



Scottish Public
Pensions Agency
Buidheann Peinnseanan
Poblach na h-Alba

Building a better SPPA

Our Annual Business Plan 2026/2027

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CEO Foreword

As we set out our Business Plan for 2026/27, it is important that we recognise both how far we have come and the work that still lies ahead. Last year, I spoke about the sheer scale of the McCloud Remedy and the pressure it placed on the organisation. That scale has not diminished. Addressing Remedy has required us to work through the equivalent of several years of additional workload while still delivering our core responsibility: ensuring that the more than 237,000 people receiving a pension from the NHS, Teachers, Police and Fire schemes are paid accurately and on time and supporting the 12,600 individuals who retire each year, a figure that has been growing.

We have not been able to reach every member as quickly as we wanted, and to those still waiting for their Remedy choice, I want to say again that we are deeply sorry. Every colleague across the SPPA continues to work with extraordinary commitment to complete this work, and I remain incredibly proud of the dedication I see every day.

This year marks a particularly important moment for the SPPA. We are entering the final year of our current Corporate Plan, and the decisions we make now, the focus we apply, the discipline we demonstrate, and the foundations we strengthen, will form the bridge into our next strategic cycle, which begins in April 2027.

While we have made progress in improving services and maturing our digital capability, across the agency there is a consistent message: the organisation is asking for stability and the space to deliver our statutory responsibilities well.

That collective voice has shaped this Business Plan.

Completing McCloud Remedy remains a top priority for the coming year, but it sits alongside other significant commitments. We now need to prepare for the next major statutory programme: the Pensions Dashboard. We will also continue the rollout of the Engage member portal and progress the wider digital improvements that will support our long-term transformation. This represents the next step in our digital journey, and while this will mature over time, it can only succeed if we strengthen the foundations beneath it.

Improving our data remains central to this. Good data is the route to a better quality and more efficient service, reducing errors, minimising rework, and giving us the confidence and insight needed to modernise our services. Strengthening governance, improving operational discipline, and embedding more consistent processes will be key to creating the stability our organisation has asked for.

Underpinning all of this is our continued investment in our people. Last year we saw encouraging progress in building a healthier, more inclusive and supportive workplace, through our colleague forum, diversity network and clear hybrid working arrangements. The progress was marked in positive improvements in our people survey results. This year, we will continue to build leadership capability, expand development opportunities and support our staff to grow the skills that our future service will require.

The priorities in this plan are deliberately focused. This is not a year for expansion or new commitments. It is a year for doing the essential things well: delivering the statutory programmes before us, stabilising and strengthening our core services, investing in our people, and preparing the organisation for the future.

This focus has required clear choices. During 2026/27, we will not introduce new discretionary services. Where activity does not directly support Remedy completion, core service stability, regulatory compliance or organisational resilience, it will be paused or deprioritised. This discipline is essential if we are to deliver reliably for members and employers, and to enter the next Corporate Plan period on a stable and sustainable footing.

By the end of 2026/27, we expect to have a more stable operational platform, clearer organisational capability and a stronger evidence base to inform the priorities and ambitions of our next Corporate Plan.

It remains our privilege to serve those who serve Scotland.

Stephen Pathirana – Chief Executive Officer

Our Vision

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

Our Purpose

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



Our Strategic Aims

Deliver excellent services for our members

Build our capability
and become an
employer of choice

Be change positive

Be proud of our
workplace

Our Ways of Working



Bring the outside in



Improve every day



Always add value

Our Year in Numbers

2025/2026

Our members

We have 650,000+ members across our schemes

650,000+

£3.8 Billion

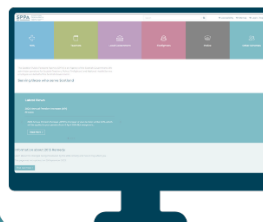


Annual Pension Spend

We have an annual provisional pension spend of over £3.8 Billion

Our website

Our website got over 4 million visits this year



411

Our Colleagues

We have 411 colleagues

What we do

The Scottish Public Pensions Agency is an agency of Scottish Government. We administer pensions for over 650,000 Scottish Teachers, Police, Firefighters and National Health Service employees.

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

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



Who we are

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

We have over 411 FTE colleagues making us one of the largest employers in the region.

The Agency has seven main business areas:

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

At the SPPA, our people are our most important asset. They play a key role in delivering for our members.

Everything we deliver, from paying pensions on time, to supporting major statutory programmes to strengthening the stability of our core services, relies on the skills, wellbeing and commitment of our colleagues.

This year, our focus is on continuing to build a supportive and empowering culture, where colleagues feel valued and have access to the development they need to thrive. This is not about a single initiative, but about a range of actions that shape how we work.

