



OFFICIAL REPORT
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Finance and Public Administration Committee

Tuesday 17 March 2026

Session 6



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FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
11th Meeting 2026, Session 6

CONVENER

*Kenneth Gibson (Cunninghame North) (SNP)

DEPUTY CONVENER

*Michael Marra (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Patrick Harvie (Glasgow) (Green)

*Craig Hoy (South Scotland) (Con)

*John Mason (Glasgow Shettleston) (Ind)

*Liz Smith (Mid Scotland and Fife) (Con)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Frances Graham (Scottish Public Pensions Agency)

Oliver Mundell (Dumfriesshire) (Con)

Christopher Nairns (Scottish Public Pensions Agency)

Dr Stephen Pathirana (Scottish Public Pensions Agency)

CLERK TO THE COMMITTEE

Joanne McNaughton

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Finance and Public Administration Committee

Tuesday 17 March 2026

[The Convener opened the meeting at 09:00]

McCloud Remedy

The Convener (Kenneth Gibson): Good morning and welcome to the 11th meeting in 2026 of the Finance and Public Administration Committee. This is the committee's last meeting before the Parliament's dissolution ahead of the 7 May election. We have one public item on our agenda, which is to take evidence on the delivery of the McCloud remedy in Scotland from the Scottish Public Pensions Agency. We are joined by one of our colleagues, Oliver Mundell MSP.

Before we start the evidence session, I remind everyone that its purpose is not to raise individual cases or concerns but to consider wider issues such as progress with the delivery of the McCloud remedy; the systems, processes and approaches that the SPPA has taken; and matters relating to communication, governance, accountability and transparency.

I welcome to the meeting Dr Stephen Pathirana, chief executive officer; Christopher Nairns, chief operating officer; and Frances Graham, chief transformation officer. Good morning. I invite Dr Pathirana to make a short opening statement.

Dr Stephen Pathirana (Scottish Public Pensions Agency): Thank you, convener. Morning, everybody. Thank you for the opportunity to update the committee on the SPPA's further progress in delivering the McCloud remedy. Since I last updated you in December 2025, Audit Scotland has published a section 22 report alongside the SPPA's accounts and annual audit report. I would like to record that we welcome Audit Scotland's unqualified opinion of our accounts and the recommendations in its annual audit report. We continue to work constructively with Audit Scotland and look forward to sharing with the Public Audit Committee later today the ways in which we are addressing areas for improvement.

I would also like to reiterate the apology that I made when last before the committee for the delays in delivering the McCloud remedy. We have always sought to give accurate information to our members and, with the best possible intentions, shared estimated timelines that are based on our knowledge at the time. Knowing what we know now, we—and, I am sure, other pensions administrators—wish that we had communicated

better earlier. We recognise that transparency must accompany delivery if members are to have confidence in the agency, and we will continue to report openly on progress.

I would like to express my gratitude to our pension scheme members for their continued patience as we work to achieve the outcome that we all want—that is, everyone who is eligible having been offered and made their remedy choice and seen that choice reflected in their payments.

Our members will still be able to retire and receive their full pension based on the rules that are in place at the time, and, in fact, we know that at least around 70 per cent of retired members are already on the scheme that is most advantageous to them.

When it became clear to the United Kingdom Government that the original statutory timeframes were overly ambitious and had underestimated the scale of the challenge, it had a significant knock-on effect on pension providers, which meant that preparations inevitably fell short. As the scale and complexity of the remedy became apparent, that threw into sharp relief the reality that public pensions administrators were unable to respond as quickly or as effectively as we would have wished.

Our pension system provider, along with others in the UK, could not carry out retrospective comparisons of benefits for individual members under both pension schemes, which is essential for remedy, and there was no off-the-shelf technical solution. To issue choice letters to about a third of our 600,000 members, we have had to develop our own solutions to make complex calculations and automate as much of the process as possible.

Since I last appeared before the committee, we have continued to focus on delivering solutions to enable remedy service statements to go out to our retired members, including issuing our first choice statements for retired firefighters. As of yesterday, we had issued 37 per cent of these, exceeding our aim for the end of March.

Advances that have been made in our pilots in the police scheme have achieved economies of scale that are benefiting firefighters, national health service and teacher schemes. For example, we have cut the time to process basic NHS pensions administration from two hours to less than half an hour through a new calculation module. In fact, we have made significant progress in delivering digital transformation over the past 12 months.

Our on-going investment in people and information technology will help to deliver the

remedy and raise service levels for members in future. We have digitised employer data for the police and fire schemes and we are actively onboarding employers into the teachers scheme, with full digitisation expected by the end of 2027.

Since I last met the committee, we have launched a new member portal, Engage, across all four schemes. Its functionality is evolving and the portal will give instant access to a range of self-service options, pension information, historical documents, and scheme guidance. We have released an online pensions modeller for police and national health service members, which offers instant remedy compliant pension projections. The development of a modeller for the teachers scheme is in progress.

As we look to the future, we are committed to completing the remedy and investing in the IT and data management services that are required to give the service to our members that they are entitled to expect from a modern pensions administrator.

The Convener: Thank you for your opening statement. I thank Dr Pathirana for agreeing to come back to the committee and for the very detailed correspondence that he has provided to the committee, which has provided answers to many of the questions that we felt had been unanswered at our last meeting. That was very helpful.

The committee has further questions. I will kick off by talking about the resources that are available to you to do the work that you have set out. I understand that the SPPA is expected to incur administration costs of around £20 million. As we discussed at the last meeting, you recruited 100 members of staff on temporary contracts to help with the remedy process. How temporary are the additional staff members? What kind of turnover have you experienced in the new cohort of staff?

Dr Pathirana: The 100 staff who were brought into the agency were not hired only in the past year. That process started prior to my arrival. Since I started at the agency, I have not grown the number of permanent staff in the organisation; it has stayed roughly the same. There has not been a high turnover among the staff who we brought in. People have been employed on fixed-term contracts to support our pensions administration service so that we can release our more experienced pension administrators to work on the McCloud remedy. Does that answer your question, convener?

The Convener: Yes, to an extent. I am trying to understand whether you are fully staffed for the work that is required and whether you will have the additional staff complement that you require until the process is completed.

Dr Pathirana: To add to my first answer, there are still a few more staff who we are onboarding as we work towards the manual processing for the NHS pensions McCloud remedy. Our financial forecasts set out the resources that we will need for the rest of the financial year. We received the resources that we need from ministers and the Scottish Parliament in the budget bill and we have forecast what we will need in future years to complete the work. At the moment, we are still onboarding people, but the resources that we are looking for have been allocated and we have what we need.

The Convener: The Scottish Government has provided additional funding. Is that in order to deliver to the new timetables that you have set yourself?

Dr Pathirana: In the Audit Scotland report, you will see that, when I came into the role a while ago, I assessed the forward resources that we would need in order to implement the McCloud remedy, based on our understanding of the complexities of delivering the police scheme. That is what I set out to ministers, who have allocated resources to us on that basis.

The Convener: I understand that you were due to meet the Minister for Public Finance on 18 February—the committee received a letter from the SPPA dated 17 February—to focus on undertaking a deep dive of McCloud remedy delivery in the police pensions immediate choice cohort, member communications and engagement, and SPPA resources. Could you advise us as to what transpired at the meeting and how it will help you to move forward?

Dr Pathirana: From our perspective, the meeting was to provide an update to the minister to help him to understand the detailed, on-going work to complete the delivery of the police remedy, as well as some of the work that needs to be done on individual cohorts as we work towards completion. The meeting did not discuss additional resources, over and above what we have been allocated or have asked for.

The Convener: Okay—fair enough. You also pointed out that there does not seem to be any ability to compare how the SPPA is working relative to other areas in the UK. Is that because the UK Government does not centralise the relevant information?

Dr Pathirana: We have asked the Treasury whether it is collecting that information, and we found that it is not. However, we have insight into how things are going across the rest of the UK from our individual engagements with our—

The Convener: That is anecdotal rather than specific information.

Dr Pathirana: Some public information is available out there, but I do not have any official information. In my recent letter to the committee, I provided the information that is available. Broadly speaking, delivery of the McCloud remedy on the police scheme in England is at a similar position as in Scotland, while the NHS scheme in England has still to set timeframes for delivery.

