were:

1. New awards are paid accurately and on time.
2. Response times to customer emails/webforms will reduce.
3. Our customer satisfaction scores will improve.
4. We will work within our allocated budget.
5. By automating some of our manual processes, we will release the equivalent of four full-time colleagues so they can focus on other areas which add value.
6. More visitors to our website will report finding our content useful.
7. We will provide deferred members with a Remediable Service Statement by 30 September 2024.
8. We will provide retired members with a Remediable Service Statement by 31 March 2025.
9. Our new online portal will be available to all active members by 31 March 2025.
10. Our People Strategy will be in place by 31 October 2024.
11. Our overall Learning & Development score in the People Survey will increase.
12. Our headline engagement score on the People Survey will increase.

Our Annual Business Plan for 2025/26, launched in April 2025, maintains a strong sense of continuity by building on the progress achieved during 2024/25. While our core priorities remain broadly consistent to sustain momentum, the 2025/26 plan introduces an enhanced focus on delivering our transformation programme and aligning our efforts with the development of the government's pensions dashboard.

1.2 Summary Performance Appraisal

In this section we set out a high-level report on performance against the three priorities, the enabler designed to deliver them and our performance against key performance indicators as set out in our Annual Business Plan 2024/25. A more detailed analysis is available in the full Performance Analysis section.

1.2.1 Performance Analysis Synopsis

In 2024/25, the Agency made some progress across its three strategic priorities, despite facing significant operational pressures, particularly from the scale and urgency of the McCloud Remedy programme. The year was marked by a strong commitment to service improvement, stakeholder engagement, and digital transformation, with notable achievements and lessons learned that will inform future delivery.

1.2.2 Priority 1: Improve our service whilst being more cost effective

Key achievements include:

- Transitioned from email to a secure webform, improving data validation and security, though full benefits are still embedding.
- Expanded our engagement team, leading to more proactive and tailored interactions with employers and pension boards.
- Continued success of “Ready for Retirement” webinars, improved website content, and new member newsletters contributed to increased satisfaction.
- Designed high-volume automation for the Remedy programme, saving significant manual effort and laying the groundwork for broader rollout.
- Introduced a new framework to improve accuracy and reduce rework.
- While new measures were delayed, existing feedback mechanisms showed modest improvements in call and email satisfaction.
- Strengthened governance through aligned risk registers and a growing network of risk champions.

1.2.3 Priority 2: Support members, employers and colleagues through 2015 Remedy changes

Key achievements include:

- By the statutory deadline of 31 March 2025, we had issued 2,806 Remediable Service Statements (RSSs) to retired members under the Immediate Choice model. This represents 4.32% of the estimated total eligible population of 65,000. Delivery of RSSs for Deferred Choice members began before the deadline; however, full delivery for this group will continue into 2025.
- Maintained an up-to-date Remedy Hub, issued regular newsletters, and hosted webinars and working groups.
- Delivered targeted training and internal communications.
- Initiated role-mapping and readiness tracking to support the transition to business-as-usual.

1.2.4 Priority 3: Deliver phase two of the pensions administration platform improvement programme

Key progress includes:

- Deployment of the Engage portal (view-only) for NHS and Teachers schemes, serving as a minimal viable product to enable the future Pensions Dashboard project.

1.2.5 Increase our capability and improve our colleague experience

Key progress includes:

- New training pathways
- Digital learning tools
- Leadership development
- The successful implementation of a 35-hour working week

- Planning and preparation for the implementation of a hybrid working pattern requiring colleagues to work in the office two days per week.

1.2.6 KPI Summary

Our 2024/25 Annual Business Plan introduced revised KPIs aligned with our business priorities, providing a clear framework for performance assessment. The table below shows the year-end status of each KPI.

KPI	Status
New awards are paid accurately and on time	Met
Response times to customer emails/webforms will reduce	Not Met
Our customer satisfaction scores will improve	Partially Met
We will work within our allocated budget	Met
By automating some of our manual processes, we will release the equivalent of four full-time colleagues so they can focus on other areas which add value	Partially Met
More visitors to our website will report finding our content useful	Met
We will provide deferred members with a Remediable Service Statement by 30 Sept 2024	Partially Met
We will provide retired members with a Remediable Service Statement by 31 March 2025	Largely Not Met
Our new online portal will be available to all active members by 31st March 2025	Partially Met
Our People Strategy will be in place by 31 October 2024	Not Met
Our overall Learning and Development score in the People Survey will increase	Not Met
Our headline engagement score on the People Survey will increase	Partially Met

This year has been one of transformation, challenge, and foundational progress. While some targets were not fully met, the groundwork laid in 2024/25 positions us strongly for future success. For a deeper dive into our performance, including detailed metrics and qualitative insights, please refer to the full Performance Analysis section.

1.3 Risk summary

We review and manage risks in alignment with our Annual Business Plan. Our risk management approach is dynamic, allowing for the identification of emerging risks, reassessment of existing risks, and implementation of appropriate controls throughout the year.

The agency continues to adopt the going concern basis in preparing the financial statements. There are no material uncertainties that cast significant doubt on our ability to continue as a going concern.

The table below summarises the principal risks and uncertainties faced during 2024/25, including their assessed impact, likelihood, and current risk score. Each risk is accompanied by a description of how it is being managed and its potential implications for the delivery of our objectives.

Risk	Impact	Likelihood	Risk Score
McCloud Remedy (2015)	Very High	High (51–75%)	200
Member Data Accuracy	Very High	High (51–75%)	200
Timely and Accurate Payments	High	High (51–75%)	100

1.3.1 Risk Definitions

- Very High Impact: Destructive and unacceptable impact on objectives, requiring a major change in approach and potentially large resource consequences.
- High Impact: Significant and unacceptable impact requiring material changes to critical processes, with resource implications that are challenging to absorb.

1.3.2 McCloud Remedy (2015)

This remains our highest priority risk, reflecting the complexity of implementing the McCloud Remedy across public sector pension schemes. It involves identifying affected members, administering changes, and ensuring compliance with legislative requirements.

To manage this, we have dedicated resources to the McCloud Project, enhanced cross-functional collaboration, and engaged with industry-wide working groups to share best practices.

Looking ahead, failure to deliver remedy effectively could undermine stakeholder confidence and delay benefit rectification. Continued focus on project governance and resource planning is essential to mitigate this risk.

This risk has remained high throughout 2024/25 due to ongoing implementation challenges.

1.3.3 Member Data Accuracy

Inaccurate or incomplete member data can hinder automation, delay benefit processing, and affect compliance with regulatory standards.

We have made progress through the roll-out of I-Connect for participating schemes which improves how data is aligned with our systems. We continue to manually process data for remaining schemes until we can move these schemes to I-Connect.

Looking ahead, as automation increases, data accuracy becomes even more critical. Continued improvement in data quality initiatives will support operational efficiency and risk reduction.

This risk has remained consistently high throughout 2024/25 as our understanding has deepened. Its scope has evolved, and we have strengthened our capacity through targeted recruitment to address emerging challenges.

1.3.4 Timely and Accurate Payments

Ensuring uninterrupted monthly payments to members is a core operational priority. This risk is heightened by resource reallocation to support the McCloud Remedy.

To address this, we have strengthened demand management, improved automation, and enhanced staff flexibility across schemes. Business continuity planning ensures resilience against system outages.

Looking ahead, sustained pressure on resources may impact service delivery although SPPA has very low appetite for risk in this area. Ongoing monitoring and adaptive workforce planning will be key to maintaining payment accuracy and timeliness.

This risk has remained high throughout the year due to ongoing resource pressures in delivering McCloud-related work. Maintaining strategic focus is essential to ensure this key objective is achieved.

1.3.5 Emerging Risks

Through our risk management framework, we consistently identify and record emerging risks throughout the year. Recent areas of focus include preparatory work for the introduction of Pensions Dashboards, heightened attention to cybersecurity controls, budget allocations from the Scottish Government, and risks relating to staff engagement, wellbeing, and diversity.

These risks are actively monitored and managed at the appropriate levels of escalation to ensure timely and effective responses.

1.3.6 Whistleblowing reports

There were no cases in this financial year.

1.4 Performance Analysis

This section provides further analysis and information on the priorities and KPIs outlined in the summary performance appraisal on pages 8 and 10.

1.4.1 Priority 1: Improve our service whilst being more cost effective

In 2024/25, we focused on improving service quality, accessibility, and responsiveness while delivering better value for money. This drove initiatives in digital transformation, operational efficiency, and stakeholder engagement. By investing in smarter systems, streamlining processes, and responding to member and partner needs, we've built a more agile, secure, and member-focused service model.

Progress against Priority 1: Improve our service whilst being more cost-effective

Transition to Webform Communication

In December 2024, we replaced email with a secure webform for member enquiries. Due to the short time before year-end, the impact on response times and backlog couldn't be fully assessed. Reporting tools are still in development, the enquiry backlog remains, and capacity was further affected by resource shifts to the Remedy Programme.

Stakeholder Engagement

The stakeholder engagement team expanded during 2024/25. This enabled:

- Regular Technical Working Groups with employers
- Targeted sessions on emerging issues
- Member education events
- Representation at union and retired member association conferences.

Monthly reporting and quality reviews were introduced to support responsiveness and issue tracking.

Member Communications

We focused on accessibility, clarity, and multi-format delivery to support members throughout their pension journey.

Website content was enhanced, particularly in the Remedy Hub across all four schemes, and strengthened governance to ensure annual reviews, with priority content reviewed more frequently. The 'Contact Us' section was updated, and new webforms introduced to streamline enquiries.

We launched eight scheme-specific newsletters (active and retired members for each scheme), with 16 editions published. A new website section was created for easy access, and newsletters were distributed via direct email. Survey feedback showed:

Member Type	Average Rating (Out of 5)	Found Informative (%)	Found Useful (%)
Retired	4.06	78%	75%
Active	3.55	65%	54%

Webinars expanded across NHS, Teachers, and Firefighter schemes, with 91% attendee satisfaction. Both newsletters and webinars will remain key communication tools in 2025/26.

Automation and Digitisation

We advanced digital transformation through targeted automation, improved self-service, and reduced operational costs.

As a proof of concept, we automated single-contract refund cases, about 10% of all refunds, validating a scalable model. We then applied automation to the more complex Police McCloud Remedy programme, covering tasks like dual benefit calculations, choice letters, form processing, and payroll updates. This cut the average case time from over 2 hours to 20 minutes, with 72% now processed automatically.

Additional automation initiatives included:

- Automated messaging in NHS and Teachers' retirement processes
- Semi-automated "Proof of Life" checks for overseas pensioners
- Automated task allocation in the admin system, reducing manual oversight.

To support ongoing innovation, we established a dedicated Business Transformation function to scale digital capability and service improvement.

Table 1.4.1.1 outlines our future automation strategy, including planned digital enhancements, structural changes, and alignment with strategic goals.

What we <u>DID</u> 2024/25	What we are <u>DOING</u> 2025/26	Where we will <u>BE</u> 2027	
Delivering Remedy			
Automation Building Remedy revision process, Remedy indexing, Remedy payments	Automation Reuse remedy Automations to simplify BAU revisions, indexing and payments	System Operational Transformation i-Connect & engage portals by 2026	Data Improvement More accurate employer data underpinned by automation
Simplification & Standardisation Building Standalone Calculator, webforms and enhanced operational processes	Simplification Use standalone Calculator Engine for more N&T Awards and embed in Automation	Dashboard Update data and use new functionality to support link to Government Dashboard registration Oct 2025 Full Dashboard Oct 2026	Automation Retirement journey online using paperless digital forms and automated through to payment
Capacity Embedding increased productivity. Reducing SPOF, continuous improvements, resource planning.	Paperless Design and develop a paperless retirement form	Automation Build on automation simplification and automate more business processes	Digitisation Member Self-Service enhanced and Dashboard capability

Alongside our future automation strategy, including planned digital enhancements and structural changes, we will continue progressing our procurement strategy, with procurement agreed by 2027 and implementation underway.

Together, these initiatives will enable us to deliver an excellent service for our members, demonstrated through:

- Enhanced automation, capability, and ways of working
- A reduced cost to serve
- Streamlined and more effective processes.

