

Statement of Requirements - Introduction

1. Procurement Project 2017 is the Scottish Public Pensions Agency's project to procure an integrated Pensions Administration, Payroll and Digital Services solution.

2. The scope of the project is to purchase, implement and support a solution which facilitates the administration of existing pension schemes and which has the flexibility to accommodate both new pension schemes and additional business from other public sector pension schemes. The SPPA currently administers the following pension schemes:

- National Health Service Superannuation Scheme (NHSSS)
- Scottish Teachers Superannuation Scheme (STSS)
- Scottish Parliament Pension Scheme (SPPS)
- Scottish Legal Aid Board Pension Scheme (SLAB)
- Police Pension Scheme
- New Police Pension Scheme
- Fire-fighters Pension Scheme
- New Fire-fighters Pension Scheme

3. SPPA would like to maximise automation of processes, minimise manual intervention and enhance the digital services provided to members, employers and beneficiaries. The purpose of these changes is to transform service delivery and facilitate straight through processing and self-service.

4. Currently SPPA has separate contracts and solutions for Pension Administration, Pensions Payroll and Member Web Services.

SPPA Organisational Overview

5. The Scottish Public Pensions Agency plays a key role in the Public Sector Pensions agenda in Scotland. It covers all the areas of Public Sector Pensions where Scottish Ministers have responsibility. Primarily that means determining the rules for the Local Government, Police, Fire, NHS and Teachers schemes and exercising certain appeal functions for these schemes.

6. The majority of the SPPA staff are responsible for all aspects of the pensions administration for over 500,000 members, former members and beneficiaries in either the National Health Service Pension Scheme (NHSPS), the Scottish Teachers Pensions Scheme (STPS), The Police Scheme or the Fire and Rescue Pension scheme. SPPA also look after a small number of members in other Government and Local Authority Schemes which include the administration of the Scottish Parliament Pension Scheme. SPPA employs approximately 300 staff.

7. SPPA is split into 5 main areas of business:-

- **Operations:** dealing with the administration of pension schemes
- **Policy, Strategy and Development:** dealing with regulatory aspects of the work
- **Corporate Services:** dealing mainly with information technology, payroll processing and includes support services such as corporate communications, HR and learning and development
- **Finance**
- **Business Change Programme**

8. The Management Team, who each report directly to the Chief Executive consists of:

- Director of Operations
- Director of Corporate Service
- Director of Finance
- Director of Policy Strategy and Development
- Director of Business Change Programme

Pension Schemes

9. NHS / STSS

9.1 SPPA provides a wide range of services to approximately 320,000 NHS and STSS scheme members and 161,000 NHS and STSS beneficiaries.

	Active	Deferred	Beneficiaries	Other
NHS 1995 Section	115771	28583	87317	256813
NHS 2008 Section	72090	101	519	52060
NHS Injury Benefits Scheme	477	1	993	2
Scottish Teachers' Scheme	76702	1612	73009	78352
GAC Scheme	245	0	72	21

** Table shows total contracts, not individual members

9.2 SPPA deals with approximately 100,000 work flows per year, handles 77,000 incoming items of mail and receives 130,000 phone calls.

9.3 SPPA receives information from over 1200 employers varying from small practices to NHS trusts and local authorities. The data submitted to SPPA, which comprises our pensions administration system is currently housed on a 2 GB database. SPPA stores 1.4 TB of documents and images relating to the NHS and STSS schemes and 90 GB relating to Police and Fire. The total number of images currently stored is approximately 8.2 million.

9.4 SPPA pays approximately 161,000 beneficiaries through weekly and monthly payrolls. There are over 70 payrolls per month ranging from 141 to 65,000 beneficiaries.

10. POLICE / FIRE

10.1 The administration of Police and Fire is very new to SPPA who are responsible for delivery of a wide range of services to approximately 22,000 active scheme members and 15,600 beneficiaries.

Membership	Police	Fire
Active	17806	4441
Deferred	2300	4701
Pensioners	15300	521

** Table shows total contracts, not individual members

10.2 SPPA receive Police and Fire information from 45 local authorities/employers.

10.3 SPPA pays approximately 16,000 beneficiaries through monthly payrolls. There are over 23 payrolls per month ranging from 2 to 8,000 beneficiaries.

10.4 In line with the Scottish Government Digital Services Policy, SPPA seeks to update its services, to enable streamlined electronic data interfaces for Government Agencies, Scottish Government corporate systems, employers, members and pension scheme members.

10.5 The policy and the financial aspects of the new pension's schemes is the responsibility of the UK Government, the responsibilities of scheme specific details of the Teachers and NHS schemes remains the responsibility of the Scottish Ministers.

11. OTHER SCHEMES

11.1 SPPA also administers the Scottish Parliament Pension Scheme (SPPS) and Scottish Legal Aid Board Pension Scheme (SLAB).

Membership	SPPS	SLAB
Active	161	347
Deferred	11	243
Beneficiaries	43	111
Other	75	4

Project Scope, Aims and Objectives

12. The scope of the project is to purchase, implement and support a solution which facilitates the administration of existing pension schemes and which has the flexibility to accommodate both new pension schemes and additional business from other public sector pension schemes. The solution **must** accurately record all aspects of operational activities, providing financial and management information to support the SPPA's business needs.

13. The system **must** enable electronic data interfaces for Government Agencies, Scottish Government corporate systems, employers and pension scheme members through Digital Services.

14. The system must be able to support the SPPA in achieving:

- Straight through processing
- Improving the quality and validity of data
- Automation of processes
- Development of Digital Services

15. The new Pensions Administration and Payroll solution **must** also have an integrated Electronic Document Management (EDM) / workflow solution and an electronic data interface capable of exchanging data with multiple stakeholders.

Anticipated Benefits

16. The business has identified a number of tangible and intangible benefits associated with the implementation of an appropriate Pension Administration and Payroll solution. Areas identified as contributing to the overall business benefits are (in no particular order):

- Streamlined business process
- Accurate and consolidated management information
- IT cost reduction and systems consolidation
- Reduction of Pension Administration costs
- Reduced training costs
- Improved regulatory & legal compliance
- Increased productivity and efficiency (workflow vs. manual)
- Improved accuracy and valuable data relating to key performance indicators which will allow managers to manage their resources more effectively
- Greater automation
- Self-service functionality for both SPPA users and external customers
- Improved data quality through better validation

The Digital Agency

17. The SPPA are committed to the Scottish Government's Digital Service program <http://www.scotland.gov.uk/Topics/Economy/digital/digitalservices/mygovscot>

18. The SPPA is developing a programme, ‘The Digital Agency’, to deliver transformational change in the way in which the SPPA engages with and delivers services to its stakeholders. This includes a key objective to transform the customer experience (scheme members, pensioners and employers), with the development of digital services, that can be partly or, as preferred, entirely automated.

19. The Digital Agency is about:

- Committing wholeheartedly to digital media as the delivery platform for an expanded and improved range of services
- Re-engineering the SPPA’s customer engagement and business practices around digital

20. The successful supplier will be expected to work with the SPPA in developing secure, user friendly solutions which improve and increase the interaction with SPPA’s customers and facilitate user self-service.

21. The delivery of Digital Services in the SPPA could be considered in terms of the following:

- A core zone, which delivers the core functionality required to administer and pay pensions and provide basic web services to scheme members and employers
- A growth zone, which focusses on the development of Digital Services beyond the current basic provision and which improves the customer experience
- A transition zone, where technology advances and the provision of services can be delivered in new ways