We share a lot of the same challenges with England regarding delivery for the NHS. The team from England is coming up to spend time with us, because we might have solved problems that they have not solved or they might have solved problems that we have not solved, and we might be able to help each other out to speed up delivery from both parties. Where we can, we work closely with our counterparts across the rest of the UK.

The Convener: Sharing best practice is always a sensible way forward.

The minister said:

"It is unfortunate that despite the McCloud Remedy being a UK-wide issue, and one the UK Government was responsible for creating, that the UK Government has not provided any additional central funding to departments or devolved administrations to manage this programme of work."

Have you received any explanation as to why that is the case?

Dr Pathirana: I have not, convener. I assume that the UK Government has made a judgment that any funding would flow through the Barnett formula, but I do not have an answer to your question.

The Convener: Thank you. An issue that I think that we have all heard from constituents, which you addressed in your letter to the committee, relates to why delivery for the police scheme is further ahead than the other schemes. In your evidence, you said:

"The data within the police scheme was generally in a better position than other schemes, this is mainly due to Police Scotland being a single employer which sends its data to us monthly. This differs for NHS and teachers where we receive their data return annually. Whilst we do also receive SFRS (fire) data monthly, we needed to receive backdated information from SFRS before being able to enable Remedy processing."

Will you talk us through that point and, in particular, the issue that relates to firefighters? It seems strange that, although the Scottish Fire and Rescue Service is also reporting its data monthly, there is a problem with that data that does not seem to arise in relation to Police Scotland.

Dr Pathirana: There is a good reason for that. We get monthly data from the SFRS in the same way that we do from Police Scotland. However, the McCloud remedy is not the only legislative project that we need to do corrections on. There are other

legislative projects, including one called Booth, which relates to a court case in England that gave certain firefighters access to additional pension benefits for the training that they carry out.

The challenge is that the work to correct Booth has an overlap with the McCloud remedy. The data was never collected because it was never part of the pensions administration for firefighters by us or by the SFRS—I am talking about historical data that goes back a decade or more. We needed to get that data from the SFRS so that we could work out which individual members were impacted by McCloud and Booth. That allows us to do the calculations for the McCloud remedy correctly for the people who are impacted and not impacted by Booth, and also to do the correction for Booth at the same time.

That data took a while to get to us, partly because it was archive data that stemmed from before the SFRS was a single body, so it needed to pull all that data together and get it to us. That was a key barrier for us to progress the firefighter work at the same pace as the police work. Being heavily dependent on what we receive from employers is also illustrative of our challenges as a pensions administrator in effectively carrying out our functions and responsibilities.

09:15

The Convener: Will the police system be a model of how you hope pensions will be progressed in future across Scotland, with monthly data and so on? Are you looking beyond your immediate difficulties to the future in that regard?

Dr Pathirana: I will draw in Christopher Nairns on that. We are actively working on the issue, and Chris can share a bit about how we are approaching it. I must stress, however, that historical data is always historical data; it is the data that we have received going back years, which will always have challenges associated with it. All we can do is get to the point where, going forward, the data that we receive is better.

Christopher Nairns (Scottish Public Pensions Agency): It is worth reiterating the differential that we have between historical data and new data. For the police and fire schemes, we have reached the model for future and current data collection, which we are extending into the teacher scheme, and we are in very early discussions about extending that into the NHS scheme.

In answer to the question, yes, the police and fire schemes are there. The issue for us in relation to the remedy piece and the other legislative remedies for the fire scheme was the historical data from previous decades.

The Convener: We hope that we will not end up with a similar situation repeating itself in 10 years.

I have been looking at the detail that you have provided to us. You have used terms such as “immediate choice”, “active cohort” and “deferred choice”. As we discussed last time, you have talked about the different categories of case—simple, moderate and complex. Some take five to 10 minutes to process, but the complex ones involve up to 12 categories and take more than eight hours to process.

Given that the simple ones take five to 10 minutes, where are we now on ensuring that they are all delivered? One would have thought that they would be pretty easy to get off your desk, so to speak.

Dr Pathirana: I will bring in Frances Graham in a minute to provide more detail.

As I explained previously, it is layered—you have to do the simple ones first and then work up through it. Frances, do you want to share a bit on exactly where we are on all that?

Frances Graham (Scottish Public Pensions Agency): From our automation, we have worked through our simple cases for police, fire, NHS and teachers. We have used the support of the Scottish Government’s centre of excellence automation team, and we have got almost all those out. The first cases that we started looking at were where members were protected and were still in their final salary schemes when they retired. Those were the easiest to do the dual calculations on first. Those were the first set of calculations that we did for each of the four schemes.

As Dr Pathirana said, we started to layer the different complexities on top of that. We looked at members who had been tapered over a period, members who had been protected for a certain level and members who were completely unprotected when they retired. Most of that depended on the date that they retired, as well as the information that we had available at the time for those who were retiring.

We have done the majority of those cases, but for police, for example, once we had done the original easier cases and sent those out, because there was no point in holding on to them, we had to develop further methods—we have 27 calculators now—to be able to make the different changes and the different algorithms based on individual circumstances.

The Convener: There seemed to be a huge leap forward on police pensions in the first half of last year, but it seems to have trickled since then. That is of concern to the people who are in the 15 per cent who are yet to be sorted.

Dr Pathirana: Might I add to that, convener, that that is part of what we had modelled and projected. There is a certain proportion that we can do relatively quickly, and then there are the manual interventions that we have to take to process that remaining cohort, which is what takes the time.

The Convener: I take your point in your letter that the IT systems were not designed for the impact of the McCloud remedy on the SPPA and that work has had to be done to bring them up to speed.

You have listed five programme-level objectives to assist further prioritisation and decision making. The second one is:

“Getting it right first time—providing accurate and clear statements/information and support for members to make informed Remedy choices.”

What are you doing on quality control to make sure that you get this right, if not 100 per cent of the time, at least 99 per cent of the time? Complexity that involves manual and IT processes sets alarm bells ringing, because there are plenty of opportunities for things to go wrong and there has to be cross-checking and so on. What processes do you have in place to ensure that, when the remedy is delivered, it is delivered?

Dr Pathirana: Again, I will let Frances Graham expand on that.

Frances Graham: We follow a number of processes. Our calculators are now doing calculations for the legacy scheme and the career average revalued earnings—CARE—scheme. We do some manual calculations beside those to check against examples, and we then work them through. We have a number of subject matter experts in the team who check those calculations. When everybody is comfortable that the calculator is operating as expected and producing the right number, we send that to the Government Actuary’s Department, with which we have been working closely throughout. That department does some testing—it checks the outcomes and the final numbers. We go through that process a number of times before we can say that the algorithm works and that we are 100 per cent confident that it is producing the right number at the end.

The Convener: Is it 100 per cent correct? Are people coming back and challenging the outcome, or do you feel that you are absolutely spot on in terms of delivery and accuracy?

Frances Graham: Given the checks that we have had from the Government Actuary’s Department, yes, we are very comfortable with that.

Dr Pathirana: That does not mean that people always understand the calculations, so we are not saying that people do not come back and

challenge them. It is really hard to understand the calculations, but the Government actuarial assurance process that we have in place is robust, and we cannot do better than that.

The Convener: It is important that people have confidence in the final decision so, even if it is delayed, it should deliver and be accurate.

Before I open up the session to colleagues, I want to ask about annex A to your letter of 11 March. It refers to

"Delivery Progress to 3 March 2024 by Scheme".

Is that right? Is it not progress to March 2026?

Dr Pathirana: There must be a typo somewhere.

The Convener: It looked odd to me when I saw a reference to 2024.

Dr Pathirana: I do not have that in front of me to tell you what the mistake is, but I am happy to write to you to clarify.

The Convener: It seemed strange that we would be given information on that, so I assumed that it was a typo, but I wanted to check. Accuracy is always something that we can check on.

Colleagues are keen to come in.

Michael Marra (North East Scotland) (Lab): I thank the witnesses for their evidence so far and for coming back to the committee. I will refer to some cases, but that is to illustrate the issues rather than to seek a particular remedy, and they will all be anonymised.

Since your previous appearance, in common with colleagues round the table, I have received a large volume of correspondence, not just from my region but from across the country. Dr Pathirana, you said at the start that you wanted to thank scheme members for their patience. I always think of patience as a choice, and you would have to recognise that those people do not have a choice. What I would recognise is anger. Among some of them, there is resignation, but there is certainly anger. Do you recognise that they do not have a choice and that "patience" is perhaps not the correct word?