Quality Framework

We introduced a new Quality Framework aimed at ensuring accuracy and efficiency in our operations. This framework focuses on functional approvals and selected sampling for independent case reviews, while piloting 'lessons learned' from root cause analysis and deep dives. Monthly quality reviews across operations have been implemented to maintain high standards and continuous improvement.

Customer Satisfaction

We aimed to introduce more robust customer satisfaction measures, but were delayed by the development of a new webform essential for collecting detailed feedback.

In the meantime, we continued monitoring through existing channels and saw positive trends:

- Call satisfaction rose from 84.9% (2023/24) to 85.7% (2024/25), reflecting strong phone support.
- Email satisfaction improved from 41.6% to 45.3%, showing better clarity and responsiveness.

While modest, these gains suggest that improvements in communication, training, and digital content are enhancing member experience.

Risk Management

We strengthened risk management by assigning individual risk registers to each ET member, with clear escalation and de-escalation processes linked to the ET-level register. We also reviewed register requirements and enhanced governance and oversight.

Additionally, we continued developing our network of risk champions to promote awareness and embed best practices.

Priority 1 was supported by the following key performance indicators:

We will continue to pay new awards accurately and on time

99.7% of new awards were paid on time, up 0.4% from last year, showing improved responsiveness. However, accuracy¹ fell from 95.6% to 91.6%, highlighting the need to strengthen quality assurance to maintain precision alongside speed.

2024/25	Timeliness			Percentage paid on time
	Award payments	Late payments caused by SPPA		
Total	12,667	40		99.7%
Difference to previous year	+3.2%	-73.3%		+0.9%

2024/25	Accuracy				%
	Total number of cases	Cases checked	Correct		
Total	17,003	597	547		91.6%
Difference to previous year	+3%	+4.4%	0%		-4%

¹ Please note that timeliness measures only new awards entering payment, while accuracy covers all payment types, including new awards, revisions, refunds, and transfers.

Metric	2023/24	2024/25
Award Payments	12278	12667
Late Payments by SPPA	150	40
Paid on Time	99.3%	99.7%
Total Cases	16504	17003
Cases Checked	572	597
Correct Cases	546	547
Accuracy	95.6%	91.6%

Response times to customer emails/webforms will reduce

We used email response time data from April to December 2024, just before introducing the new webform. As of 31 March 2025, webform response times were not yet reportable, as the system is still embedding and reporting tools are in development.

Average email response times rose to 4 days in 2024/25, up from 2.5 in 2023/24 and 3.5 in 2022/23. This reflects resource shifts to Remedy work and early impacts of the webform transition.

We will work within our allocated budget

At the start of 2024/25, our initial £31.6 million budget allocation was insufficient to meet planned commitments, particularly for the McCloud Remedy. To ease funding pressure, some vacancies were left unfilled, which risked BAU delivery, the Remedy programme, and overall governance, prompting a mid-year request for additional funding.

We secured £0.310 million in the Autumn Budget Review, but this didn't fully close the gap. A further £5.15 million was approved in the Spring Budget Review, alongside a £5 million return from the non-cash depreciation budget, bringing the final revised allocation to £32.06 million.

Despite early constraints, we managed resources carefully, ending the year with a £0.067 million underspend on resource and capital, and a non-cash outturn of £0.915 million against a £1 million budget, mainly due to Remedy project slippage.

We remain committed to delivering key priorities within our allocated budget.²

By automating some of our manual processes, we will release the equivalent of at least four full-time colleagues, so they can focus on other areas which add value

As a precursor to Remedy automation, we piloted two low-complexity, high-volume processes, estimated to release the equivalent of four FTEs. Two colleagues were redeployed to priority areas, and the pilots offered valuable insights for scaling.

We then developed high-volume, high-complexity automation for the Remedy programme, starting with the Police scheme. Work completed by the end of the year laid the groundwork for rollout across the remaining three schemes.

² A summary of the budget movements can be found in the table on page 31.

Once fully deployed, we anticipate the Remedy automation could deliver an avoided cost equivalent of up to 140 FTEs over the life of the programme, if it achieves an 80% penetration rate across all four schemes. Manual processing will still be required for complex or exception cases, so the actual benefit is expected to be lower and will depend on system performance and case complexity.

More visitors to our website will report finding our content useful

We continued to monitor how users interact with our website to improve experience and accessibility. In 2024/25, satisfaction rose to 63.07% up from 61.12% in 2023/24.

This nearly 2% increase reflects the impact of targeted improvements to our content strategy, including clearer guidance, more intuitive navigation, and stronger focus on user feedback. We remain committed to building on the progress in the year ahead.

1.4.2 Priority 2: Effectively support members, employers and colleagues through 2015 Remedy changes

At the start of 2024/25, the Executive Team acknowledged the scale and complexity of delivering Remedy while maintaining core services amid cost pressures and critical skills shortages.

To manage capacity, the Chief Operating Officer and Executive Team explored efficiency options, including de-prioritising non-critical work, accelerating automation, and improving internal and external communications. Staff training and readiness remained a priority to support Remedy delivery.

Delays were driven by the need for bespoke in-house solutions, supplier challenges, and evolving regulatory guidance, particularly the lack of final HM Treasury direction on interest calculations.

Additionally, delays in receiving accurate, complete employer data significantly impacted timelines. Data quality and consistency required extensive validation and reconciliation. These challenges are not unique to SPPA and have affected pension administrators across the UK, contributing to wider industry delays.

Progress against Priority 2: Effectively support members, employers and colleagues through 2015 Remedy Changes

Support for members through Remedy changes

Providing members with Remediable Service Statements remained a core focus, with progress detailed under Priority Two's KPIs on page 9.

We enhanced the Remedy Hub across all four schemes, guided by member feedback and analytics. Updates included new guidance and explainer videos, such as those on the new-look ABS-RSS. The Hub saw 113,946 visits in 2024/25, reflecting strong engagement.

Support for employers through Remedy changes

We maintained regular engagement with employers through our Boards, Technical Working Groups, and Joint Working Groups. In 2024/25, we delivered 47 updates to Pension Boards and 32 updates to Scheme Advisory Boards (SABs), as laid out in the table below.

Engagement Type	Pension Boards	Scheme Advisory Boards
Board Meetings	12	9
Monthly Communications	12	–
Weekly Dashboards*	14	14
Circulars	1	1
Remedy Update Calls	4	4
Remedy Update Emails	4	4
Total Engagements	47	32

* Weekly dashboards were introduced partway through the year; therefore, only 14 weekly dashboards were produced.

These were supported by briefing packs and toolkits to aid onward communication. We also held 20 technical working groups with employers to test member communications, pilot RSS delivery, align on technical issues, and reinforce messaging, particularly where deadlines had been missed.

We gathered ongoing feedback during group sessions, which helped shape agendas and improve engagement. While stakeholders consistently found the groups useful, no formal metrics were tracked.

The Remedy Hub was regularly updated with scheme-specific content based on analytics and feedback. We also issued four employer newsletters reaching 2,700 employers.

Support for colleagues through Remedy changes

We took a phased, responsive approach to training in preparation for the 2025/26 transition to business-as-usual (BAU). Training was delivered to operational SMEs and project staff on RSS calculations, member queries, and system use. To support ongoing learning, we launched a digital library of 38 technical guides offering step-by-step, on-demand support.

To build organisational readiness, we ran Remedy roadshows, team briefings, and internal updates across key teams, sharing programme overviews, timelines, and role impacts. We also developed draft role-mapping documents and introduced a Remedy Readiness Tracker to monitor progress.

Looking ahead to 2025/26, we will finalise role definitions, embed them into team structures, and deliver targeted training to ensure staff are fully prepared to support members as Remedy becomes part of core service delivery.

Priority 2 was supported by the following key performance indicators:

- We will provide deferred members with a remediable Service Statement by 30 September 2024
- We will provide retired members with a Remediable Service Statement by 31 March 2025

Rather than limiting our reporting to just the two KPIs detailed in our Annual Business Plan 2024/25, we will provide updates aligned with the full statutory requirements of the McCloud Remedy.

Remediable Service Statements (RSS)

By 31 March 2025, SPPA was legally required to issue a Remediable Service Statement to all eligible members affected by the McCloud Remedy. The RSS outlines each member's pension choices for the remedy period (1 April 2015 – 31 March 2022), allowing them to select between legacy (final salary) and reformed (career average) scheme benefits.

- Immediate choice members (retired before remedy): Receive RSS and have 12 months to choose.
- Deferred choice members (active/deferred): Receive RSS and make their choice at retirement.

Immediate choice Performance:

By 31 March 2025, we had issued 2,806 RSS, 4.32% of the estimated 65,000 total.

- **Police:** 2,795 RSS issued by 31 March 2025
- **Fire:** 0 RSS issued by 31 March 2025
- **NHS:** 11 RSS issued by 31 March 2025
- **Teachers:** 0 RSS issued by 31 March 2025

Deferred choice Performance:

For the Police and Fire schemes, since October 2023, members have received their Remediable Service Statement at the point of retirement, enabling them to make their pension choice as intended.

For the NHS and Teachers' schemes, as of 31 March 2025, members were not yet able to make their choice at retirement, as RSSs were not available at that time.

Use of Discretion for Delays

If RSS could not be issued by 31 March 2025, SPPA could use discretion (Section 29, Public Service Pensions and Judicial Offices Act 2022) to extend the deadline, provided reasons were recorded and members notified.

SPPA, as scheme manager for the Scottish NHS, Teachers', Police, and Firefighters' schemes, identified that it would not be possible to issue RSS to all eligible members by the statutory deadline. In April 2025, SPPA formally notified The Pensions Regulator that it was exercising its discretion under Section 29(10)(b) of the Act to extend the

deadline for certain cohorts of members. New target dates were set for each scheme, based on the best available information at the time. Details of these new timelines are detailed in the section below, Performance expectations over the coming year.

As remediation progressed, it became clear that the scale and complexity of the exercise, along with technical challenges, meant that some of the initial new target dates would not be achievable. For example, the target date for a proportion of Scottish Police Pension Scheme members was extended from 31 July 2025 to 31 December 2025. SPPA also indicated its intention to review and, where necessary, revise target dates across all schemes to ensure accuracy and manage member expectations.

Throughout this process, SPPA prioritised the accuracy of RSS, even where this required further extensions to delivery timescales. All extensions were communicated to members and stakeholders, and robust delivery and communication plans were put in place. SPPA engaged with The Pension Regulator, Pension Boards, and Scheme Advisory Boards to ensure transparency and compliance with statutory guidance.

This approach ensured that the exercise of discretion was carefully considered, documented, and communicated, in line with the requirements of the 2022 Act and The Pension Regulator guidance. SPPA's actions were designed to balance the need for timely information with the imperative to provide members with accurate and reliable statements.

Annual Benefit Statements (ABS)

The Statutory deadline for issuing ABS was 31 August 2024.

Due to McCloud Remedy complexity, Scottish Ministers consulted on removing the requirement to include remedy underpin information in 2024 ABS. If not included, members must be notified that this information will follow once available.

Some Annual Benefit Statements were issued before the deadline; however, not all members received theirs on time. SPPA continued to issue statements after the deadline to ensure members received accurate information. Where ABS were not issued, SPPA reported the outstanding numbers to The Pensions Regulator. Further details on these breaches are provided below in section, Reporting and Compliance.

Record Keeping and Implementation

By 31 March 2025, all necessary retrospective amendments to members' pension records (due to McCloud Remedy) should have been completed.

SPPA was unable to complete all amendments by the deadline.

Reporting and Compliance

SPPA is required to report any failure to meet statutory deadlines or any issues relating to data quality to The Pensions Regulator, in line with its regulatory obligations.

SPPA has maintained transparent and timely communication with The Pensions Regulator regarding performance issues and breaches across all schemes.

On 14 April 2025, SPPA formally notified The Pensions Regulator of deadline extensions relating to the McCloud Remedy, which affected all four pension schemes. SPPA subsequently provided further notifications on 28 July and 29 October 2025, confirming additional discretion across the schemes. On 18 December 2025, SPPA formally notified The Pensions Regulator that we would further extend the revised target for issuing police pension scheme RSS by 31 December 2025. This deadline has now been extended, and we have now committed to issuing all police RSS by 31 December 2026.