By investing in our people and their skills, we will build a resilient and confident workforce, capable of delivering excellent service for our members.



Who we are

Our Executive Team



Stephen Pathirana
Chief Executive Officer



Kate Thomson-McDermott
Deputy Chief Executive Officer/Director Strategy, Policy, Governance



Christopher Nairns
Chief Operating Officer



Frances Graham
Chief Transformation Officer



Debbie Trafford
Head of People & Place

Who we work with

Management Advisory Board

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

Pension Boards

We have four Pension Boards covering our Police, Firefighters, NHS and Teachers Schemes.

The Boards have an equal number of employer representatives and member representatives.

Pension Boards are responsible for assisting the Scheme Manager with the governance and administration of the scheme. This includes ensuring compliance with the scheme regulations, and any other relevant legislation and requirements as set out by The Pensions Regulator in relation to the scheme.

Audit and Risk Committee

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

Scheme Advisory Board

The five Scheme Advisory Boards (SABs) provide advice to Scottish Ministers on the desirability of changes to the Scottish schemes.

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

Our Business Priorities

This year our business priorities are:

1. Deliver statutory programmes.
2. Improve and stabilise our core services whilst being more cost effective.
3. Strengthen governance, assurance and controls across programmes and projects.

Our Business Priorities

1. Deliver Statutory Programmes

This priority focuses on the factors that underpin delivery across statutory programmes, including the quality and timeliness of data received from employers and partners, alongside continued system stability and colleague capacity. These dependencies are actively managed through strengthened governance, enhanced quality assurance and regular engagement with employers, regulators and delivery partners to reduce the risk of delay or rework.

We will do this by:

- Progressing as much McCloud Remedy processing as possible, issuing Remediable Service Statements and continuing to embed Remedy activity into business-as-usual operations.
- Delivering our annual statutory outputs on time and to a high standard particularly Annual Benefit Statements / Remediable Service Statements, Pension Savings Statements and other legislative events supported by strengthened governance and quality assurance.
- Preparing the organisation for Pensions Dashboard onboarding, including essential data readiness and progressing registration with our ISP to meet statutory expectations.



Our Business Priorities



1. Deliver Statutory Programmes - Continued What success will look like:

McCloud Remedy

- 95%+ Immediate Choice RSS delivered across Police, Fire and Teachers Schemes by end of 2026
- 95%+ NHS Immediate Choice completed by mid-2027
- Deferred Choice offered to NHS and Teachers retirees by end of 2026.
- All active members correctly updated in systems to reflect legacy position.

Annual Statutory Outputs

- Annual Benefit Statements issued to all active and deferred members (where data available) by August 2026
- Pension Saving Statements issued by October 2026.

Other Legislative Remedies

- Delivery of all scheme-specific remedies (Goodwin, Walker, Matthews, booths).

Pensions Dashboard

- Dashboard will launch in October 2026.

Our Business Priorities

2. Improve and Stabilise our Core Services whilst being more cost effective

This priority is focused on stabilising the operational foundations of the organisation following a prolonged period of statutory pressure. As Remedy activity continues and core processes are strengthened, emphasis is placed on improving consistency, reducing avoidable rework and increasing overall service resilience.

We will do this by:

- Strengthening core operational processes and standards, reducing variation and ensuring work is completed consistently and to a high quality.
- Improving the quality, accuracy and organisation of our data, enabling more reliable calculations, fewer errors and more efficient service delivery.
- Reducing rework and lifecycle times by simplifying workflows, addressing underlying causes of delays, and making it easier for teams to deliver first-time-right outcomes.
- Expanding the use of digital tools and automation to streamline manual activity, increase efficiency and free up colleague capacity for higher-value work.

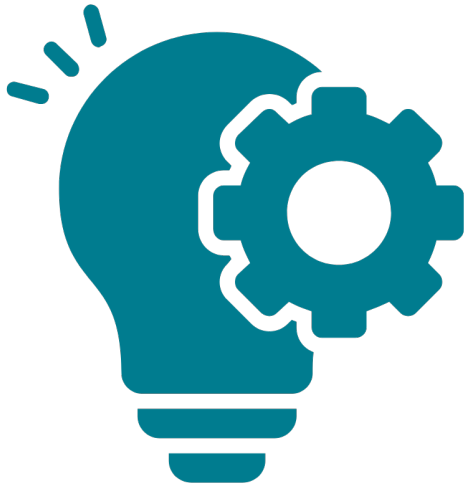


Our Business Priorities

2. Improve and Stabilise our Core Services whilst being more cost effective – Continued

what success will look like:

- Our core pension services become more stable and timely, with a steadily reducing number of cases taking longer than expected, particularly across high-volume services such as retirements and ongoing pension payments.
- The quality of our work continues to improve, with fewer errors and corrections needed, meaning calculations and decisions are increasingly completed correctly the first time.
- Members and employers find our services clearer and easier to use, supported by more consistent communications, improved guidance, wider access to online self-service, and fewer follow-up contacts needed to resolve enquiries.
- We deliver services more efficiently and cost-effectively, by simplifying processes, reducing manual work and increasing automation, allowing our people to focus more time on complex cases and supporting members.