Dr Pathirana: I recognise what you say. We can process things only as quickly as we can process them, like any other pensions administrator across the UK. Without doubt, that will be frustrating for scheme members. As I said, I have apologised for that previously.

Michael Marra: A teacher in Dundee, who retired in September 2021, was told in October 2025 that it could be the summer of 2026 until he hears what his remedy will be, so that is a five-year delay. That is really significant in terms of life

choices. We went through some of those instances in the previous meeting, but do you recognise that that is the kind of circumstance that people are facing?

Dr Pathirana: I recognise it. I stress that most people will already be on the best pension possible—we have shared data with you on that, particularly in relation to the police. That is one of the challenges around the McCloud remedy. Of the people who receive a choice, that will apply to at least 70 per cent of people, and for NHS staff and teachers, it will be in excess of 80 per cent.

For the majority of people even in those schemes, whether they be final salary or CARE—I am thinking of, say, a teacher who reaches the top of their pay scale in the last few years of their career—this will make almost no difference to their pension. The people who will benefit are those who have had significant pay increments as a result of their going into management positions over, or after, the particular period of time.

Michael Marra: In your evidence when you previously came before us, there was, I suppose, a focus on the need to pick up the pace and deliver this, and there was a lot of talk about percentage delivery in the different schemes. Part of the concern for the committee was that you seemed focused on delivering those percentages—perhaps the simple cases, as you put it, that required much less time to be dedicated to them, with some more complex cases pushed further down the road. Is that how the process is working? Are you trying to get the numbers up at the expense of those for whom the calculations are more complex?

Dr Pathirana: Absolutely not. As I have said many times—and as I thought that I had previously conveyed effectively to the committee—the nature of the complex cases is such that, if you can deliver the simple cases, you can build the calculator iteratively to deal with those impacted by more factors. There is no short cut that lets you do the more complex cases instead of the simpler ones, so it is not a matter of prioritising the simple cases over the complex ones. You are able to deliver them more quickly, because you have solved the problems of the simpler cases on your pathway to delivering the more complex cases.

Michael Marra: You have also set out in the evidence that you have come back to us with that, with some of the perhaps more complex cases, there might be prioritisation of those facing medical, or end-of-life, issues. Those sorts of things characterise what comes into my inbox, and I also have people coming up to me in the street to tell me about the challenges that they are facing as a result of this.

Can you tell the committee, and put on record, how you are managing that process? Can people indicate to your agency that they, or their partner, might have cancer, say, and that the situation needs to be dealt with? I can give you a few cases where that has happened. How can those people get a decision more quickly and have some options so that they get what they deserve, and what they are entitled to, at the end of their lives?

Dr Pathirana: May I bring in my colleague Chris Nairns to share how we approach those kinds of cases?

Michael Marra: Yes.

Christopher Nairns: In terms of prioritisation, Frances Graham might be able to give you more of an answer about how we are drafting up the cohorts that we are looking at. With regard to life events that members might be facing, we have engaged with member representatives, particularly unions, as well as with employers and a number of stakeholders across our whole member base to ensure that, particularly with a life-changing event, there is an escalation route through employers and unions and directly into our engagement teams and operational staff, where we can pick up such issues. That is particularly the case for members with terminal ill health and those who might be looking for details or information for mortgages or other life events.

Where we are able to progress those cases more quickly, we are certainly doing so, but in some instances, we simply have to get in contact with members to explain the timelines to which we are able to work. If there is a calculator available, we will process the case; if not, we will need to deal with the member as best we can. As I have said, prioritisation is a cohort analysis piece for Frances Graham.

Michael Marra: I am sorry, but before Frances Graham comes in, I want to pick up on something. You have just mentioned routes through trade unions or employers, but can individuals flag these instances in their own cases?

Christopher Nairns: Yes.

Michael Marra: They can.

Christopher Nairns: Yes.

Frances Graham: As Chris Nairns has said, we are building the calculators, and as we do so, there are lots of elements that we need to take into account—the scheme rules, how to treat tax, how to treat injury benefits versus ill-health benefits and so on. We are still dealing with that complexity on a daily basis, and it means that the higher-priority cases are not always dealt with first. We need to be very careful that we have worked out the tax implications, and the full algorithm based on the

scheme rules, in order to make the calculations, because it would be wrong for us to try to do that manually on a one-off basis and then make a payment that we would have to go back and rectify later.

09:30

Michael Marra: I am sure that colleagues will want to pursue some of those issues.

I come to the issue of the return of the ability to make predictions, which I raised with you at your previous evidence session. Dr Pathirana said:

“in the next two years, we will definitely be able to move back to the place that we were in before, where we are able to provide people with statements when they request them.”—[*Official Report, Finance and Public Administration Committee*, 2 December 2025; c 22.]

That is a huge issue for people across Scotland.

Dr Pathirana: I could have answered that question better at the time, so I hope that I will answer it better now. The key thing that I want to convey is that I have no desire to take the agency back to the service that it was delivering prior to remedy. I want to take it forward to a better, different service that gives members much more instant information. I will hand over to Chris Nairns to share a bit more about what we have done to address that issue, even since we spoke to you.

Christopher Nairns: In relation to the provision of estimates and benefit information, it is fair to say that we have delivered to our active members; the vast majority of whom have received an annual benefit statement in the past six months. For members who are seeking an estimate or a particular projection at a moment in time, over the past few months we have put online a remedy-compliant pension estimate modeller for the police service and the NHS. We are in the final testing stages for the fire service, and we are scoping the teachers service. That will allow members to access an online pension estimate modeller at any time, so that they are able to input their information and their future dates and understand their benefit availability at any given moment in time.

Michael Marra: A teacher from East Ayrshire got in touch with me last week to say that they have had no annual statement or update on pension scheme benefits since 2022—so that is for four years. When you say that the majority of people are receiving the statement, do you mean that some people out there have no idea and are not receiving any information? Is that correct?

Christopher Nairns: Frances Graham might pick that up.

Frances Graham: I do not have the percentages to hand, but there is a small percentage of people—5 to 10 per cent—in each

of the schemes for whom we cannot provide an annual benefit statement, for a multitude of reasons. That can include people who are awaiting transfers—they might have transferred from one school to another and we are waiting on the details coming through—and individuals who have bought added years or additional pension, where we are unable to do those calculations at the moment.

The percentage is small, but for the individuals who have not been able to access their annual benefit statement, that still has an impact, so we have written to the people who were unable to access the document. I wonder whether the particular scheme member might need to access the system to see the document—I do not know.

Michael Marra: The document certainly does not appear to be available, because there was correspondence in October that said that the process would take 12 weeks. The deadline that was set for January has passed and there is nothing there; no benefit statement has appeared in the interim.

Dr Pathirana said that you will not go back to what was happening before. Previously, there was a commitment that you could deliver an estimate six months out from retirement, but you are now saying that there will be an online digital calculator. Is that a replacement for an inquiry that might take place at the six-month point?

Dr Pathirana: I might come to Chris Nairns to share more. Fundamentally, we want to move to a digital-first solution for our members, so that they can go through the portal, access their information and have the ability to check their own estimates. It does not mean that we will not be able to provide the information when people request it. However, in practice, if the tools are there, that takes a lot of the immediate demand away, which gives us more capacity to help the members who really need it.

Michael Marra: It sounds as though you are replacing the inquiry model with an online calculator, which is not what you told the committee last time. Has that solution emerged since you were previously here?

Dr Pathirana: No. As I said, I did not give you the best possible answer at the time. Work was under way and I did not answer the question well.

Michael Marra: So this is not simply a timeframe substitution but a whole new model and approach for delivery.

The convener mentioned issues about resourcing across the UK. As I think I raised with you previously, I have a case involving a health worker in Aberdeenshire who had a very different experience when they were working in England. They were provided with an estimate within half an hour, while speaking to somebody on the phone.

They did not have to wait, and that could have taken place at any point in their approach to retirement. However, they have been waiting for years for the SPPA to deliver an estimate. You have talked quite a bit about benchmarking with the rest of the UK, but the experience that that person has had with your agency is appalling.