In addition to these notifications, breaches concerning the issuance of Annual Benefit Statements – Retirement Savings Statements (ABS-RSS) were reported throughout the year and are detailed below;

- NHS Scheme: On 22 May 2025, SPPA reported that 8,026 Annual Benefit Statements – Retirement Savings Statements (ABS-RSS) were not issued by the 30 April deadline. Rectification was completed by 31 August 2025, with member letters sent in June.
- Police Scheme: On 2 June 2025, SPPA reported 200 ABS-RSS not issued by the 31 May deadline. These were rectified by 31 August 2025.
- Teachers Scheme: Also on 2 June 2025, SPPA reported 2,861 ABS-RSS not issued by 31 May. Rectification was completed by 31 August 2025.
- Firefighters Scheme: No ABS-RSS were issued for 2024. A full breach report was submitted to TPR in November 2024. The 2025 ABS-RSS were scheduled for issue by June 2025.

Throughout this period, SPPA has continued to provide regular updates and maintain open lines of communication with The Pension Regulator and other stakeholders, reinforcing its commitment to transparency and accountability. Member communications have also been prioritised, with over 5,500 letters sent to NHS members in June to explain the delays, and similar outreach planned for members of the other affected schemes.

Performance Expectations for the Coming Year

New target dates for issuing RSS have been set for each scheme, prioritising members most at risk. Targets will be reviewed and updated as needed, with ongoing communication to members and stakeholders.

Summary Table of Deadlines and Revisions

Scheme	Original Deadline	First Revised Target	Further Revised Target
NHS	31 March 2025	31 October 2025	31 July 2028
Teachers	31 March 2025	31 October 2025	31 December 2026
Police	31 March 2025	31 Jul 2025	31 Dec 2025, further revised to 31 Dec 2026
Firefighters	31 March 2025	31 October 2025	31 December 2026

These revised dates apply to the Immediate Choice cohort and reflect timelines shared

with The Pensions Regulator. SPPA's intention is to complete the majority of cases across all schemes well ahead of these deadlines.

1.4.3 Priority 3: Deliver phase two of the pensions administration platform improvement programme

The Pensions Administration Platform Improvement Programme was not initially funded within the agency's core budget, and we lacked the dedicated staff and financial resources to deliver it. Although additional funding was secured later in the year, it was prioritised for urgent McCloud Remedy requirements. As a result, the programme was formally closed, with key elements restructured into our 2025/26 priorities, forming the basis of our long-term transformation.

The lessons we have learned, particularly around resource prioritisation, programme interdependencies, and agile delivery, will shape our future planning and modernisation efforts.

Progress against Priority 3: Deliver phase two of the pensions administration platform improvement programme

Modernising Member Records and Calculations

We aimed to resolve long-standing issues with member record structures and pension calculation accuracy under phase two of the Pensions Administration Platform Improvement Programme. While this work didn't progress under that programme, similar improvements were delivered through the Remedy programme. These included restructuring records to support Pension Service Statements (PSS) and recalculating annual allowance breaches, addressing legacy issues like inconsistent service breaks, data misalignment, and manual workarounds.

Advancing Digital Services

The Engage portal was deployed in a view-only format for NHS and Teachers schemes and development for Police and Fire schemes is underway. Engage will serve as a key enabler for the Pensions Dashboard and future self-service functionality.

Preparing for i-Connect

The rollout of i-Connect was delayed. The i-Connect project proved to be more complex than initially anticipated. It became clear that further work was needed to fully scope the requirements, both internally and from employers, and to ensure alignment across all stakeholders. Preparatory work will continue into 2025/26.

Data Governance and Cleansing

A planned data cleansing programme was paused due to Remedy priorities. However, recognising its importance, we have now established a dedicated programme and data governance team to support the Pensions Dashboard and wider transformation programme. Work will begin in 2025/26 to scope requirements and address data quality gaps.

Embedding Automation

Although we did not progress automation under Phase Two of the Pensions Administration Platform Improvement Programme, we made meaningful advances through the McCloud Remedy programme.

In 2024/25, automation efforts focused on Remedy delivery, resulting in the deployment of a standalone NHS pension calculator. As of 31 March 2025, the NHS pension calculator is being applied to up to 20% of new retirement cases, specifically those that meet the tool's current functionality. Early results show a 36% reduction in processing time for applicable cases. A plan is in place to expand the calculator's capability and increase its use up to 40% of cases. Built with scalability in mind, the tool is also being adapted for the Teachers' pension scheme.

Additional automation tools, such as data validation scripts, workflow triggers, and document generators, were also developed and are being assessed for integration into business-as-usual operations to improve efficiency and consistency.

Priority 3 was supported by the following key performance indicators:

Active members will be able to use the new online portal by 31 March 2025

The full member portal was not launched by 31 March 2025, but a limited, view-only version was deployed as a document repository.

1.4.4 Increase our capability and improve our colleague experience

Alongside our core priorities for 2024/25, we focused on strengthening the foundations for delivery by building organisational capability and improving the colleague experience. By investing in skills, tools, and support, we aimed to empower staff to perform, adapt, and feel valued.

Progress included:

- Initiated temporary promotion development programmes to support continuity and resilience across key roles
- Identified critical roles and developed targeted training plans to reduce single points of failure
- Used graduate apprenticeships to develop training pathways aligned with anticipated workforce needs and future capabilities
- Invested in digital learning platforms using Pathways and Articulate, increasing access to flexible, on-demand training
- Delivered targeted technical training
- Delivered regular updates and engagement sessions throughout organisational change, including roadshows, team briefings and newsletters
- Rolled out training and development sessions for managers focused on leading through change and effective communication

- Supported line managers with resources and guidance to help them support their teams during transitions
- Successfully implemented the move to a 35-hour working week in October 2024, in line with Scottish Government policy
- Communicated changes clearly and supported teams to adapt working patterns while maintaining service delivery
- Continued to maintain and enhance the Tweedbank office as a collaborative, welcoming space
- Supported hybrid working by ensuring access to shared spaces, meeting rooms, and digital collaboration tools.

Increase our capability and improve our colleague experience was supported by the following key performance indicators:

We will have a People Strategy in place by 31 October 2024

We initially committed to delivering a People Strategy by 31 October 2024. However, following a change in senior leadership, development was paused. Focus shifted to meeting the immediate needs of colleagues during the Remedy Programme, prioritising clear support, stability, and practical resources during a period of significant change.

We will improve our overall Learning and Development score in the People Survey

We aimed to improve our Learning and Development score in the People Survey, reflecting our commitment to colleague growth. This year, the score dipped slightly to 48%, a 1% drop from 2023, highlighting the need to better understand and address the factors shaping colleague perceptions.

Key Themes	Overall SPPA 2024 (Vs 2023)	Finance & Procurement (+/-2023)	Operations (+/- 2023)	Strategy & Comms	Policy (+/- 2023)	People & Place
Learning & Development	48 (-1)	58% (-6)	44% (-2)	55%	60% (+17)	68%

Engagement with Learning and Development (L&D) varied across teams, from 44% in Operations to 68% in People & Place, highlighting unequal access to development opportunities. Lower engagement in operational areas likely reflects the impact of structural changes and Remedy-related pressures, while non-operational teams like Policy and People & Place showed stronger uptake.

These differences underscore how workload and role type affect access to L&D. Going forward, we'll use these insights to design more tailored, visible, and accessible development opportunities for all colleagues

We will improve our headline engagement score in the People Survey

	Overall	vs. 2023	Overall 2023
Overall	55%	0	55%
Finance & Procurement	61%	-3	64%
Operations	54%	0	54%
People & Place	67%	N/A	N/A
Policy	58%	+6	52%
Strategy & Comms	46%	N/A	N/A

Our 2024 People Survey engagement score held steady at 55%, reflecting stability during a period of major change, but also showing that our targeted improvement has yet to be realised. This highlights the need for continued focus on building a more engaged and connected workforce.

We'll use these insights to shape more tailored engagement strategies, ensuring all colleagues feel supported, valued, and aligned with our shared goals.

1.5 Sustainability Report

The Agency is committed to improving environmental performance as part of its broader sustainability goals. SPPA recognises its legal and ethical duty to protect the environment and is working toward sustainable practices in materials use, energy, transport, and landscape management.

Summary of progress against environmental performance targets 2024/25

The Objective is to use energy efficiently to minimise greenhouse gas emissions.

Energy and emissions targets

Targets are set in two areas:

Emissions of the greenhouse gas carbon dioxide (CO₂e)

Kilowatt energy consumption for gas and electricity.

Corporate target – carbon emissions

Maintain carbon emissions from energy consumption to within +/- 3% of 2023/24 totals by March 2025

2023/24	Actual	110.06 tonnes CO ₂ e
2024/25	Target	106.76 – 113.36 tonnes CO ₂ e
2024/25	Actual	106.25 tonnes CO ₂ e

Progress

Exceeded. The decrease in overall carbon emissions in 2024/25 was -3.46% compared to 2023/24 (decrease of -9.23% for electricity and an increase of 1.01% for gas).

It should be noted that energy usage during 2024/25 of 106.25 tonnes of CO₂ equivalent was also below the level of 204.79 tonnes registered in 2009/10 (baseline figure).

Target No. 1: Electricity

Maintain kilowatt-hour consumption of electricity used per full time equivalent employee (FTE) to within +/- 3% of 2023/24 levels by March 2025

2023/24	Actual	534.97 kWh per FTE
2024/25	Target	518.92 – 551.02 kWh per FTE
2024/25	Actual	485.58 kWh per FTE

Progress

Exceeded. The decrease in electricity consumption in 2024/25 was -9.23% compared to 2023/24.

Target No. 2: Gas

Maintain kilowatt-hour consumption of gas used per m² to within +/- 3% of 2023/24 levels by March 2025

2023/24	Actual	125.21 per m ²	total usage 358,605 kWh
2024/25	Target	121.45 – 128.97 per m ²	total usage 347,847 – 369,363 kWh
2024/25	Actual	126.48 per m ²	total usage 362,249 kWh

Progress

Achieved. The increase in gas consumption in 2024/25 was + 1.02% compared to 2023/24.

Objective – use natural resources efficiently to minimise environmental impact

Target No. 1: Natural resources target

Maintain water consumption (m³ per full-time equivalent member of staff – FTE) to within +/- 3% of 2023/24 totals by March 2025

2023/24	Actual	1.97 m ³ per FTE
2024/25	Target	1.91 – 2.03 m ³ per FTE
2024/25	Actual	2.90 m ³ per FTE

Progress

Not Achieved. The increase in water consumption in 2024/25 was 47.21% compared to 2023/24.

Scottish Public Pensions Agency sustainability report for the year ended 31 March 2025

Greenhouse gas emissions		2024/25	2023/24
Non-Financial Indicators	Total gross emissions for scope 1 (direct emissions from consuming gas) & scope 2 (indirect emissions from electricity consumption)	106.25 tonnes CO ₂ equivalent	110.06 tonnes CO ₂ equivalent
	Gross emissions scope 3 (business travel and overnight hotel stays)	1.1 Tonnes CO ₂ equivalent*	Tonnes CO ₂ equivalent
Related Energy Consumption	Electricity	179,249 KWh	200,249 KWh
	Gas	362,249 KWh	358,605 KWh
Financial Indicators	Expenditure on energy	125,000£	117,000£
	Expenditure on official business travel and overnight hotel stays	13£k	£8k

* means it is an estimate.

Performance commentary

The Climate Change (Scotland) Act 2019 originally set a target to reduce emissions by 75% by 2030 and achieve net zero by 2045. However, the Climate Change (Emissions Reduction Targets) (Scotland) Act 2024 amended these provisions, removing the 2030 interim target while retaining the legally binding commitment to reach net zero emissions by 2045. [Climate Ch...] Act 2024]

As an agency of the Scottish Government, SPPA remains committed to supporting national efforts to improve sustainability and environmental performance.

Total CO₂ emissions from energy use decreased by 3.46% compared to the previous year, primarily due to reductions in electricity and gas consumption. The Agency's electricity and gas meters continue to comply with the Scottish Government's carbon reduction commitment, enabling automated readings and supporting accurate emissions tracking.

Controllable impacts commentary

Electricity usage is closely linked to both staff numbers and the number of active workstations. Colleague attendance in the office has been steadily growing. Despite the increase in on-site attendance, we have continued to observe a reduction in electricity consumption over the past year.

Automatic shutdown systems are in place for IT equipment that is not in use. The sensor controlled lighting system has been reconfigured to provide energy efficiency savings, and good use is made of natural light.

