

# **Pensions Agency wastes millions on failed IT**

**The spending watchdog Audit Scotland claims that an IT project which ran into difficulties has cost Scotland's public sector pension body millions and set its planning back significantly.**

The Scottish Public Pensions Agency (SPPA) runs retirement plans for over 500,000 people, including NHS employees, teachers, firefighters and the police.

A plan to integrate its pension administration and payment operations faltered when the chosen supplier, Capita, was not able to provide a working system. Auditors say the SPPA did not apply enough scrutiny to Capita's bid, which was abnormally low, and set an unrealistic timetable for the project.

The report issued today by Audit Scotland says that SPPA did not prepare a clear business case as to why the new system was needed. They also claim that none of the project milestones were met and there was a legal process resulting in Capita paying £0.7million to SPPA in November 2018.

The pensions body spent £6.3 million on the project, which aimed to make its processes more efficient and achieve long-term savings. Ending the IT scheme meant it had to spend a further £2.4 million on extending contracts with existing suppliers. Notwithstanding the sum from Capita following the settlement of a dispute SPPA is left with a £23m gap in its revenue and capital budget over the next five years.

The body is also unable to progress its strategic plans as

originally set out.

Caroline Gardner, the Auditor General for Scotland, said: "The public sector is under pressure and we are seeing more instances of bodies embarking on IT projects without the necessary staff and assurance arrangements in place to manage them properly.

"In this instance, I found no evidence of a clear business case for a new integrated system, which was pursued at a time when the SPPA was going through significant change. The result was a project that failed to provide value for money and has considerably set back the SPPA's planning."

Labour MSP James Kelly said : "This is an absolute mess which has cost taxpayers millions of pounds.

"Auditors found that the SNP's cuts to public services has left them under pressure and under staffed, leading to botched projects like this.

"We now know Derek Mackay is sitting on half a billion pounds of unspent money.

"It is about time he properly funded Scotland's public services."