Dr Pathirana: As Frances Graham said, for a small number of members, we have not been able to provide a statement. They are remedy-impacted members, which is significant, and they form part of the group of people who are deferred members, which we have a plan to get to. The work that we are doing on that will see us get to a place around August or September in which we deliver for the remaining people for whom we have not been able to provide that. I cannot do anything about what happened or what the SPPA did historically; I can only put right things that I pick up, which I am doing.

On benchmarking across the rest of the UK, as you will be aware, many other public sector pension schemes are struggling to ensure that people retire properly on time with their pension. In the SPPA, we have ensured that that has not been derailed, despite the impacts and challenges of the McCloud remedy.

John Mason (Glasgow Shettleston) (Ind): I will touch on some of the issues that have already been raised. I am not particularly keen on comparing with England, but I was struck by the point in your submission that

“National Police Chiefs Council figures for police schemes show 96% delivery at December 2025”.

You also say:

“In December, I reported we had completed 85% of the immediate choice casework for the police scheme. As at the 3 March, we were at 89%”.

That suggests that we are quite a long way behind England.

Dr Pathirana: It is a different figure. The figure of 96 per cent is across immediate choice and deferred choice, and we are at 94 per cent across immediate and deferred choice for police. That is the problem with looking at data from other places. The data that I provided you on immediate choice shows that we were at 85 per cent, and the figure is now at just about 90 per cent. Collectively, the police schemes in England predict that they will be 99 per cent complete by the middle of this year on immediate choice, which is exactly where we will be. We are marking it on the same basis.

John Mason: That is slightly reassuring.

Your submission says that three public sector schemes in the UK are struggling or do not even

have deadlines. You are ahead of them, obviously, but three does not seem to be very many.

Dr Pathirana: Yes, but two of those are schemes for which we are responsible here in Scotland.

John Mason: You talked about taking the deferred and immediate choice ones together, but my understanding was that no statements have been issued for deferred members.

Dr Pathirana: That is where it gets really complex, because there are so many different cohorts. There are two types of deferred choice. There are people who are deferred because they are yet to retire. Within the deferred, there are people who are still employed and are still working, for example, for Police Scotland. For those deferred ones, we have issued 98 or 99 per cent of statements, or something like that. For people who have left employment with Police Scotland, for example, and have gone to work somewhere else, we still have to prepare and issue the statements. We do not have exactly the same obligations to do that for that type of deferred members as we have for the deferred members who are still in the scheme.

I am really sorry, but this is where it gets horribly messy and complicated. However, either way, we have a programme in place to complete that work around summer or autumn this year. We are trying to focus on the immediate choice, which is the people who are retired and the people who are waiting. That is where our priorities are and will remain.

John Mason: I accept that, for people who have not yet retired, it is less important, although people are planning to retire, and what they get in their pension will be a factor in that.

Tied to that is an article that appeared in the *1919 Magazine*, which is produced by the Police Federation, among others—you are probably familiar with what it says. It talks about some 90 officers who did not leave the 2015 scheme. They felt that there was something wrong and have therefore been proven right, but they are now being treated as if they have not had continuous service.

Dr Pathirana: That is to do with contingent decisions. It is a good example of the challenges posed by a devolved Administration sitting within a UK legal framework and the ability of Scottish ministers and the SPPA to take corrective action within that. Let me unpack that for you.

The UK Government, in its framing of the McCloud remedy legislation, did not allow for provisions in the primary legislation to address the problem faced by the individuals you talked about. As a devolved Government, we would have liked

to see the UK Government amending the primary legislation so that we could correct and address the problem through secondary legislation. However, the UK Government was minded not to do that.

We are now in a situation in which we are dependent on a legally compliant UK-wide solution that all devolved Administrations can bring to our Parliaments and put into legislation in order to address the problem. That is really challenging within the context of the UK-wide framing, so we are working very closely with the UK Government, along with other devolved Administrations, to work out what the solution might be. However, it is not currently within the gift of the SPPA or Scottish ministers to correct the issue until such a solution is available. Although we ultimately have a responsibility to deliver a solution to the members, we are not able to enact that.

John Mason: I understand that, and, therefore, I have some sympathy with you. However, it is having quite a serious impact on the 90 or so people in that cohort, is it not? They are having to continue working when they might not have wanted to.

Dr Pathirana: Some of the people within that cohort will not be anywhere near retirement. What they want to be able to do is to buy back into the old scheme, because they prefer its benefits, and they had chosen to opt out at a particular point in time, for reasons that are linked to dates and things like that. We are aware of four or five individuals who have completed the required years of service, which I think is 25 years, or have reached a certain age—a couple of criteria apply. A number of people are impacted by that, and we are in touch with them. We have explained the situation as it is for them. We would love to be able to do more to address it, and we are doing everything that we can, but it is just not within our gift to resolve.

John Mason: Perhaps we should be pressuring MPs to do something on that.

Did you say that a minority of 26 per cent are choosing to change when they are given their RSS?

Dr Pathirana: That is the percentage for police specifically.

John Mason: Okay. They are getting about £178 more per month than they would have otherwise, so that is all good. How does that impact the £1.7 billion estimate for what this is all going to cost? Are we clearer on that estimate, or has it gone up or down?

Dr Pathirana: A UK-wide estimate was done by the Government actuary at the time that the McCloud issue was identified and addressed.

When we say £1.7 billion, it is because we have assumed a 10 per cent share of that; it is not a specific Scottish estimate. I should stress that that figure is for the lifetime of the McCloud remedy. It includes people who have yet to retire, such as those who might have started working in 2014 and will not retire for another however many years. The figure does not represent money that will flow out today but what will flow out over that period of time for every public sector worker who has been impacted, including those in local government and in central government—everyone.

John Mason: Yes, I fully understand that. However, it will obviously still affect UK finances—the figure for the UK is quite a big number—and, by default, our finances. Has nobody done a renewed estimate?

Dr Pathirana: No.

John Mason: Do you mean not that you are aware of?

Dr Pathirana: I think that I would be aware had there been such an estimate, so I do not think that anything else has been done. It is an estimate, and we will only come to know the true figures as we work through the issue.

09:45

John Mason: We will probably never know the true estimates—certainly not in my lifetime. We sometimes look at long-term planning in this committee, and I am sure that they do at Westminster as well, so I would have hoped that somebody down there would be making new estimates.

I take your point that you are getting more familiar with it all and that more of it can be automated. That all sounds positive and like things will speed up, but the other side of that struck me, which is that you started partly with the police because you have more complete data for the police, but we heard that you do not have the same data for teachers. That makes me a bit worried that, because if we are still looking for data for all those other groups, the process will be slowed down rather than sped up.

Dr Pathirana: Again, it is a fair question. We are doing more remediation work on the data for the NHS and teachers in particular to get it in shape, so that we can process it. We have factored that work into our planning as part of the process of delivery.

Frances Graham: As Chris Nairns said earlier, the processes that we have now are not necessarily the processes we had 10 or 15 years ago. When somebody retired 15 or 20 years ago, the information that was needed for the person

retiring—particularly for those in the NHS and teachers—was pulled together and worked with, and the calculations were done via the system to make the payment.

That information may be stored in different places; it might be stored off the system but attached to the member. That means that, for the NHS and teachers in particular, we need to find all the information that we require to redo those calculations, because when we did those retrials, we never intended to revisit the calculation that was done at the time. We need to find that data to redo our new calculations; we need to mine the data and pull that information out, so that we have all the information as we go forward.

John Mason: That sounds like quite a process to me.

Frances Graham: It is.

John Mason: Some of that data may not even be computerised—it may be on paper records.

Frances Graham: It is likely to be attached to a record, but it may not always be in the same place.

Dr Pathirana: To be clear, based on a couple of things that I have said previously, there seems to be a perception from that some of those processes are paper based, which they are not: we have a digital pension platform. The question is how the historical data is stored in it, because, obviously, it is historical data, so it is not always stored in the right format and right place for it to be accessed and automated easily, and that is where the remediation exercise comes into play to correct it.

John Mason: On the NHS, your letter of 11 March says:

“At Committee I noted we were targeting 40% RSS completion by the end of March. As at 3 March, we had completed 26%”,

which sounds a bit short.

Dr Pathirana: Just give me a second here. Since I wrote that letter to you last week, we are now in a situation where we are at 30 per cent with NHS, because we have issued, since last week, more than 1,700 further RSSs, including for teachers, NHS and fire, and, obviously, fire is ahead.