Our Business Priorities

3. Strengthen our governance, assurance and controls across the organisation

This priority focuses on clear decision-making, effective oversight and early identification of risks and issues, ensuring accountability is consistently applied across programmes, projects and business-as-usual activity. Stronger foundations in governance and assurance will support delivery confidence, protect public trust and provide assurance to internal and external stakeholders.

We will do this by:

- Strengthening programme and project management by embedding clearer, more consistent governance frameworks, ensuring decision making pathways are well defined and understood.
- Improving assurance and oversight arrangements so risks, issues and dependencies are identified earlier and managed with greater confidence and transparency.
- Strengthening counter fraud arrangements by refreshing the Fraud Risk Assessment, improving fraud awareness and understanding across the organisation, and embedding stronger prevention, detection and reporting controls.
- Improve SPPA's cyber and technology resilience through strengthened risk management, architecture, security controls and supplier oversight.



Our Business Priorities



3. Strengthen our governance, assurance and controls across the organisation

What success will look like

- Programme/project governance standards implemented across all programmes with $\geq 85\%$ compliance.
- $\geq 90\%$ of due Internal Audit actions closed by year-end, demonstrating strengthened oversight and earlier identification and management of risks and issues, supported by a positive external audit opinion providing independent assurance over the effectiveness of governance and controls.
- A refreshed counter-fraud framework is in place, evidenced by a revised Fraud Risk Assessment that strengthens fraud identification, clear roles and responsibilities defined through a RACI-S, practical desktop guidance to support triage of suspected fraud, and the roll out of a new internal counter-fraud training module to build organisational awareness and capability.
- IT and cyber-security governance, risk management and supplier oversight are strengthened, with clear accountability in place and a completed cyber-security maturity assessment benchmarked against best practice, resulting in a prioritised and agreed action plan to remediate identified control gap.

Supporting Delivery of Our Priorities

Investing in our People, Capability and Culture

We will do this by:

- Embedding our Fair Work principles and strengthening leadership capability, through clear objectives and ongoing development for managers.
- Building workforce resilience for the future, including improved workforce planning and targeted investment in essential skills.
- Growing digital confidence and capability by improving access to digital learning.
- Continuing to support hybrid working and a healthy, sustainable work environment, ensuring colleagues have the tools and support they need.
- Continuing to improve colleague experience and engagement by taking an evidence-based approach to what matters most to colleagues.



Supporting Delivery of Our Priorities



Investing in our People, Capability and Culture - Continued

What success will look like:

- Launching an objectives toolkit and career conversation template, supported by leadership development days.
- Completing a strategic skills forecast to identify future-critical roles and implementing updated resourcing controls and a rolling workforce planning cycle across all business areas.
- Complete an agency-wide digital confidence assessment.
- Improving our working environment through delivery of our environmental improvement plan and a strengthened approach to colleague wellbeing and healthy workplace practices.
- Regular “You said, we did” updates and introducing an annual pulse survey based on the Fair Work framework.

Budget 2026/27

Our financial principles

We are focused on paying pensions accurately and on time and our members rely on us to get it right. Financial transparency is an important focus, particularly as we continue to work to reduce our cost to serve, delivering better value for the taxpayer, including where targeted investment is required to support service improvements and long-term efficiency.

During 2026/27, value for money will be demonstrated not only through cost control, but through improved productivity, reduced rework and more predictable delivery across our core services. In line with our Financial Strategy, this includes prioritising investment in data quality, streamlining processes and digital enablement where this delivers sustainable savings, improved resilience and better outcomes for members. The temporary cost pressures associated with Remedy delivery continue to be closely monitored, with a clear expectation that improved data quality, streamlined processes and digital enablement will reduce our cost to serve over time.

Findings from Finance's Value for Money reviews will be used to inform management decisions and to prioritise efficiency actions and investment for transformation where they deliver the greatest benefit without increasing service risk. This will remain an important priority for us in the years ahead as we continue to balance affordability with improving core services.

SPPA Agency Administration 2026/27 Budget Table

	SPPA
Fiscal Resource	£,000
Pay	27,048
Non Pay	10,720
Income	(2,442)
Total	35,326
Capital	2,800

Serving those who serve Scotland



SPPA

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