The office lighting was upgraded to LED lighting during the third quarter of year 2023/24, which is more energy-efficient, and energy efficiency savings from this are evidenced in this report.

SPPA complies with the Scottish Government's travel policies. SPPA has modernised audio visual equipment in our meeting spaces, which has enabled effective & inclusive hybrid meetings to take place with stakeholders across the country and beyond, reducing unnecessary travel emissions.

Overview of influenced impacts

The Agency occupies a modern building designed to have a low impact on the environment. The building is well insulated and includes features such as a sedum roof which, in addition to retaining heat in the winter, helps to keep the building cool during the summer. The irrigation system and sedum are regularly maintained to ensure effective use of resources, and ongoing functionality.

Air conditioning units are used in the server room and mailroom to maintain a low temperature which allows the equipment within to work effectively. Both systems are regularly maintained to ensure functionality and environmental standards are met.

Although designed as an energy-efficient building, the open-plan environment and large volume of windows prove to be a disadvantage during exceptionally cold weather. The Building Management System installed in the plant room at SPPA consists of a temperature sensor on the exterior of the building which adjusts the heating temperature according to local weather conditions. This system is key to maintaining a comfortable (and legal) temperature for staff whilst controlling our CO₂ emissions. To further mitigate this we encourage colleagues to dress according to the weather and their personal requirements.

SPPA is currently undertaking a detailed survey of our electrical and mechanical systems to explore potential improvements as we progress towards our Net Zero building objective.

Waste			2024/25	2023/24
Non – Financial Indicators	Non hazardous waste	Total waste	8 tonnes	21 tonnes
		Landfill	2 tonnes	4 tonnes
		Reused/recycled	6 tonnes	17 tonnes
Percentage of waste reused/recycled		76%	79%	
Financial Indicators	Total disposal cost		£7,748.78	£9,908.39
	Non hazardous waste	Landfill	*	*
		Reused/recycled	*	*

* = absorbed in total waste figure. Disaggregation of costs for individual waste streams identified for future development by our waste contractors.

Controllable impacts commentary

The Agency aims to be a paperless office, and most of our data is held electronically.

Print levels are monitored, and staff are discouraged from printing documents unnecessarily. Paper and envelopes are procured from environmentally-friendly sources, and staff are encouraged to re-use paper where they can. SPPA utilises Royal Mail Print and Post, which in time should reduce our Scope 1 emissions in regard to electricity use via printers and envelopes. SPPA has also dropped to two physical mail collections per week (down from five) which has positively impacted our Scope 3 emissions.

The agency has recently removed some confidential waste bins to encourage staff to reduce the waste paper produced. Waste is also being destroyed offsite which, although it impacts our Scope 3 emissions, is more environmentally friendly than the previous onsite destruction service.

Future plans include an Environmental Awareness training module for all staff to participate in and improved communication strategies.

Finite resource consumption: water			2024/25	2023/24
Non-Financial Indicators	Water consumption	Supplied	1076 cubic meters	739 cubic meters
		Disposed	1022 cubic meters	702 cubic meters
Financial Indicators	Water supply costs		£12k	£11k

Water usage is directly linked to colleague attendance in the office. During 2024/25 attendance has been gradually increasing and this accounts for the increase.

Toilets are fitted with water reduction flushers and taps have an automatic shut-off. The toilets, taps and showers are regularly maintained to ensure appropriate functionality and minimal use of finite resources. The leak detection system is also regularly maintained to enable swift action to be taken in the event of a leak.

Future considerations include installing water butts to collect rainwater for maintaining the grounds.

Notes:

The above report has been prepared in accordance with guidelines laid down by HM Treasury in "Public Sector Sustainability Reporting" published at Sustainability Reporting Guidance 2024/25.

The above report has been prepared using factors published by the Department for Business, Energy and Industrial Strategy in June 2024.

Emissions accounting includes all Scope 1 and 2 emissions along with separately identified emissions related to official travel.

1.6 Financial Position at the End of the Year

Financial overview

Budget is allocated from the Scottish Government's Finance Portfolio as presented to the Scottish Parliament. Budget for 2024/25 is shown in table 1.6.1.

Table 1.6.1: Budget allocation

	Revenue	Depreciation	Capital	Total
	£000	£000	£000	£000
Baseline – received	22,900	6,000	2,700	31,600
Initial budget allocation	22,900	6,000	2,700	31,600
Autumn Budget Round				
Transfer in from Scottish Government in respect of actuarial charges for NHS	310	-	-	310
Spring Budget Round				
Transfer in from Scottish Government to cover additional resource and capital spend	5,150	-	-	5,150
Return of unutilised non-cash budget	-	(5,000)	-	(5,000)
Revised budget allocation	28,360	1,000	2,700	32,060

Table 1.6.2: Performance against budget in 2024/25

	Final budget allocation	Actual outturn	Overspend/ (Underspend)
	£000	£000	£000
Resource	28,360	28,392	32
Depreciation	1,000	915	(85)
Capital	2,700	2,601	(99)
Total expenditure	32,060	31,908	(152)

Delivering core services and the approved projects within the initial budget allocation was challenging, resulting in an additional budget allocation of £5.15m during the Spring Budget Round.

In adapting to the changing work environment, we have been especially mindful of planning for a balanced financial position on a sustainable year on year basis.

Capital expenditure was under budget by £0.099m (2023/24: £0.671m under budget), driven by project slippage related to the McCloud Remedy project.

Financial resources 2024/25 and expenditure trends

Table 1.6.3: Headline figures: Summary of financial resources and expenditure trends

	2024/25	2023/24		2024/25	2023/24
	£000	£000		£000	£000
Income	(270)	(312)	Total assets	50,505	40,422
Expenditure	29,577	28,430	Total liabilities	(20,906)	(17,294)
Net expenditure	29,307	28,118	Net assets	29,599	23,128

Income of £0.270m (2023/24: £0.312m) consists of £0.214m from work associated with pension sharing on divorce, £0.038 for pension calculation services for third parties and £0.018m from sub-letting of office space.

Expenditure has increased by £1.147m (4%) to £29,577m in 2024/25 from £28.430m in 2023/24 as detailed in table 1.6.4.

Net expenditure has increased by £1.189m from 2023/24 driven by increases in IT maintenance (£1.115m) and professional and technical advisory services (£0.368m) (see table 1.6.4). There was a decrease in depreciation of £0.477.

Table 1.6.5 provides the detail of the decrease in assets and liabilities from 2023/24.

Table 1.6.4: Comparison of expenditure over five-year period

	2024/25	2023/24	2022/23	2021/22	2020/21
	£000	£000	£000	£000	£000
Staff costs	19,723	19,553	16,540	13,720	12,302
IT maintenance	4,658	3,543	2,585	2,407	2,438
Actuarial services	1,645	1,904	1,785	1,800	1,700
Depreciation	915	1,392	2,430	2,426	2,025
Accommodation costs	493	553	379	386	379
Other Expenses	714	546	462	524	386
Professional & technical advisory services	763	395	338	78	154
Notional charges	391	289	279	279	271
Postage	244	238	163	162	150
Compensation payments	31	17	15	3	21
Reform of guaranteed minimum pensions	-	-	15	65	193
Expenditure	29,577	28,430	24,992	21,850	20,019
Expenditure relating to revaluations	-	-	(343)	(397)	(63)
Total expenditure	29,577	28,430	24,649	21,453	19,956

Staff costs of £19.723m (2023/24: £19.553m), an increase of £0.170m of which included a decrease of £1.33m in Agency (contingent) staff costs due to a higher proportion of capitalised staff costs. Direct staff costs increased by £1.50m, attributable to increase in staff and pay progression. Further detail is available on page 70.

Depreciation and amortisation of property, plant and equipment and information technology was £0.915m for 2024/25 (2023/24: £1.392m) which was a £0.477m decrease on the prior year. The decrease was attributable to small number of asset additions and existing assets being fully depreciated.

Actuarial services totalled £1.645m (2023/24: £1.904m), which was £0.259m decrease from the previous year. Costs are dependent on the valuation cycle for the pension liabilities of the NHS Scotland, Scottish Teachers, Scottish Fire and Rescue Service, Police Scotland and Local Government pension schemes, and pension legislation changes.

Notional charges cover services provided by the Scottish Government of £0.115m, and Audit Scotland's audit fee of £0.276m. The fees for Audit Scotland include additional fees in relation to 2023 / 2024.

Table 1.6.5: Comparison of assets and liabilities over a five-year period

	2024/25	2023/24	2022/23	2021/22	2020/21
	£000	£000	£000	£000	£000
Property, plant, and equipment	5,476	5,805	5,358	5,175	4,900
Computer software and licenses	4,933	2,914	1,624	3,219	5,019
Trade and other receivables*	40,098	31,703	45,271	22,496	8,295
Total assets	50,507	40,422	52,253	30,890	18,214
Trade and other payables*	(20,895)	(17,229)	(15,522)	(2,745)	(9,029)
Provisions for liabilities and charges	(11)	(65)	(42)	(1)	(12)
Total liabilities	(20,906)	(17,294)	(15,564)	(2,746)	(9,041)
Net assets	29,601	23,128	36,689	28,144	9,173

*Other receivables and payables include balances relating to the payment of pensions on behalf of the Scottish Police and Scottish Fire and Rescue Service.

Total assets increased by £10.0085m to £50.507m, and comprised:

Property, plant, and equipment of £5.476m, which includes £4.944m of freehold land and buildings. Intangible assets of £4.931m, which includes £4.065m of assets under development. This is an increase of £2.009m from last year due to increased capital expenditure on Remedy project.

Trade and other receivables of £40.098m including balances relating to the payment of pensions on behalf of Police Scotland of £16.668m (2023/24: £26.001m) and Scottish Fire and Rescue Service of £2.457m (2023/24: £5.074m). In 2024/25, new bank accounts for the payment of pensions on behalf of Police Scotland and Scottish Fire and Rescue Service were opened and these are shown as third party assets (£20.187m).

Total liabilities increased to £20.906m from £17.294m in 2023/24.

Trade and other payables balance on 31 March 2025 of £20.895m included £14.088m (2023/24: £12.925m) relating to the administration of Police Scotland and £3.086m (2023/24: £2.490m) relating to the administration of Scottish Fire and Rescue Service pensions; and £3.014m of accrued and deferred income. The change of process due to system change during the year resulted in a year-end payable of £0.707m related to employee taxation and superannuation.

Further information on the SPPA's income, expenditure, assets, and liabilities can be found in the financial statements and the notes to the accounts.

Stephen Pathirana

Chief Executive.

15 January 2026

2. Accountability Report

2.1 Corporate Governance Report

2.1.1 Directors Report

SPPA Executive Team

Name	Role
Stephen Pathirana	Chief Executive and Accountable Officer (permanent from 20 May 2024)
David Robb	Chief Executive and Accountable Officer (to 3 June 2024)
Kate Thomson-McDermott	Deputy Chief Executive (permanent from 1st September 2025)
Frances Graham	Chief Operating Officer (to 12 December 2024) Chief Transformation Officer (permanent from 13 December 2024)
Christopher Nairns	Chief Operating Officer (temporary from 13 December 2024, permanent from 29 August 2025)
John Burns	Chief Finance Officer (to 1 September 2025)
Iain Coltman	Head of Policy (to 1 September 2025)
Debbie Trafford	Head of People and Place (permanent from 12 November 2024)
Stuart MacArthur	Head of Strategy and Governance (permanent from 12 November 2024 to 1 September 2025)
Laura Pacey	Head of Strategy, Communications and Risk (to November 2024)

The Head of Policy, Head of Strategy and Governance and Chief Finance Officer ceased to be members of the Executive Team in September 2025 as they were represented by the newly appointed Deputy Chief Executive.

Full biographies of the SPPA Executive Team can be found at [Our Executive Team](#) on our website.

The Executive Team met weekly during 2024/25 to discuss routine Agency management, meetings were chaired by the Chief Executive or delegate.