It is an important issue. Those are the projections that we are working to, but they will vary, because in a digital programme such as this, you encounter problems and you have to resolve them.

When I spoke to the committee last time, it was very understandable that members saw the process as a sausage machine—there is a certain number of people and a certain processing time, so you just need to work through it. However, it is

not that type of process; it is a batch process, and batches do not always come out exactly when you expect them to. I have no reason to think that we are not in line with our overall timeframes.

I appreciate that there will be a new committee after May, but my intention is to write to the committee in, I would say, early July, to let the committee know where we have got to.

If I think, for any reason, that our progress is not staying in line with the timeframes that we have set out, I will want to highlight that to the committee and explain why, so that there is a clear understanding of the progress that we are making and the challenges that we might be experiencing, and so that we keep the committee abreast of what we are doing.

John Mason: I fully accept that you are going to encounter problems. The question for the committee is about how well you are anticipating those problems. If you give us a forecast of 40 per cent but we hit 26 per cent or 30 per cent, that suggests that you may have been a little bit overoptimistic in some of your forecasts. If you are overoptimistic in one forecast, it makes me wonder whether you are being overoptimistic with many of them.

Dr Pathirana: In the same vein, in my opening remarks, I shared with you that we were ahead in our work on the fire service relative to our forecasts. These things can go up and down a little bit. It is risky for me to set out a forecast, because I need to give you some kind of sense that we are making progress. The last time that I was here, committee members said to me, "Do be careful about overpromising." I do not want to overpromise to the committee or to our members. That is why we write regularly to members about the progress that we are making and when they can next expect to hear from us, if they have not received their RSS.

Frances Graham: I will add to that. For each of our different schemes, we have critical paths that outline when we are expecting to hit a milestone, and the next task will pick up on the back of that. As with any project, should we encounter an issue, the critical path will move along but, at some point, it should catch up in our overall planning.

John Mason: As you pointed out, it is too late for this committee, but not for successor committees in the future. The more realistic that you can be, the better. It would be better to build in some caution so that if you do a bit better, everyone is delighted. I am afraid that, if the deadlines keep slipping, you are not going to be very popular.

Finally, as the convener has already mentioned, annex A in your letter of 11 March includes a table,

which I did not find very helpful. Perhaps you could expand on that information for future committees. The table shows that, in the NHS, active numbers are just over 58,000, or 86.7 per cent, which implies that that number of participants have received their RSS. I think that the table could be better laid out. I would be more interested in how many have not received it, rather than those who have. You could show both numbers in a table. There is no mention of deferred, so I am not quite sure where that fits.

In the future, the committee may like something that is more expanded. It is helpful to have the information in a table format, because if there are lots of words and we are not sure what we are comparing with what, it becomes difficult.

Dr Pathirana: Thank you for the feedback.

Liz Smith (Mid Scotland and Fife) (Con): Good morning. I would like some clarity on a point that you mentioned in the previous session, when you helpfully spelled out why it is much easier to make calculations for the police and fire service because they are single employers, whereas for the NHS and teachers, you are having to deal with a multitude of employers, which is much more difficult. However, on the back of that, I received correspondence from a number of constituents who were anxious. Ms Graham said that:

"We have started running a programme to see how we can gather our information from the NHS and teachers' employers in a different way. We have moved forward in the past year to be able to start planning the move to a different process, but we need to wait until we are through the remedy work to enable us to do it." —[*Official Report, Finance and Public Administration Committee*, 2 December 2025; c 23.]

That implied to the constituents who wrote to me that it would take an awfully long time. Is that correct?

Dr Pathirana: It is about what we are doing to get the data right going forward. None of that has a bearing on the historical data, which is the data that we are talking about in the context of the remedy. We are trying to improve the systems and processes so that 10 years from now, if there was a similar exercise, we would never have these problems again.

Chris Nairns outlined the work that we are doing to move the data for teachers so that we can digitise the way that we receive data monthly from employers. Of course, it is a larger exercise, because there are many employers. Once we have completed that work, we are looking to move on to the NHS. None of that is linked directly to the delivery of the remedy. It is about trying to fix things so that the systems and processes in the organisation are better going forward.

Liz Smith: Thank you for that. I heard Mr Nairns's earlier answer, but can you understand how this feels for people who are awaiting their pension? When you say that you need to wait until you have worked through the remedy before you can proceed, the implication is that it will take considerable additional time. Therefore, I want to ask about communication with those who are awaiting their pensions. Perhaps clearer language could be used to help them to understand the specific problem. Like Mr Marra and Mr Mason, I have had quite a few concerns raised with me. Many people feel let down and do not really know what will happen next.

Dr Pathirana: Frances Graham can respond to that, because we have done a lot to communicate directly with the impacted members.

Frances Graham: The move to gather data from employers does not impact the remedy process that we are going through. It is about allowing us to move to that process. As we engage with the NHS and start to move different health boards over into the new system, once we have got through a lot of the remedy work, we will have additional resources to help the NHS to do that. The information that we will receive is monthly employment data—that does not mean that we cannot process the remedy.

Dr Pathirana: The question was about our communication with remedy-impacted members. We do a whole suite of things.

Liz Smith: The question was about that. I understand what Frances Graham has said to the committee. In no way is this an easy problem to solve—it is not. However, for those people who are waiting in difficult circumstances to make decisions about life choices and so on, it goes to the heart of their issue. The communication has created a degree of vagueness and a lack of clarity, which makes them feel more anxious. I suggest that we should improve the clarity of communication with people who anxiously await their payment.

Frances Graham: We have increased the frequency of our communications. In October 2025, we wrote to every scheme member who had not received their remediable service statement. We broke that down based on each member's individual circumstances. We sent those letters out in October 2025, and we will send a follow-up letter in April. We set out the members' circumstances and the work that we were doing, and we committed to writing to everyone in April who had not yet received their RSS.

Dr Pathirana: You are speaking about police specifically, because the timeframe is—

Frances Graham: No, I am talking about the NHS.

Dr Pathirana: Sorry.

Frances Graham: We wrote to them in October.

Liz Smith: I will put on the record that, like Mr Marra, I have a constituent who works for the NHS who has not received any communication for a period of time, which is simply not good enough.

Frances Graham: We also send out member newsletters—we have sent 14 in the past two years—which cover each area that we are working through and the timeframes that we are working to. We also have resource videos on our website. The dedicated letters that we wrote to members in October 2025 explained what was causing the delay, which category they fell into and that we would write to them in April.

Liz Smith: This is not the place to go into individual cases, so I will not do that, but it is important to put on the record that people are awaiting very specific responses to the questions that they have asked. Despite your efforts to ensure that information is provided through newsletters, videos or whatever it might be, there are people out there who do not have answers to specific questions.

Dr Pathirana: Whenever anyone writes to us with specific questions, we endeavour to get back to them in a timely fashion. If a member has not received any communication from us, I hope that you have encouraged them to write to us, because we would ensure that they receive an answer. They might not even be impacted by the remedy, because we find that people sometimes think that they are but are not. Therefore, confusion is often a risk.

I stress that it is understandable that people want to know exactly when they will receive their statement. To answer that question, we have to mine the data to understand how many factors might impact an individual, which is a very manual process that takes resource away from delivery.

There is an element of it being hard to say to somebody, "These are the 6, 10 or 15 factors that affect your particular case. Therefore, you fall into this cohort for when it will be delivered." As we go forward, we are trying to be as specific as we can at the different stages.

10:00

We are now in the final phases of the police scheme, which enables us to be specific, because we know which cohorts people fall into. We were not able to be specific with our last set of communications to firefighter members. However, as the data emerges and as we put things through

automation, things will become clearer and we will be able to communicate more specifically with those members.

Our intention is to get to the place that you were talking about as quickly as we can. I appreciate the frustration, because people want more information than we are able to provide.

Liz Smith: There has definitely been some progress—I understand and appreciate that. The point, as I think that we mentioned at the end of the previous evidence session, is to try to rebuild trust between the SPPA and the people who are awaiting their pensions. The issue is that such trust is elusive for too many of them at the moment, because they do not feel that the SPPA is responding to their specific inquiries.

Michelle Thomson (Falkirk East) (SNP): My questions are on a similar theme to my colleague Liz Smith's questions. In the conclusion of the letter that you sent to us, you said:

"We recognise transparency must accompany delivery if confidence in the Agency is to be restored".

That goes back to the themes of confidence, trust and communication.

