

SPPA 5 year budget forecasts



Scottish Public
Pensions Agency
Buidheann Peinneanan
Poblach na h-Alba

Revenue - cash budget	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Baseline budget	12,755,000	12,755,000	12,755,000	12,755,000	12,755,000
Additional allocation - guaranteed minimum pension project	1,000,000	1,000,000	-	-	-
Additional allocation - integrated pension admin & payroll system	1,950,000	1,950,000	-	-	-
Budget allocation 2018/19, and 2019/20 as previously indicated to Scottish Government Finance	15,705,000	15,705,000	12,755,000	12,755,000	12,755,000
Resource - cash requirements	15,705,000	16,739,000	16,277,000	16,281,000	17,105,000
Surplus/(shortfall)	0	(1,034,000)	(3,522,000)	(3,526,000)	(4,350,000)

Revenue - non cash budget	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
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Budget allocation 2018/19, and 2019/20 as previously indicated to Scottish Government Finance	1,400,000	1,900,000	0	0	0
Resource - non cash requirements (depreciation)	1,400,000	2,000,000	2,600,000	2,800,000	2,900,000
Surplus/(shortfall)	0	(100,000)	(2,600,000)	(2,800,000)	(2,900,000)

Capital budget	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Budget allocation 2018/19, and 2019/20 & 2020/21 as previously indicated to Scottish Government Finance	2,400,000	1,300,000	1,100,000	0	0
Pension software developments	2,740,000	2,945,000	111,000	89,000	95,000
New pension software procurement and implementation	0	0	2,649,000	2,399,000	2,399,000
Miscellaneous capital	1,203,000	801,000	1,150,000	945,000	900,000
Resource - capital requirements	3,943,000	3,746,000	3,910,000	3,433,000	3,394,000
Surplus/(shortfall)	(1,543,000)	(2,446,000)	(2,810,000)	(3,433,000)	(3,394,000)

Significant budget gaps have been identified due mainly to the closure of the PS Pensions Project. The closure of the project means planned annual efficiency savings, through implementation of a new and more efficient business model, are not achievable in the short term. The capital budget shortfalls identified reflect the investment required to deliver the replacement project.

The Cabinet Secretary for Finance, Economy and Fair Work has been appraised of the shortfall in funding and gave approval for an increase in resource and capital spending to develop an alternative option. Central Scottish budgets for 2018-19 and beyond will be set taking account of the budget pressures outlined in the ministerial submission. The baseline funding position will be influenced by the outcome of the UK spending review on the Scottish budget position which is scheduled to take place in 2019.

Work continues to provide estimates of the extent of realisable savings from the improvement programme to be delivered under the contract extension with the current pension administration system provider. Certain staff savings have been recognised within the budgetary forecasts above.