SPPA Management Advisory Board

Role	Name
Chief Executive and Accountable Officer	Stephen Pathirana (permanent from 20 May 2024) David Robb (to 3 June 2024)
Non-Executive Advisory Members	<p>Jane Malcolm (member from 1 February 2018 – Chair from September 2024) Management Advisory Board Chair</p> <p>Clare Scott Management Advisory Board (from 23 May 2022) and Chair of Audit and Risk Committee (from August 2024)</p> <p>Mark Tarry (from 1 June 2024) Management Advisory Board and Audit and Risk Committee</p> <p>Kevin McLeod (from 1 June 2024) Audit and Risk Committee</p> <p>Mark Adderley (from 1 April 2019) Management Advisory Board</p> <p>Norman McNeil (from 1 April 2019) Management Advisory Board</p> <p>Alan Wright (from 1 June 2024) Management Advisory Board</p> <p>Ian Forbes (until 30 April 2024) Management Advisory Board and Audit and Risk Committee</p> <p>Helen Mackenzie Management Advisory Board (until December 2024) and Chair of Audit and Risk Committee (until July 2024)</p>

Conflicts of Interest

No Executive Team members undertook any material transactions with the SPPA or reported any conflicts in respect of other interests. Registers of interests for MAB and ARC can be found on our website at [Management Advisory Board | SPPA](#) and [Audit and Risk Committee | SPPA](#).

Information Security Incidents

During 2024/25 there were no reportable breaches referred to the Information Commissioner Officer (ICO) or Scottish Government's Data Protection and Information Assets Team. An undertaking to report serious personal data breaches to the Scottish Government's Data Protection and Information Assets Team is outlined within a Memorandum of Understanding as agreed with Scottish Ministers.

While no breaches were considered material enough to be reported to the ICO or Scottish Government Colleagues, SPPA did record 42 instances of data breaches. Those 42 recorded were not found to pose risk or harm or loss to individuals, each case was documented and systems reviewed to avoid any further instances.

We will record and report any breach to ARC within an end-of-year report, even if escalation to the Information Commissioner's Office is not warranted.

Statement of Accountable Officer's responsibilities

Under section 19 of the Public Finance and Accountability (Scotland) Act 2000 the Scottish Ministers have directed the Scottish Public Pensions Agency to prepare a statement of accounts for each financial year in conformity with the accounts' direction on page 66 of these financial statements, detailing the resources acquired, held, or disposed of during the year and the use of resources by the SPPA during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SPPA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accountable Officer of the Scottish Government has appointed the Chief Executive as the Accounting Officer for the Scottish Public Pensions Agency.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Scottish Public Pensions Agency's assets, are set out in Managing Public Money published by the HM Treasury. As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Scottish Public Pensions Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

3. Governance Statement

Governance Framework

The SPPA Governance Framework Document details our governance arrangements and can be found on our website: [Framework Document | SPPA](#).

The Framework Document was reviewed and updated in June 2025.

The Framework Document represents an agreement between the SPPA and Scottish Ministers that lays out the relationship in terms of the respective roles and responsibilities for carrying out SPPA's functions. As the principal source of reference for corporate governance arrangements, the 'Framework Document' describes and sets out the:

- relationship between the SPPA and Scottish Ministers;
- responsibilities of the Accountable Officer and Scottish Ministers, and
- frameworks within which SPPA operates regarding Resource, Finance and Human Resources.

Additionally the SPPA also has a Statutory Framework which can be found on our website at [Framework Document | SPPA](#) and which outlines the schemes SPPA supports and relevant regulations.

Management Advisory Board (MAB)

The advisory nature of the Management Advisory Board (MAB) is one that is set out in the Scottish Government's publication '[On Board: A Guide for Members of Management Advisory Boards](#).' MAB members are appointed to act in an advisory capacity to the SPPA's Accountable Officer (Chief Executive) and are, therefore, neither personally nor collectively accountable for the SPPA's performance. The role of the MAB is to support the SPPA to deliver its functions on behalf of Ministers. Members of the Board offer strategic advice and constructive challenge to the Chief Executive Officer and Executive Team, seek to improve performance, promote good governance, and advise on identifying and managing risk.

In 2024/25 MAB met on three occasions. This was fewer than the minimum four meetings per year outlined in the MAB Terms of Reference applicable at the time. MAB meetings were less frequent than Terms of Reference intended, in part due to the transition to a new rhythm of meetings (supported by new Terms of Reference) but also due to the needs of the Executive Team and CEO and the staffing of the Governance Team, all these matters lead the CEO to cancel the planned August 2024 meeting. This was communicated through the routine email update the CEO sends to MAB & ARC members to keep them informed. The Board's work throughout the year has included:

- Receiving reports from the Chief Executive on our progress in achieving key tasks outlined in our business objectives and the continued development of performance metric reporting.
- Receiving reports on the work of the Audit and Risk Committee and contributing towards recommending mitigations to the risks assessed in the SPPA's risk registers.

- Considering financial statements, such as our draft Annual Report and Accounts and draft Annual Report and Accounts for the NHS Scotland and Scottish Teachers' Pension Schemes.
- Receiving regular updates on SPPA's Remedy work.

Both the MAB and ARC regularly carry out a self-assessment of their effectiveness.

Audit and Risk Committee (ARC)

The ARC supports the Accountable Officer in discharging responsibilities for issues of risk and controls, finance, governance, and associated assurance through a process of review, constructive challenge and providing relevant advice.

During the year, ARC met on four occasions. The ARC's work has included:

- Receiving updates and reports from the SPPA Executive Team and senior managers to provide assurance in an Annual Report to the Accountable Officer and Management Advisory Board.
- Supporting the work of, and receiving progress reports from, Internal Audit.
- Reviewing Audit Scotland's Annual Audit Plan and reports where appropriate.
- Reviewing our Annual Report and Accounts and Scottish Teachers' Pension Scheme and NHS Pension Scheme Scotland's Annual Report and Accounts.
- Receiving a quarterly risk management update for review and discussion, this includes risk registers and tracking of audit recommendations.
- Regular review and scrutiny of the SPPA Agency Risk register.
- Receiving updates and providing support and advice on major projects such as Remedy and Pensions Dashboard.

ARC is supported outside of the formal meetings by Deep Dives with Agency subject matter experts. In 2024/25, two deep dives were held covering Agency Risk Management and Counter Fraud.

Draft minutes of the ARC are included on the MAB agenda for review and the Committee also publishes an annual report.

Pension Boards and Scheme Advisory Boards

There is a Pension Board and Scheme Advisory Board for each of the schemes SPPA administers.

The SPPA assumes the day-to-day role of Scheme Manager as set out in the Public Service Pensions Act 2013 for Scotland's NHS, Teachers', Police and Firefighters' pension schemes, as delegated by Scottish Ministers. It should be noted that, from a financial perspective, for the Police and Firefighters' schemes, 'administration' includes the provision of financial services but not contribution collection, preparation of annual accounts, budget, or financial management.

In their role to assist the Scheme Manager, the Pension Boards are expected to provide advice over the governance and operation of the scheme administration and to ensure that the legal and administrative requirements of the scheme are being met.

The Pension Boards are updated in meetings and through monthly communications packs on issues such as service metrics, major projects, and risks to the schemes.

During the year, each Pension Board met on at least three occasions and also provided scrutiny over their respective schemes in line with current terms of reference.

Scheme Advisory Board provides advice to Scottish Ministers on the desirability of changes to the design of the individual schemes and the implications of other policy issues.

Governance Changes

The Agency moved part way through the year to a new rhythm of meetings and communications with boards. In 2025/26 the Management Advisory Board (MAB) will meet at least three times per year whilst the Audit and Risk Committee (ARC) will continue to meet at least four times per year. Scheme Pension Boards will have an annual seminar and an annual training event; of the minimum four formal meetings for each board throughout the year the seminar and training event will be included as one of these.

As part of this change SPPA has been issuing monthly communications to all Pension Scheme Boards on standing agenda items to improve frequency of communication.

Each member of MAB and ARC have paired with a member of the SPPA Executive Team to meet monthly and develop a closer working relationship.

With the exception of the changes set out above all other governance systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

The SPPA Executive Team

Please refer to the 'The SPPA Executive Team' section of the Directors' Report – see page 35.

The Executive Team met weekly during 2024/25 to discuss day-to-day-agency management including operational delivery, projects and priorities, people and recruitment as well as current and emerging risks. Meetings were chaired by the SPPA Chief Executive Officer, or a delegate.

Internal Audit

The Scottish Government's Directorate of Internal Audit and Assurance have issued SPPA with an annual assurance opinion of Reasonable Assurance. This means controls are adequate but require improvement. They note this is a further improvement upon 2023-24 and the past few years have shown a positive trajectory for the agency but this is the lower end of the Reasonable Assurance scale and continued efforts by the agency are required.

They do not identify any significant issues but acknowledge the challenges of Remedy and Oracle implementation (both detailed further in the Key Risk section below) on business as usual delivery and recognise SPPA for having done well to manage the significant competing pressures.

Risk Management

The agency applies a structured, tiered approach to risk management, aligned with government and industry best practices, including the Orange Book and Scottish Government's Risk Management guidance. SPPA adopted Scottish Government's Risk framework and registers, adapting only to reflect our status as an agency.

The agency's risk appetite is formally agreed, ensuring that planning and decision-making reflect the level of risk the SPPA is prepared to accept in pursuit of its objectives. Risk management is used to identify actual and emerging threats that may impact the achievement of these objectives.

Risk governance is implemented through a layered system of risk registers at team, divisional, and Executive Team levels and separate Internal Audit targeted topic reviews: a three lines of defense model. Each division maintains a risk register, owned by the respective executive team member. Risk management is embedded in divisional decision-making, supported by the central risk function. Clear escalation and de-escalation protocols are in place across all divisions ensuring risks can be escalated to divisional or Executive Team risk registers.

The Executive Teams Strategic Risk Register captures internal and external risks, along with mitigating actions to reduce their likelihood and impact. Emphasis is placed on clearly identifying mitigating controls.

Annual internal control checklists inform the Certificate of Assurance process, as outlined in the Scottish Public Finance Manual (SPFM). The internal control checklists also help SPPA identify areas for improvement.

SPPA work closely with Scottish Governments Internal Audit function who provide assurance and advisory reviews of SPPA's processes and systems.

During 2024-25 the following reviews were undertaken by Internal Audit for SPPA:

- Oracle Fusion Organisational Readiness and Change Management (Assurance Review – resulting assurance category = Reasonable)
- Financial Governance and Sustainability (Assurance Review – resulting assurance category = Reasonable)
- Customer Satisfaction (advisory)
- Cybersecurity and Data Security (advisory)
- Manual Payments and Scottish Government Shared Services (advisory)

In addition, follow-up reviews were conducted for previous years' audits relating to:

- IT Contract Management
- Transfers In and Out.

Key Risks

The Agency's key headline risks for 2024-45 are below and the top three are discussed in detail within the Performance Report section page 11.

- McCloud Remedy (2015): Ongoing implementation challenges.
- Timely and Accurate Payments: Increased demand, including Remedy-related contact, led to automation improvements, recruitment, and workload re-prioritisation.
- Member Data Accuracy: Introduction of i-Connect for some schemes, with full rollout planned for 2025/26. Data accuracy remains a priority to support automation and reduce manual processing.
- 35-Hour Working Week: Implemented in October 2024, reducing hours from 37 without pay reduction. Managed throughout the year.
- Oracle Fusion Implementation: Transitioned HR and payment systems to Oracle Fusion, ensuring continuity in pension payments, procurement, and HR functions.

Counter Fraud

During the 2024/25 period there have been:

- Four cases we have considered as potential instances of fraud that have not been found to be fraudulent.
- Two cases that were attempts to commit fraud that have been stopped by our controls
- Three cases where fraud was committed

SPPA is supporting an on going investigation. Of the instances where fraud was committed, all three were related to bank details being changed via an online portal. They were not connected but each suspected to be the result of a personal device being hacked.

SPPA supported all three victims of fraud to report their cases to police and advise of Action Fraud as a source for more support. SPPA was previously advised that as the agency is not defined as the victim the police request the member registers the crime.

Remuneration and Staff Report

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Principles, which require appointments to be on merit on the basis of fair and open competition, but also include the circumstances when appointments may otherwise be made.

Unless otherwise stated, the officials covered by this report hold appointments which are open-ended until they choose to retire.

Independent non-executive members of the SPPA are appointed by the Chief Executive for an initial period of four years, with the option of another four-year period to follow.