I would like to understand a bit more about your communication plan. Frances Graham has given us some detail about whom you have written to and on what date. However, I still do not have a clear sense of how you are planning to tackle various stakeholder groupings with a lens of specifically doing so not just to communicate but to build trust and confidence.

You are here in front of us today. We cannot bind the hands of the successor committee but, rest assured, we are recommending that it continues to look into this area. I am interested in how you will communicate with the new MSPs who come in. You also have an on-going communication with the current minister, which might change as well.

Help me to understand from the other way round. I can see and hear, "We are writing to these people at this point when more information emerges," but I do not have a clear sense of a communication plan that addresses the issue of trust across all the stakeholder groupings.

Dr Pathirana: As you rightly identified, there is a complex set of stakeholders. On my intentions to communicate with the incoming committee, I would like to invite it down to visit the SPPA—I extended an invite to yourselves but, sadly, you were too busy. That would be an opportunity to showcase different elements of what we are doing to address a whole range of things.

My intention is to write to the committee on a quarterly basis about progress that is being made

on the remedy. As always, I would also be happy to come speak to the committee at any point that it would want us to.

On the point about ministers, I will need to see what future ministers want to do and what works for them, but I have a responsibility to report to my future minister on the progress that is being made on delivery, and to do so in a way that works for them.

In relation to our key stakeholder groups, we have several governance boards, including scheme advisory boards and pension boards, all of which have employer and union representatives on them. There are technical working groups that sit below those boards and also have representatives on them, and there are communication sub-groups as well. The boards help us to deliver our communications to members and to resolve technical issues with delivery for members.

We work very closely with our stakeholder network to progress and deliver the remedy and to improve the service full stop. That is a key part of how we work.

Our website is a key tool in our member communication, but that depends on members being proactive and choosing to seek out and look at things. As I explained, we are trying to move from a place where our direct member communications say, "Look, you have an RSS. We know you're waiting for it. This is what we're working through at the moment. If you have not heard from us by this point in time, we'll give you more information," to a place where we can say, as we do to the police now, "This is the group you fall into. This is what we're doing about it. You'll hear from us." We are trying to be specific where we can, and we design the broader communications with the assistance of employers and union representatives based on what works.

Michelle Thomson: That covers the question, but you are getting an absolute pasting in the media—there is a continuing run of articles. How are you managing that as a constituent grouping that could get some key messages out?

Dr Pathirana: We have reached out to *The Herald*, and we try to encourage it to report accurately.

Michelle Thomson: There are lots of other papers apart from *The Herald*. Other papers will pick up the stories, and they tend to hunt in a pack. Are you managing the media proactively rather than reactively, which is how you have managed it in that example about accurate reporting?

Dr Pathirana: We were not managing the media proactively, but we are moving towards managing it more proactively, and, particularly, trying to

ensure that media articles are correct when they are published. Sadly, the one that was published today is not, and we will be speaking to the editor there.

Michelle Thomson: If you are correcting it, that is still reactive. You could be writing long-form articles about your approach, acknowledging the situation up front. To me, a key way of starting the process of restoring trust is, for example, what you have done in writing to us today—in other words, completely owning it. The last time that you attended the committee, you probably got the sense that we pushed you hard for an apology to people who felt that they had not been communicated with. There is clearly still work to be done.

I will ask you to do something. Can you turn round and look at the people who are sitting behind you today? It is fair to concede that we have an unusual size of audience for what is normally a fairly dry subject matter. These are people—I recognise some of them, because they were here last time as well—who have chosen to give up their valuable time to come in and sit in on the session. I would ask you to engage with them on the way out, because they often write to us after these sessions, and I have found them to be highly experienced. You might not have been able to see it, but while you have been making your comments, I have seen vigorous shaking of heads from behind you. I am not qualified to say whether what you say is true, but that suggests to me that there is still quite a big disconnect between what people are being told and what you are saying. I am casting no aspersions; I am just recognising it as a fact. It would be great if you could engage with those people, because getting that immediate feedback or even arranging a meeting would be very helpful.

My last point is around visibility. My colleague Michael Marra has pointed out that we on the committee have all been lobbied extensively by people from all over Scotland and our own constituents. However, I am very aware that the people who have lobbied us are only those who have the wherewithal, the health and the mental health to be able to write to us. As Michael Marra said, many people will just be resigned and will have given up. This is where I am uncertain: I still do not have a sense of how people are feeling. My last question to you is: how are you doing client feedback? What pensioner satisfaction data—even though, I suspect, it will not be very good at the moment—are you gathering during the process?

Dr Pathirana: Chris, would you like to share how we approach that?

Christopher Nairns: Absolutely. To gauge member feedback, we use a number of mechanisms. Personally, I read a summary of every compliment and complaint that we receive and I look at the trend analysis of what comes through. Remedy has certainly driven a higher level of dissatisfaction across the agency over the past two years, and we have used that to inform—

Michelle Thomson: What sort of statistics are you talking about?

Christopher Nairns: There has been a quadrupling of complaints.

Michelle Thomson: It would be helpful if you reported on that to our successor committee when you provide the next update. I agree with the commentary that the base data that we have so far is quite slight. I would like to see more and, if it were me, I would like to be able to monitor and track satisfaction ratings, because that will tell us about improvements that are being made.

Christopher Nairns: Certainly. Taking a step back, we have a number of items in progress just now. We have recently appointed a member experience manager and we are looking at re-energising our customer satisfaction model so that we can get less transactional data and more qualitative data. What we ask just now is, “How did your phone call go?” or, “How did your email go?” We want to step back from that and ask people who are looking for an estimate or going through the retirement journey, “How did the overall process go?” We are looking at how we bring that data to the fore and understand it.

We track complaints and compliments, and we bring that information through. The compliments in themselves can be quite insightful for understanding the navigation issues that our members experience. Some of the compliments that we receive might say that a person phoned up, spoke to us, got a very good service and was able to navigate from point A to point B quickly and easily, which they were finding difficult without having that conversation.

We are looking at support mechanisms. We have referenced the Engage platform and people having instant access to their information online. Anyone who can and wants to self-serve should be able to self-serve at any given moment, regardless of what they are looking for. For the police and fire schemes, we have extended the functionality so that people can do that. Those are smaller schemes, which helps us to understand the teething issues in developing and implementing that. That has been implemented only in the past month, so we are now understanding a lot of the navigability issues that members experience. The feedback so far has been very positive, although there are minor issues, which we are working on.

For us, it is about expanding and understanding the navigation of the system.

Michelle Thomson: I keep saying that this is my last wee question, but this one is.

I imagine that there is a link with staff morale. I genuinely appreciate and understand that it will be difficult for your staff to work on such complex calculations in a situation that has been foisted on them while they are being pilloried in the media and, indeed, in the Scottish Parliament. How are you managing morale to enable staff to remain focused on delivering for the people who are at the end of the process?

Dr Pathirana: When I came into the SPPA, I knew that this was a transformation journey, irrespective of the McCloud remedy-specific challenges that we were facing. Going into that situation, I looked at the historical staff level of engagement—the score, if you like. For an agency such as ours, despite having fabulous staff, the staff engagement score was low. Over the past 10 years, there was a staff engagement score of, I think, 55 per cent.

Over the past year and a half, despite the pressure that the organisation and staff have been under in the context that you describe, we have moved the staff engagement score to 61 per cent and we have a leadership change score that is above that of the Scottish Government. We are transforming the organisation and supporting staff with the challenges. We are seeing positive signs of improvement. That reassures me, because it gives me more opportunity to build a better service in the future, and I am excited about that.

Michelle Thomson: That might be another thing that is worth reporting on. Thank you.

10:15

Craig Hoy (South Scotland) (Con): Good morning. I want to delve a little deeper into the technical and emotional issues that have been raised, to try to make sure that there is no complacency or sense of overambition running through some of your answers.

Thank you for the invitation to the next committee. If I am on the committee in future, it would be interesting to visit you, because there is obviously the issue of perception and reality. The perception among some of my constituents about the office at Tweedbank is that it is still quite chaotic.