Remuneration Policy

The remuneration of senior civil servants (SCS) is set in accordance with the Civil Service Management Code and with independent advice from the Review Body on Senior Salaries (SSRB). In reaching its recommendations, the SSRB is to have regard to the following considerations:

- The need to recruit, retain, motivate and where relevant, promote suitably able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff;
- Scottish Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the Scottish Government's departmental expenditure limits; and
- The Scottish Government's inflation target.

Further information about the work of the SSRB can be found via the [Office for Pay Review Bodies](#).

Within the Scottish Government the Talent Action Group (TAG), comprising the Permanent Secretary, Director People and two Non-Executive Members, approve SCS pay structures and pay awards. They ensure that pay proposals fall within Scottish Public Sector Pay Policy, and the Cabinet Office framework for SCS pay.

Renumeration Disclosure Executive Team (audited information)

Role and post holder	2024/25			2023/24		
	Salary £000	Pension benefits (to nearest £1000)	Total £000	Salary £000	Pension benefits (to nearest £1000)	Total £000
Chief Executive Officer: David Robb (from April 2024 to June 2024)	25-30 (FYE 105-110)	2	25-30	105-110	49	155-160
Chief Executive Officer: Stephen Pathirana (started May 2024)	95-100 (FYE 115-120)	53	145-150	-	-	-
Deputy Chief Executive Officer: Kate Thomson-McDermott (from September 2025)	-	-	-	-	-	-
Head of People and Place: Debbie Trafford	75-80	32	105-110	30-35	15	45-50
Head of Strategy and Governance: Stuart MacArthur (from November 2024)	20-25 (FYE 70-75)	7	25-30	-	-	-
Chief Finance Officer: John Burns	80-85	32	110-115	30-35	12	45-50
Chief Operating Officer: Frances Graham (to December 2024)	85-90	34	120-125	80-85	33	115-120
Chief Transformation Officer: Frances Graham (from December 2024)						
Chief Operating Officer: Christopher Nairns (from January 2025)	20-25 (FYE 85-90)	31	50-55	-	-	-
Head of Policy: Iain Coltman	80-85	31	110-115	70-75	29	100-105
Head of Strategy and Communications: Laura Pacey (from April 2024 to November 2024)	50-55 (FYE 75-80)	22	70-75	25-30	38	65-70

Non-Executive Directors (audited information)

The non-executive directors are not salaried, but received the following in fees and expenses in connection with their duties:

Name	2024/25 £000	2023/24 £000
Jane Malcolm	0-5	0-5
Clare Scott	0-5	0-5
Mark Tarry	0-5	-
Kevin McLeod	0-5	-
Mark Adderley	0-5	0-5
Norman McNeil	0-5	0-5
Alan Wright	0-5	-
Ian Forbes	0-5	0-5
Helen Mackenzie	0-5	0-5

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium, or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked,' with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and

alpha the figure quoted is the combined value of their benefits in the two schemes). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account). Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement). The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages).

Further details about the Civil Service pension arrangements can be found on the [Civil service pensions website](#).

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the calculated lump sum value of a member's accrued pension benefits at a specific time, including any benefits for a spouse and any additional pensions purchased or transferred in. It represents the amount that can be transferred to another pension scheme if the member leaves their current one. CETVs are calculated under specific regulations and do not reflect potential tax reductions due to Lifetime Allowance limits.

Pension benefits (audited information)

Name and title	Accrued pension at pension age as at 31 March 25 and related lump sum £000	Real increase in pension and lump sum at pension age £000	CETV at 31 March 2025 £000	CETV at 31 March 2024 £000	Real increase/(decrease) in CETV £000
Chief Executive Officer: David Robb (from April 2024 to June 2024)	45-50 plus a lump sum of 125-130	0-2.5 plus a lump sum of 0	1,160	1,150	-
Chief Executive Officer: Stephen Pathirana (started May 2024)	30-35 plus a lump sum of 80-85	2.5-5 plus a lump sum of 0-2.5	720	653	40
Deputy Chief Executive Officer: Kate Thomson-McDermott (from September 2025)	-	-	-	-	-
Head of People and Place: Debbie Trafford (from November 2024)	5-10	0-2.5	74	49	16
Head of Strategy and Governance: Stuart MacArthur (from November 2024)	5-10	0-2.5	104	97	3
Chief Finance Officer: John Burns	0-5	0-2.5	45	12	26
Chief Operating Officer: Frances Graham (to December 2024)	0-5	0-2.5	70	34	27
Chief Transformation Officer: Frances Graham (from December 2024)					
Chief Operating Officer: Christopher Nairns (from January 2025)	0-5	0-2.5	36	9	20
Head of Policy: Iain Coltman	15-20	0-2.5	279	234	20
Head of Strategy and Communications: Laura Pacey (from April 2024 to November 2024)	20-25	0-2.5	291	256	13

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Compensation on early retirement or for loss of office

In 2024/25, there was no compensation (2023/24: no compensation) paid to a member of SPPA staff in respect of the efficiency dismissal notification. Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

Exit costs are accounted for in the year of departure. Where the SPPA has agreed early retirements, the additional costs are met by the SPPA and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

When applicable, exit packages would be subject to audit.

There were no compulsory redundancies in 2024/25 or in the prior year.

Payments to past directors

There were no payments to past directors in 2024/25 in the prior year.

Fair pay (audited)

The SPPA is required to disclose the relationship between the remuneration of the highest paid employee and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The lower quartile, median and upper quartile remuneration calculation includes directly employed staff paid through SPPA's payroll and covers both permanent staff and those on fixed term contracts. The calculation includes temporary Agency staff paid by invoice.

The banded remuneration (excluding pension benefits) of the highest paid permanent employee in the organisation in 2024/25 was £115,000 - 120,000 for the Chief Executive (2023/24: £105,000 - 110,000). This was 3.34 times (2023/24: 3.17) the median remuneration of the workforce, which was £35,140 (2023/24: £33,867). The ratio is calculated as the mid-point of the highest band divided by the median total remuneration. The increase in the pay ratio is attributable to the change in the highest paid director being greater than the equivalent change in employee's pay as a whole. In 2024 – 25, seven (2023 – 24: Twelve) external contractors received remuneration in excess of the highest paid director.

The SPPA believes the median pay ratio for the relevant financial year is consistent with the pay, reward and progression policies for the agency's employees taken as a whole, however the ratios are slightly skewed by the inclusion of specialised contractors that were remunerated at a higher rate than the median for the agency.

The year-on -year increase in the highest paid director's remuneration was 9.3%. The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole was 3.76%.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Members of staff do not receive any additional benefits. Remuneration across SPPA ranged from £10k - £213k (2023 – 24: £21k - £298k). The high value of £213k related to the annualised salary of an external contractor who did not work the full year.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest-paid employee (excluding pension benefits) and each point in the remuneration range for the organisation's workforce. The increase in median pay ratio from 2023/4 was 5.48%.

Table 3.1: Median pay disclosure:

2024/25	25 th percentile	Median	75 th percentile
Salary component of pay	£31,177	£35,140	£42,244
Total pay, performance pay and bonuses excluding pension benefits	£31,177	£35,140	£42,244
Total pay excluding pension: pay ratio for highest paid employee	3.77	3.34	2.78

2023/24	25 th percentile	Median	75 th percentile
Salary component of pay	£29,677	£33,867	£41,005
Total pay excluding pension: pay ratio for highest paid employee	3.62	3.17	2.62

2024/25	25 th percentile	Median	75 th percentile
Percentage change from 2023/24	5.05%	3.76%	3.02%

Total spending on consultancy amounted to £0.700m and contingent labour £1.755m. There was additional capital spend on contingent labour of £1.796m.

Table 3.2: Average number of full-time equivalent persons employed by year

Average number of Full time equivalent persons employed	2024/25			2023/24		
	Female	Male	Total	Female	Male	Total
Senior civil servant	0	1	1	0	1	1
Senior management	2	4	6	1	4	5
Other permanent staff	202	175	377	176	165	341
Agency staff	7	16	23	6	20	26
Total	211/51.8%	196/48.2%	407	183/53.5%	190/46.5%	373

Table 3.3: Administration costs

	2024/25 £000	2023/24 £000
Wages and salaries	13,090	12,033
Social security costs	1,359	1,272
Other pension costs	3,519	3,164
Agency staff costs	1,755	3,084
Total administration staff costs	19,723	19,553

Sickness absence

The SPPA HR team monitor attendance management and support managers in applying the Scottish Government attendance policy. The SPPA HR team provide support and advice to ensure early intervention and encourage colleagues returning from long-term sickness absence to return on part-time medical grounds where appropriate.

The total average working days lost in 2024/25 was 11.1 per total FTE (2023/24 was 9.4) compared to the SG figure of 8.6 per total FTE (increased from 8.2 in 2023/24).

Staff Turnover Percentages

Staff turnover as of 31 March 2025 was 3.57% equating to 12 FTE (in 2023/24 it was 5.9% equating to 21.4 FTE).

Pay Range	A3	A4	B1	B2	B3	C1	C2	C3	SCS	ALL
SPPA total count	17	157	87	63	31	19	6	3	1	383
SPPA Total %	4.4	41	22.6	16.3	8.1	5	1.5	0.8	0.3	100

Staff Recruitment

Recruitment campaigns undertaken by the SPPA were carried out through fair and open competition, selection on merit and in accordance with the Scottish Government guidance and the Civil Service Commissioner's Recruitment Principles. The summary below does not include posts filled on a temporary basis:

Band A vacancies: 21 positions filled total. 18 externally (FTA x 18 months), 2 internally (perm), 1 externally (perm).

Band B vacancies: 25 posts filled total. 1 OGD transfer (perm), 7 SG transfer (perm), 3 external (perm), 14 internal (perm).

Band C vacancies: 8 positions filled total. 6 internally (perm), 2 SG transfer (perm).

SCS: 1 position filled from SG (perm).

Employees with Disabilities

The SPPA complies with the Scottish Government's Civil Service Code of Practice on the employment of people with disabilities and is an Employment Services disability symbol user. The code of practice aims to ensure that there is no discrimination on the grounds of disability and that access to employment and 12 Part 2 – Mainstreaming: Scottish Government As An Employer – [Equality outcomes and mainstreaming: report 2021, Scottish Public Pensions Agency Annual Report and Accounts 2023/24](#) career advancement with the SPPA is based solely on ability, qualifications, and suitability for the work.

As an employer SPPA is aligned with Scottish Government resourcing policies and the Civil Service Recruitment Principles, to ensure that colleagues are appointed on merit in a fair and open way. Resourcing policies and procedures offer a more inclusive approach to selection ensuring candidates can demonstrate their skills and experience in more than one way. As part of the Disability Confident Scheme, SPPA offer guaranteed interviews to candidates who meet minimum requirements. Recruitment and workplace adjustments are offered for those who need them which supports both candidates and managers to ensure that individuals can perform at their best during the selection process.

New SPPA colleagues participate in the SPPA induction programme, which is delivered through People Development and Manager led sessions, online and in persons. This blended approach offers an organisational overview, role specific information and practical information to support them in their SPPA colleague journey.

For the continuing employment of, and/or training for, employees who have become disabled during their time with SPPA, tools are available, such as Employee Passports, occupational health advice and recommendations for reasonable adjustments.

SPPA colleagues and managers have access to a range of people development tools which are delivered online, face to face or remotely to support individual learning styles and needs. SPPA have introduced a Colleague Forum and a Diversity and Inclusions Network group to share knowledge and offer support. Diversity and Inclusions awareness sessions are planned for the forthcoming year.

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published each year on a website maintained by or on behalf of the employer before 31 July each year. As the SPPA is not listed as a separate body under the terms of the Legislation, the Scottish Government's reporting will include the SPPA.

Reporting of Civil Service and other compensation schemes – exit packages

In 2024/25, there was no compensation (2023/24: no compensation) paid to a member of SPPA staff in respect of the efficiency dismissal notification. Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in the year of departure. Where the SPPA has agreed early retirements, the additional costs are met by the SPPA and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. When applicable, exit packages would be subject to audit. There were no compulsory redundancies in 2024/25 or in the prior year.

Diversity & Inclusion

As an Agency of the Scottish Government the SPPA aligns with the SG vision to be a diverse employer where people can be themselves at work. The aim is to ensure that all colleagues feel comfortable and valued, and free to contribute fully and to the best of their ability.

The SPPA feeds into the [SG Equality Mainstreaming report](#) which is published every two years and actively contributes to the Scottish Government's strategic equality outcomes:

Outcome 1: Our workforce increases in diversity to reflect the general Scottish population by 2025.