I want to give you an example of the experience that a constituent of mine, who is a former NHS nurse, had with the agency. She left a pension pot in place after she retired, until last summer, when she sought to access her pension. The mishaps,

as she calls them, include a registered letter arriving but going missing, and phone calls with two separate staff members whose technical and English language capabilities, she thought, were insufficient to have the discussion. She said that there was an email trail with a named member of staff who then disappeared into the ether—people could not track that member of staff. The final straw, as she described it, was when her completed form with her choices never made it to Tweedbank, and she had to resubmit her form. That is one person's experience and perception. Is that simply wrong?

Dr Pathirana: In this instance, it cannot be wrong, because that is her experience. I would like to think that it is a minority of cases where things are not right. Maybe Chris Nairns would like to come in.

Christopher Nairns: It is always distressing to hear of any individual who has had such issues. The NHS scheme is by far our largest and busiest scheme. We have undertaken a number of remedial actions across our operational landscape to try to put in place the right capacity and capability. Over the past year, there has been success. Every retirement application that has been received on time has been paid on time, and no pension has been paid late.

On our phone traffic, we have been trialling over the past couple of months for the NHS scheme the ability to reduce call wait times and ensure that, if there are issues, people are able to get through to someone. I have mentioned looking at complements. We know that navigation of the system is sometimes not where it should be, but we handle an average of 2,500 calls a week, and well over 97 per cent of those calls are answered. We have been trialling a scheme so that, if the call wait is too long—the call waits have been high at times over the past year—an automated call-back system dials the person back as soon as someone is available, so that that person can get access to the support, advice and guidance that they need to take them through their journey.

There is a wider piece, in that Frances Graham's transformation teams are looking at the digital application. The application process has been in place for decades. It involves a form that is completed by the member and issued to the employer and which then comes through to the SPPA. There are two or three legs to that journey, and there are different places where things could go wrong.

We are looking at a digital process that is trackable by the member, is completed online and goes through to the various components. It will be fully integrated into our systems, so that we can get absolute clarity about where the application

is—the member can see it at any given moment. That is in testing and ready to be launched. To complete the last journey before launch, we are looking at penetration testing to ensure that the system is cybersecure before we push it out.

There are steps that we are taking now and have been taking over the past few months to improve the service that we offer members. It is an on-going journey for us. There are still many miles to go, but milestones have been passed and are in immediate view now.

Craig Hoy: For clarity, are all calls dealt with in-house? No external call centres or third-party agencies are being used.

Christopher Nairns: No.

Craig Hoy: What training and on-boarding is taking place for the 100 new members of staff who have been brought in on temporary contracts to ensure that they have the proficiency to deal with the sorts of inquiries that they may be dealing with? Are they dealing with the simpler end of the spectrum?

Christopher Nairns: There is a lot to unpack in that, because it is quite a comprehensive piece. We have taken steps in the past year to compartmentalise some of our processes. You asked whether there are elements of the process that newer members of staff can undertake, and that is absolutely the case.

On other items of work that we have undertaken, we have a single point of knowledge so that there is a bank of training materials that any of our colleagues can access at any time. We have reworked the induction process from back to front; we extended and expanded that quite quickly. We have added a fairly sequential series of training modules that staff can undertake as they join the agency, so that they understand our data, systems, processes and regulations. There is a lot for them to take on. They are assigned buddies, they have peers, and they are supported into their new operating environment.

Another step that I have undertaken in the past two years is to have those inductees present back to us after a couple of months in the agency to identify areas where the training has and has not worked well. We have used that to inform and guide the remodelling of induction. The induction that we have today is quite different from where it was two years ago and it is a little different from where it was a year ago.

New colleagues joined the office yesterday and they are going through a fairly expansive six weeks of classroom training, which goes into a six-week modular training in their operational areas.

Craig Hoy: There was a period when you had to throw the kitchen sink at it and you were bringing lots of people in. Is that an admission that, perhaps, in the past, not enough was done to bring in staff who fully understood the roles that they were going to be asked to take on?

Christopher Nairns: I would not say so. I joined the agency in the past couple of years and moved into the chief ops role. I have very distinct views about how we should on-board colleagues and how we should manage training.

From a leadership perspective, I consider that I have not built a team until the team can survive without me. We need to ensure that the infrastructure is in place, that we have subject matter experts who are trained in how to coach and train, that there are materials that people can access and that training support is available to them. All of that has been available, but it has perhaps not been updated as recently as it should have been. It has perhaps not been remodelled using some of the new coaching models that we have available. It is more about updating and future proofing that.

Craig Hoy: On the overambition, in the press release accompanying his report, the Auditor General said:

“I’m concerned about the SPPA’s capacity to deliver outstanding remedy statements by the extended timescales.”

However, in your letter to us, Dr Pathirana, you said:

“We remain on track to meet these timelines for completion.”

Why have you not been able so far to persuade the Auditor General that he should have confidence in your statement?

Dr Pathirana: There is work to do, and I also want to provide assurance to the Auditor General. We have in-depth three-monthly planning cycles for planning and forecasting. Remedy is not a single project. There are 12 workstreams to deliver all the different things that we need to deliver over the four different pension schemes. We are doing detailed planning and forecasting over three-month periods.

We need to better forecast and plan further forward, which is what we are moving towards. As we get to that point and as we are able to plan in more depth, I will be able to provide the Auditor General with more assurance. It is a work in progress and we still have a lot to do. I have no reason to think that we are not on track with delivery and the progress that we are making. As we discussed earlier, some things are slightly up and some things are slightly down, but that is the

nature of the programme. However, there is work to do.

I shared information with you earlier about the work that we are doing with NHS England. If there are ways in which we can develop solutions jointly that take us further forward and allow me to move things forward more quickly, that would be fabulous. I am not promising that, but it would be fabulous.

Craig Hoy: I recognise that you welcome the section 22 report, but Stephen Boyle said:

“The SPPA needs to provide greater transparency”

on its progress and

“take action to address other issues regarding governance and transparency”.

Having reviewed your letter, is there still work that you need to do on governance and transparency? How quickly will you get to a point where you are allaying the concerns that the Auditor General has set out to us?

Dr Pathirana: The Auditor General’s report is on a moment in time. It relates to the 2024-25 budget cycle year, and there are absolutely issues that relate to that timeframe. We have done a lot of work in that space since then, so I am assured that the governance and transparency is there.

We have a really clear framework document that governs everything. We have 10 different boards to which we are accountable in different ways. We had very clear feedback from the outgoing chair of our management advisory board that things are much better now than they were over the previous eight-year period when they were the chair. I am pleased to share with you that Paul Gray is coming in as the new chair of my management advisory board, who, as I think you will all know, is the former chief executive of the NHS in Scotland.

At a recent meeting, the audit and risk committee expressed that it can see significant improvement and that it is sure that things are in a much better place than they were before.

Governance is never something that you stop working on. We will absolutely keep refining what we do and keep making it better, but I think that significant improvement has been made since those issues were identified.

Craig Hoy: Because you raised the point, I note that there has been, in the past, quite significant churn in the audit and risk committee. It is never particularly good to see that, because consistency is key in that kind of body. Are you pretty confident that you will not see similar churn in the future?

Dr Pathirana: There was a lot of churn in part because people’s terms were coming to an end. I need to think about whether I want to bring

additional people with the right skills into the audit and risk committee to support us going forward, so it might grow. That is something for me to reflect on with the chair of the audit and risk committee. We have a fabulously experienced and supportive chair who has 20-plus years of experience in the rail sector, with transformation experience. With any organisation, an audit and risk committee has to work with the organisation where it is in order to help it get better. That is exactly where our audit and risk committee is.

The Convener: I will bring in Oliver Mundell. Oliver, welcome to the Finance and Public Administration Committee.

Oliver Mundell (Dumfriesshire) (Con): Thank you. I am pleased to be able to join you, convener.

Dr Pathirana, my colleague Liz Smith said that some of your communications are vague. I put it to you that they are actually quite cold. You are very process driven—it is all about calculators, statistics and how many cases there are. Someone might be sitting at home feeling stressed because this is consuming their life and potentially consuming valuable time during their retirement, but your communications do not recognise the frustration or anger that people rightly feel.

Dr Pathirana: We have been consistent in being open and apologetic about where the agency is.

Oliver Mundell: It is like a token apology.

Dr Pathirana: Is it?

Oliver Mundell: It does not recognise the gravity of what this means for individuals. That is why they are frustrated.

Dr Pathirana: Certainly, we can take the feedback and look at our communications and see whether there are things that we can do to improve them. What is challenging is giving people the accurate information that they are looking for. As you understand, pensions are super complex and it is a hard place for people to navigate. We recognise that and it is something that we want to help people to do. We will take your feedback.

Oliver Mundell: You also said that you write back to people when they raise concerns with you. I have done that as an MSP, and I feel that I have been fobbed off. I get letters back that say that you will speak to the constituent. The constituent then gets a phone call from someone in the organisation, who says that they are getting a phone call because their MSP has written a letter, but they do not get any answers to their actual queries. It is like a tick-box exercise, so that you can then write back and say that you have done it, by speaking to someone and telling them the same information.

That is what worries me with regard to the point that Michael Marra made about individual escalations. You say that people can escalate their concerns, but when they do so, they get back two or three letters—or what might be called communications—that tell them just the same thing again, and the matter does not move past go.

10:30

Dr Pathirana: I go back to the fact that we can share only the information that we have. People might want more information, but we might not have it. When we have more information, we will always share it. That is the particular challenge with the McCloud remedy: because of the complexity involved, knowing the answers to individual queries can be really, really challenging. I appreciate that people might get the same response and want more information than we are able to give them, but we are, at every point, communicating the information that we have.

Oliver Mundell: My experience with other public organisations is that people who are really upset, who are facing some really challenging circumstances and who are unhappy with the reply that they get can, at the very least, speak to someone within the organisation. That organisation will make time or put a bit of effort into finding out the circumstances behind the frustration, and it will try to at least interact with the person on a human level to convey the sort of apology that you are giving today.

In my experience, however, that is not what people get when they interact with you. They can get literally a copy-and-paste version of the same letter that they have had once already and which obviously did not satisfy them the first time. It just increases people's frustration if they keep getting the same thing again.

Dr Pathirana: I hear your point, but I have heard of lots of instances of our pensions administrators spending lots of time with members and resolving their problems where they have been able to. The challenge arises when administrators are not able to resolve problems.

Chris, did you want to say something?

Christopher Nairns: We have a dedicated customer care team who regularly speak to members, particularly those who have a complaint or are dissatisfied, and they will spend time with those members where they can. At times, the staff themselves have expressed frustration at not having the information on certain points to give to members. There have been times in the past year or two where we have had to wait for information in order to move forward, whether it be on guidance or other components such as taxation or interest. Members will experience that frustration,

but our staff members might be experiencing the same frustration, too.

We are certainly very adept at, and very willing to, speak to members on a regular basis. Indeed, the sheer volume of phone calls that we are dealing with is testament to that. There is another picture that I would paint beyond that; our handling time for calls is significantly higher than most other comparable organisations in financial services. On occasion, we will spend an hour going through details and information with members, and our average handling times are, as I have said, significantly higher than most organisations that I have worked with.

Yes, there are frustrations with a lack of information, where that information is not available. Where that information is available, we will absolutely share it and will spend time explaining it to the member.

Oliver Mundell: I will leave that line of questioning there, because—

The Convener: Can you just hold on a wee second? Michael Marra has a wee supplementary on this issue.

Michael Marra: I appreciate that, convener.

Just for clarification, I note that, in your answer to Oliver Mundell, you talked about people getting more information through the escalation process. My point, though, is that they want a decision. For somebody who might be at the end of life, or who might have cancer in the family, and who is trying to make decisions on that basis, going into an escalation process is not about asking for a status update. They want a quicker decision, because this is an issue for them with regard to how they live out the last months of their lives. Can you assure us that they will get a quicker decision if the matter is escalated appropriately?

Dr Pathirana: We can, but the risk in answering your question is that we conflate different things. Our normal ways of managing end-of-life processes for people who might be applying today all work very well—

Michael Marra: I would not say “very well”.

Dr Pathirana: That is separate to the question mark around people who might be waiting, in the context of the remedy, for an additional RSS. That is separate to normal—or even specific—retirement processes.

Michael Marra: I am sorry, Dr Pathirana, but for these people, it is not separate. It is about how much money they will have when they are in those circumstances. It might be a separate pathway to you and your organisation, but my question to you is whether we are going to get that decision more quickly. I am afraid that it is you who is conflating

the different issues in your answer to Oliver Mundell and your answer to my question. What I am asking is this: can somebody in those situations get a quicker decision? It sounds to me that you are saying that they cannot.

Christopher Nairns: The answer is yes. I certainly oversee approvals on a semi-regular basis—thankfully, not too frequently—when end-of-life cases are presented to us and we are asked to expedite them. In every given case in which we have been able to expedite things, we have absolutely done so.

Michael Marra: Can you set out to MSPs, in writing, the process for accessing that expedited pathway?

Christopher Nairns: Yes, I am able to do so.

In a previous response, I mentioned unions and employers. When a member is at the end of life or has a terminal diagnosis, they might well engage with their employer, their union or the support network in their locale. The unions have engagement managers dedicated to the various schemes and employers, and they can make contact directly with us at any given time to set things out. I am quite happy to confirm that.

Michael Marra: Thank you.

Oliver Mundell: What you have just said does not sit very easily with what Frances Graham said earlier about it being wrong to make calculations manually for some people, as you might have to revisit them later. You are now saying that you do that in some circumstances. If someone is near the end of their life or is in particular financial hardship, you can pull those cases out manually and expedite them.

Christopher Nairns: My response is that, where we can do that, we are doing that. We have done that, and we will do that.

Oliver Mundell: But saying, “where we can do that” is not the same as saying that you do do that.

Christopher Nairns: Not in every instance, no.

Oliver Mundell: So you cannot do that in every instance.

Christopher Nairns: Not in every instance. If the information is unavailable for us to calculate a case or produce a response, that will be difficult.

Oliver Mundell: Do you have any idea of how many individuals fall into that category?

Dr Pathirana: Just to be clear, we will still expedite the process of giving them their pension. The question is whether, within that context, we are, in a subset of cases—

Oliver Mundell: You will not be able to give them the remedy.

Dr Pathirana: —able to give them the remedy choice. That is the context. We will always expedite the process.

Oliver Mundell: Just for absolute clarity, for those getting in touch with you who are at the end of life and are not able to access the full amount of money that they are entitled to, your process does not allow their cases to be expedited, does it?

Christopher Nairns: I am aware of only one instance in which that has happened. In all the cases that have been escalated to me, or in all the cases that have been identified to me in which there was a terminal or end-of-life diagnosis, we have been able to process all bar one.

Oliver Mundell: Okay. With regard to successful challenges, you said that you were confident that the final figures that you gave were correct and that the Government Actuary's Department had signed off on them. Have there been any successful challenges that you are aware of?

Dr Pathirana: No.

Oliver Mundell: None. Okay—that is fine.

The Convener: That concludes the committee's questions, but it is clear that there seems to be a disconnect between how the SPPA perceives its own delivery and how, as we heard from Michael Marra a few minutes ago, your clients perceive it. It is clearly an area that the committee would want you to work on. Obviously, this is a very emotional and deeply frustrating issue for many people, and I think that the human cost should always be at the forefront when it comes to ensuring that decisions are delivered promptly to as many people as possible.

You should have the last word, Dr Pathirana. Are there any other points that you want to make or expand on, or is there anything that you feel that we have not, but perhaps should have, touched on? If so, you and your team have an opportunity to comment now.

Dr Pathirana: Thank you, convener. As ever, I am very grateful for your time and the questions. As I said, I am very happy to come back and speak to the committee in the future about progress and to report back to you. Obviously, there are a number of things that you have touched on that we will set out for you in writing. Thank you for your time.

The Convener: Thank you very much and thank you for your evidence. I know that you are now moving across to the Public Audit Committee, so you will have to go through all this again, but perhaps from a different perspective.

That was our last public item, and we will shortly move into private to consider and agree our legacy

report. Before we do so, though, as this is our last meeting and my last as a convener in this Parliament, I want to thank all committee members for their diligent and collegiate work and thoughtful contributions throughout this five-year session. I trust that those who do not return, either by personal choice or by the choice of their electors, will go on to bigger and better things, or perhaps will enjoy an active and enjoyable retirement, no doubt with the assistance of the SPPA.

I also thank our excellent clerking team, the Scottish Parliament information centre and all others who have supported our work over the past five years and, indeed, have given evidence to the committee.

We will move into private session. There will be a five-minute break to allow our witnesses, broadcasting, the official report and the public to leave.

10:40

Meeting continued in private until 10:51.

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