Outcome 2: Foster an inclusive workforce culture and value the contribution of employees from all backgrounds.

The SPPA mandatory diversity objectives for colleagues were reviewed at the start of the last reporting year to better align to the SPPA values. All staff are required to have one objective related to diversity and inclusion. Our colleagues are encouraged to share diversity monitoring information via our e-HR system and inclusive culture training is mandatory for all staff. Our colleague passport explores a range of formal and informal workplace adjustments for those who have a condition (illness or disability) or another circumstance which impacts them at work.

12 Parliamentary accountability report

12.1 Losses and special payments

There were 16 special payments totalling £31,215 and 0 losses incurred in the year to 31 March 2025 (31 March 2024: 17 totalling £16,838).

12.2 Fees and charges

Information on fees and charges raised during the year are provided at Note 4 to the financial statements.

12.3 Remote contingent liabilities

There were no remote contingent liabilities to report as at 31 March 2025 (Nil: 31 March 2024).

12.4 Gifts

No gifts were made or received during the year.

Stephen Pathirana

Chief Executive

15 January 2026

4. Independent Auditors Report

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Public Pensions Agency for the year ended 31 March 2025 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including the Statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 13 August 2024. My period of appointment is four years, covering 2023/24 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant, FCPFA

Audit Scotland
4th Floor

102 West Port
Edinburgh
EH3 9DN

15 January 2026

Michael Oliphant

5. Financial Statements

STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2025

	Note	2024/25 £000	2023/24 £000
Staff Costs	2	19,723	19,553
Other Operating Costs	3	8,939	7,485
Depreciation	5,6	915	1,392
Total operating costs		29,577	28,430
Income	4	(270)	(312)
Net operating costs		29,307	28,118

	Note	2024/25 £000	2023/24 £000
Other comprehensive expenditure			
Net (Gain)/Loss on revaluation of Property, Plant and equipment	5	-	-
Total Comprehensive expenditure for the year		29,307	28,118

The above results relate to continuing activities.

STATEMENT OF FINANCIAL POSITION as at 31 March 2025

	Note	2024/25 £000	2023/24 £000
Non-Current assets			
Tangible non-current assets – Property, plant and equipment	5	5,476	5,805
Intangible Assets	6	4,933	2,914
Total non-current assets		10,409	8,719
Current Assets			
Trade Receivables and other current assets	7.1	40,098	31,703
Total current assets		40,098	31,703
Total Assets		50,507	40,422
Current Liabilities			
Trade and other payables	8.1	(20,895)	(17,229)
Provisions for liabilities and charges	9	(11)	(65)
Total Current Liabilities		(20,906)	(17,294)
Total assets less current liabilities		29,601	23,128
Non-Current Liabilities		-	-
Non-Current Trade and other payables	8.3	-	-
Total non-current liabilities		-	-
Net Assets (liabilities)		29,601	23,128
Taxpayers' equity and other reserves			
General Fund		27,930	21,457
Revaluation Reserve		1,671	1,671
Total Taxpayers equity		29,601	23,128

The notes on pages 63 onwards form part of these financial statements.

Date accounts authorised for issue

The Accountable Officer authorised these financial statements for issue on 15 January 2026

Stephen Pathirana
Chief Executive

Stephen Pathirana

STATEMENT OF CASH FLOWS for the year ended 31 March 2025

	Note	2024/25 £000	2023/24 £000
Cash flows from operating activities			
Net operating cost		(29,307)	(28,118)
Adjustments for non-cash transactions			
Depreciation	5,6	915	1,392
Notional costs for services provided	3	391	289
Movements in working capital			
(Increase)/decrease in trade and other receivables	7	(8,395)	13,568
Increase/(decrease) in trade and other payables	8	3,666	1,707
Increase/(decrease) in property, plant and equipment trade and other payables	8	-	0
Increase/(decrease) in intangible asset trade and other payables	8	-	0
Increase/(decrease) in provisions	9	(54)	32
Net cash outflow from operating activities		(32,784)	(11,130)
Cash flows from investing activities			
Purchase of tangible non-current assets	5	(78)	(876)
Increase/(decrease) in property, plant and equipment trade and other payables	8	0	0
Purchase of intangible assets	6	(2,523)	(2,253)
Increase/(decrease) in intangible asset trade and other payables	8	0	0
Net cash outflow from investing activities		(2,601)	(3,129)
Capital element of finance lease payments		(5)	(9)
Net funding – Agency		28,914	27,270
Net funding – pension payments on behalf of Scottish police and fire services		6,476	(13,002)
Total net financing		35,385	14,259
Increase/(decrease) in cash and cash equivalents		0	0

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2025

Statement of changes in taxpayers' equity		General Fund £000	Revaluation Reserve £000	Total Reserves £000
For the year ended 31 March 2025	Note			
Balance at 31 March 2024		21,457	1,671	23,128
Net gain on revaluation of tangible non-current assets	5	-	-	-
Non-cash charges – SCOTTISH GOVERNMENT services	3	115	-	115
Non-cash charges – Auditors remuneration	3	276	-	276
Net operating cost for the year		(29,307)	-	(29,307)
Net funding		35,389	-	35,389
Balance at 31 March 2025		27,930	1,671	29,601

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2024

Statement of changes in taxpayers' equity		General Fund £000	Revaluation Reserve £000	Total Reserves £000
For the year ended 31 March 2024	Note			
Balance at 31 March 2023		35,018	1,671	36,689
Net gain on revaluation of tangible non-current assets	5	-	-	-
Non-cash charges – SCOTTISH GOVERNMENT services	3	115	-	115
Non-cash charges – Auditors remuneration	3	174	-	174
Net operating cost for the year		(28,118)	-	(28,118)
Net funding		14,268	-	14,268
Balance at 31 March 2024		21,457	1,671	23,128

6. Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in accordance with [the 2024/25 Government Financial Reporting Manual \(FReM\)](#). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors. Changes in accounting policies, which do not give rise to a prior year adjustment, are reported in the relevant note.

The policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Critical accounting judgements and key sources of estimation

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. These assessments are based on historic and other factors that are believed to be reasonable, the results of which form the basis for making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis. An independent revaluation of land and buildings is performed at a minimum of every five years and the estimates arising from the revaluation are applied in the annual accounts. The most recent revaluation took place in 2022/23.

The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

New accounting standards issued but not yet adopted

All new standards issued, and amendments made to existing standards are reviewed by the Financial Reporting and Advisory Board (FRAB) for subsequent inclusion in the FReM in force for the year in which the changes become applicable. The standard that is considered relevant to the Agency and the anticipated impact on the accounts is as follows:

IFRS 17 – insurance contracts

The International Accounting Standards Board (IASB) has issued IFRS 17 Insurance Contracts, which replaces IFRS 4 Insurance Contracts and is expected to be effective for accounting periods beginning on or after 1 January 2023, following an IASB decision to defer the effective date by one year. Mandatory adoption of IFRS 17 in central government is expected to be from financial year 2025/26 subject to the exposure draft consultation process with government entities and FRAB approval of the final application guidance. Some interpretations and adaptations are likely to be necessary to fit IFRS 17 effectively to public sector conditions. IFRS 17 is not expected to have an impact on the accounts as there are currently no insurance contracts in place.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant, and equipment (PPE), intangible assets and where material, inventories to fair value as determined by reference to their current costs.

1.2 Property, plant, and equipment (PPE)

- **Recognition:** All PPE assets will be accounted for as non-current assets unless they are deemed to be held-for-sale and will be accounted for under IAS 16 Property, Plant and Equipment. Scottish Ministers hold the legal title or effective control over all land and buildings shown in the accounts.
- **Valuation:** The land and buildings at Tweedbank were valued as at 31 March 2023 by the District Valuer Services of the Valuation Office Agency in the capacity of External Valuers using the Depreciated Replacement Cost method. The valuation was undertaken in accordance with IFRS standards, the FReM and RICS Valuation Professional Standards. A professional revaluation of the property will be undertaken at least every five years, and appropriate indices used to restate the values in the intervening years. During intervening years, any minor additions have been reported at depreciated historic cost as a proxy for fair value.

Losses in value reflected in valuations are accounted for in accordance with IAS 36, Impairment of Assets as adapted by the FReM which states that impairment losses that arise from a clear consumption of economic benefit should be taken to the outturn statement. The balance on any revaluation reserve (up to the level of impairment) to which the impairment would have been charged under IAS 36 should be transferred to the general fund.

Upwards movements in value are taken to the revaluation reserve. Downward movements are set off against any credit balance held in the revaluation reserve until the credit is exhausted and thereafter charged to the Statement of Comprehensive Net Expenditure. Depreciated historic cost has been used as a proxy for the fair value of furniture and fittings, equipment, and information technology systems. All the assets in these categories have short useful economic lives, which realistically reflect the life of the asset and a depreciation charge, which provides a realistic reflection of consumption.

Capitalisation

The minimum level for capitalisation of PPE is £5,000.

1.3 Depreciation and Amortisation

Land is considered to have an indefinite life and is not depreciated. Assets under construction are not depreciated. For all other property, plant and equipment and intangible assets, depreciation or amortisation is charged from the year they are brought into service. Rates are calculated to write off their valuation by even instalments over their estimated useful lives which are normally in the following ranges:

Buildings	30 years (valuation as at 31 March 2023)
Furniture and fittings	3 to 20 years
Equipment	5 to 10 years
Information technology	3 to 7 years

The useful economic life of individual assets is reviewed annually, and the asset life adjusted accordingly.

1.4 Intangible assets

In accordance with the FReM, intangible assets are accounted for in line with the requirements of IAS 38 Intangible Assets and are valued at depreciated replacement cost. Revaluations are carried out according to IAS 38 for assets over a valuation threshold. Future economic benefit has been used as the criteria in assessing whether an intangible asset meets the definition and recognition criteria of IAS 38 Intangible Assets for assets that do not generate income. IAS 38 defines future economic benefit as, 'revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity'.

Intangible assets other than assets under development are amortised on a straight-line basis over their estimated useful lives. Impairment reviews are carried out if there are any indicators that impairment should be considered.

Intangible assets under development are not amortised.

Purchased computer software is capitalised as an intangible asset where expenditure is greater than £1,000 or where the pooled value exceeds £1,000. All purchased software licences with a term greater than one year are capitalised as intangible assets. Software and software licences are amortised over the shorter of the term of the licence and the useful economic life. The amortisation period is over two to five years. The useful economic life of individual assets is reviewed annually, and the asset life adjusted accordingly. Development expenditure is the capitalised costs of IT systems being developed, but not yet available for use.

1.5 Financial instruments

The SPPA measures and presents financial instruments in accordance with IAS 32, IFRS 7, IFRS 13 and IFRS 9 as interpreted by the FReM. IFRS 9 contains three principal classification categories for financial assets:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified and subsequently measured at amortised cost. The SPPA has classified its financial instruments as follows:

- Financial Assets: Cash and cash equivalents, trade receivables, short term loans, prepayments, accrued income and amounts receivable will be classified as amortised cost.
- Financial Liabilities: Borrowings, trade payables, accruals, payables, bank overdrafts and financial guarantee contracts are classified as 'Other Liabilities.'

Financial instruments are initially measured at fair value. The fair value of financial assets and liabilities is determined as follows:

- the fair value of cash and cash equivalents and current non-interest bearing monetary financial assets and financial liabilities approximate their carrying value; and
- the fair value of other non-current monetary financial assets and financial liabilities is based on market prices where a market exists, use of appropriate indices or has been determined by discounting expected cash flows by the current interest rate for financial assets and liabilities with similar risk profiles.

Financial instruments subsequent measurement depends on their classification.

- Fair value through the profit and loss is held at fair value with any changes going through the outturn statement.
- Financial assets and liabilities held at amortised cost are not revalued. Any impairment losses go through the outturn statement.

As the cash requirements of the SPPA are met through the Scottish Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirement; the SPPA is therefore exposed to little credit, liquidity, or market risk.

1.6 Revenue

Operating income is income that relates directly to the operating activities of the SPPA. It includes fees and charges for services provided, on a full cost basis, to external customers and public repayment work. Operating income is stated net of VAT.

1.7 Pensions

The SPPA as an employer

Past and present employees are covered by the provisions of the Civil Servants and Other Pensions Scheme (CSOPS) and the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded. The SPPA recognises the expected cost of providing pensions for its employees on a systematic and rational basis over the period during which it benefits from their services by payment to the CSOPS and PCSPS of amounts calculated on an accruing basis (relevant disclosures are included in the Staff and Remuneration report). Liability for payment of future benefits is a charge to the CSOPS and PCSPS. Separate scheme statements for the CSOPS and PCSPS as a whole are published.

The SPPA as a scheme administrator

The SPPA has responsibility for processing pension payments for the following pension schemes that sit within the scope of the SPPA's Accountable Officer:

- NHS Scotland Pension Scheme
- Scottish Teachers' Superannuation Scheme

The SPPA has responsibility for processing pension payments for the following pension schemes under service level agreements with the organisations:

- Police Pension Scheme (Scotland)
- Fire and Rescue Service Pension Scheme (Scotland)

The arrangements for these pension schemes are reported and explained in the annual accounts of the relevant bodies.

1.8 Value added tax (VAT)

Most of the activities of the SPPA are outside the scope of VAT, and in general output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts relating to operating costs, purchase cost of fixed assets and operating income are stated net of VAT. The SPPA is registered for VAT as part of The Scottish Government, which is responsible for recovering VAT from HM Revenue and Customs (HMRC) on behalf of the SPPA.

1.9 Leases

As directed by the FReM, IFRS 16 Leases applies for financial periods commencing on or after 1 April 2022. Where substantially all the risks and rewards of ownership of a leased property are borne by the entity, it is recorded as a non-current asset and a corresponding payable recorded in respect of the debt due to the lessor, with the interest element of the finance lease payment charged to the operating cost statement. Right-of-use assets and a lease liability are recognised at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The estimated useful lives are determined on the same basis as property and equipment.

1.10 Provisions

IAS 37 Provisions, Contingent Liabilities and Contingent Assets applies in full, and in these accounts, provisions are made for legal or constructive obligations which are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where material, they have been discounted using the appropriate discount rate as prescribed by HM Treasury.

1.11 Contingent liabilities

Contingent liabilities include those required to be disclosed under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

1.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an estimate of likely impairment. Impairment of trade receivables is calculated through an expected credit loss model.

1.13 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Short-term employee benefits

A liability and an expense are recognised for holiday days, holiday pay, and other short-term benefits when the SPPA's employees render service that increases their entitlement to these benefits. As a result, an accrual has been made for holidays earned but not taken.

1.15 Police Scotland and Scottish Fire and Rescue Service (SFRS)

The SPPA has a statutory responsibility to act as Pension Scheme Manager on behalf of Scottish Ministers and has responsibility for processing pension payments for Police Scotland and SFRS pension schemes under a service level agreement with the organisations. Under its Agency status the SPPA has access to and utilises Scottish Government designated bank accounts in order to carry out its functions, including that assigned in its 'Framework Agreement', for administering Police Scotland and SFRS pensions. Under current funding arrangements, Police Scotland and SFRS pensions paid to members are required to be reimbursed to the SPPA by Police Scotland and SFRS.

Amounts paid to HMRC by the SPPA relating to Police Scotland and SFRS pension scheme obligations follow similar reimbursement arrangements. The account balances due at the year-end are included in the SPPA's Statement of Financial Position. The temporary funding of these balances is included in the Statement of Cash Flows.

Police Scotland and SFRS account for pensions expenditure and the related funding from the Scottish Government in their separate financial statements and is, therefore, not included in the SPPA's financial statements. Scottish Ministers determine the scope of the SPPA's responsibilities in administering the Police Scotland and SFRS schemes and the accounting arrangements have been agreed with them.

1.16 Going concern

The Agency receives its funding from the Scottish Government and its annual operating budget is approved and published each year, as part of the Scottish Government's budget, by the Scottish Parliament. Funding requirements have been agreed with the Scottish Government that give the Management Advisory Board reasonable expectation that the SPPA will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in the preparation of the annual report and accounts.

2 Staff numbers, costs, and pensions

A summary of staff costs is included in Table 2.1. More information is available in the Accountability Report.

Table 2.1: Administration costs

	2024/25 £000	2023/24 £000
Wages and salaries	13,090	12,033
Social security costs	1,359	1,272
Other pension costs	3,519	3,164
Agency staff costs	1,755	3,084
Total administration staff costs	19,723	19,553

3 Other operating costs

	2024/25 £000	2023/24 £000
IT Maintenance	4,658	3,543
Actuarial Services	1,645	1,904
Professional & technical advisory services	763	395
Other minor running costs	220	296
Postage	244	238
Subscriptions	194	129
Training	147	104
Medical services	138	99
Compensation payments	31	17
Travel & Subsistence	15	12
Reform of Guaranteed Minimum Pension (GMP)	-	-
	8,055	6,737
Accommodation and support services		
Rates	148	139
Maintenance	90	69
Other accommodation costs	255	251
	493	459
Notional charges		
Services provided by the Scottish Government	115	115
Audit fee	276	174
	391	289
Other administration costs total	8,939	7,485

4 Operating income

	2024/25 £000	2023/24 £000
Pension sharing on divorce – charges to courts and solicitors	214	179
Pension calculation services for third parties	38	39
Rental income from subletting of office space	18	16
Interest Income	-	78
Total operating income	270	312

5 Property, plant, and equipment

For the year ended 31 March 2025	Information						Furniture and Fittings	Total
	Land £000	Buildings £000	Technology £000	Equipment £000				
At 1 April 2024	400	4,544	867	404		325	6,540	
Additions	-	-	86	-		16	102	
Disposals	-	(24)	-	-		-	(24)	
Transfers	-	391	48	(352)		(51)	36	
At 31 March 2025	400	4,911	1,001	52		290	6,654	
Depreciation								
At 1 April 2024	-	179	323	52		181	735	
Charged in year	-	122	358	14		51	545	
Transfers	-	66	(102)	(17)		(49)	(102)	
At 31 March 2025	-	367	579	49		183	1,178	
NBV at 31 March 2025	400	4,544	422	3		107	5,476	
NBV at 31 March 2024	400	4,365	544	352		144	5,805	

For the year ended 31 March 2024		Information				Furniture and Fittings	Total
Cost or valuation	Land £000	Buildings £000	Technology £000	Equipment £000	£000	£000	£000
At 1 April 2023	400	4,550	1,224	105	838	7,117	
Additions	-	37	402	376	61	876	
Disposals	-	(43)	(759)	(77)	(574)	(1,453)	
At 31 March 2024	400	4,544	867	404	325	6,540	
Depreciation							
At 1 April 2023	-	64	894	93	708	1,759	
Charged in year	-	158	188	36	47	429	
Disposals	-	(43)	(759)	(77)	(574)	(1,453)	
At 31 March 2024	-	179	323	52	181	735	
NBV at 31 March 2024	400	4,365	544	352	144	5,805	
NBV at 31 March 2023	400	4,486	330	12	130	5,358	

6 Intangible assets

For the year ended 31 March 2025	Software Licences £000	IT £000	Assets Under Development £000	Total £000
Cost or valuation				
At 1 April 2024	28	852	2,056	2,936
Additions	219	-	2,304	2,523
Disposals	-	-		-
Transfers	(228)	488	(295)	(35)
At 31 March 2025	19	1,340	4,065	5,424
Amortisation				
At 1 April 2024	-	22	-	22
Charged in year	4	366	-	370
Transfers	-	99	-	99
At 31 March 2025	4	487	-	491
NBV at 31 March 2025	15	853	4,065	4,933
NBV at 31 March 2024	28	830	2,056	2,914

For the year ended 31 March 2024	Software Licences £000	IT £000	Assets Under Development £000	Total £000
Cost or valuation				
At 1 April 2023	3,324	12,479	312	16,115
Additions	28	481	1,744	2,253
Disposals	(3,324)	(12,108)	-	(15,432)
At 31 March 2024	28	852	2,056	2,936
Amortisation				
At 1 April 2023	3,015	11,476	-	14,491
Charged in year	309	654	-	963
Disposals	(3,324)	(12,108)	-	(15,432)
At 31 March 2024	-	22		22
NBV at 31 March 2024	309	1,003	312	1,624
NBV at 31 March 2023	309	1,003	312	1,624

7 Trade receivables and other current assets

	2024/25 £000	2023/24 £000
7.1 Amounts falling due within one year		
Trade receivables	87	(39)
Prepayments and accrued income	392	667
Cash in transit	-	(263)
Third party assets**	20,187	-
Other receivables*	19,432	31,338
Total receivable within one year	40,098	31,703
7.2 Intra-government balances		
Balances with other central government bodies	39,619	31,338
Balances with bodies external to government	479	365
Total receivable within one year	40,098	31,703

*Other receivables relate to the payment of pensions on behalf of Police Scotland and Scottish Fire and Rescue Service.

** In 2024/25, new bank accounts for the payment of pensions on behalf of Police Scotland and Scottish Fire and Rescue Service were opened and these are shown as third party assets.

8 Trade payables and other current liabilities

	2024/25 £000	2023/24 £000
8.1 Amounts falling due within one year		
Trade payables	656	90
Accruals and deferred income	2,359	1,720
Taxation and social security*	16,600	15,394
Other payables	1,280	21
Finance lease	-	5
Total due within one year	20,895	17,229

*An additional amount relating to taxation and superannuation liabilities of £0.707m is included (2023/24: Nil), that arose from a change in process following the move to the Oracle system.

	2024/25	2023/24
	£000	£000
8.2 Intra-government balances falling due within one year		
Balances with other central government bodies	17,541	15,393
Balances with bodies external to government	3,354	1,836
Total due within one year	20,895	17,229

	2024/25	2023/24
	£000	£000
8.3 Amounts falling due after more than one year		
Finance lease	-	-
Total due after one year	-	-

	2024/25	2023/24
	£000	£000
8.4 Intra-government balances falling due after more than one year		
Balances with bodies external to government	-	-
Total due after one year	-	-

9 Provisions for liabilities and charges

	2024/25	2023/24
	£000	£000
Provision at 1 April		
Provision at 1 April	65	33
Provided in the year	(54)	32
Balance as at 31 March	11	65
Payable in 1 year	11	65
Total as at 31 March	11	65

NHS Scotland Pension Scheme and Scottish Teachers' Superannuation Scheme

Provisions at 31 March 2025 relating to scheme member compensation claims were £12,000 (£2,000 as at 31 March 2024).

10 Commitments under leases

Total future minimum lease payments under leases are given in the table below for each of the following periods.

	2024/25 £000	2023/24 £000
Obligations under leases comprise:		
Office Equipment		
Not later than one year	-	5
Later than one year and not later than five years	-	-
Less interest element	-	-
	-	5

11 Related-party transactions

- The SPPA is a Scottish Government Executive Agency, which is therefore regarded as a related party.
- During the year, the SPPA has had several material transactions with the Scottish Government.
- Included in the balances are amounts related to the Police and Fire pension schemes, which are regarded as related parties.
- During the year, none of the Board Members, key managerial staff or other related parties has undertaken any material transactions with the SPPA.
- SPPA performs administration functions on behalf of Scottish Legal Aid Board and Scottish Parliamentary Pension Scheme, which are regarded as related parties

12 Contingent Liabilities disclosed under IAS 37: Provisions, Contingent Liabilities and Contingent Assets

The definition of a contingent Liability under IAS 37: Provisions, Contingent Liabilities and Contingent Assets is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not within the entity's control; or
- A possible obligation that arises from past events but is not recognised because it is not probable that a transfer of economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

NHS Scotland Pension Scheme and Scottish Teachers' Superannuation Schemes Related: Compensation claims of £Nil (£Nil at 31 March 2024).

13 Events after the reporting date

No material event has occurred after the year end which had a bearing on the accounts.

7. Accounts Direction



SCOTTISH PUBLIC PENSIONS AGENCY

DIRECTION BY THE SCOTTISH MINISTERS

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2006 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts is prepared.

2. The accounts shall be prepared to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 29 March 2001 is hereby revoked.

Two handwritten signatures in blue ink. The signature on the left is 'Alyson' and the signature on the right is the name of a Scottish Minister, likely John Hutton, though the name is not explicitly written.

Signed by the authority of the Scottish Ministers

17 January 2006

Serving those who serve Scotland



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

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