



The Scottish Parliament
Pàrlamaid na h-Alba

Bob Doris MSP
Convener
Social Security Committee

**Public Audit and Post-legislative
Scrutiny Committee**

Room T3.60
The Scottish Parliament
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Dear Bob,

Social security: Implementing the devolved powers

The Public Audit and Post-legislative Scrutiny Committee recently considered the Auditor General's report entitled [Social security: implementing the devolved powers](#).¹ Following its usual evidence session with the Auditor General,² the Committee took evidence from the relevant accountable officer at the Scottish Government, Lesley Fraser, interim DG for Organisational Development and Operations and David Wallace, chief executive of Social Security Scotland.³

As you know, the Auditor General's report highlighted a number of issues in relation to the implementation of the social security programme including programme planning, financial management and implementation costs, and skills and capacity. The Committee notes the steps that are being taken by the Scottish Government to address the concerns raised by the Auditor General. The Committee recognises, nonetheless, that it is important that Parliament is regularly updated by the Scottish Government on the progress of the implementation of the programme given the impact on service users if there is any consequential delay in the delivery of benefits.

¹ https://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190502_social_security.pdf

² <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12110&mode=pdf>

³ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12236&mode=pdf>

The Committee intends to follow up the recommendations made by the Auditor General when she next reports on the social security programme. However, in the meantime, the Committee agreed to highlight the key issues arising from its scrutiny to your Committee to take forward as you consider appropriate.

Programme planning

The Committee was concerned by the conclusion of the Auditor General's report that programme planning for wave 2 was currently not sufficiently well advanced and that the government does not yet have a clear understanding of the key things needed to deliver all remaining benefits in the way it intends.⁴

In her evidence to the Committee, the Auditor General pointed out that—

“Wave 2 is also much more complex when it comes to the assessment of people's entitlements. Assessing people for a one-off entitlement to a pregnancy and baby grant is very different from assessing someone's eligibility for regular payments—for disability living allowance, for example.”⁵

The Committee noted that the programme's ability to develop and maintain effective planning arrangements has been affected by a lack of staff continuity. Over the last year, the programme has had three programme managers and the post was vacant for approximately three months.

In his evidence to the Committee, Mark Taylor from Audit Scotland expanded on the impact of these recruitment issues. He said—

“Planning is more challenging if the skills and capacity in the key role of co-ordinating, planning and looking ahead are not in place. Also, as new people come in, there is an additional cost in getting them up to speed so that they can understand and plug into the role.”⁶

During its evidence session with the Scottish Government, the Committee also sought to clarify the impact of the decision to bring forward the child payment as announced by the Cabinet Secretary for Communities and Local Government in June 2019 and the extent to which this will delay other benefits.

Lesley Fraser advised the Committee that “work on reprogramming the finance, the work programme and the planning and governance for that” was now concluding and that it would feed into a revised programme business case. She indicated that the refreshed business case would be made available to Parliament in the autumn when the Scottish budget is published.⁷

⁴ https://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190502_social_security.pdf

⁵ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12110&mode=pdf>

⁶ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12110&mode=pdf>

⁷ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12236&mode=pdf>

Financial management and implementation costs

The Committee was concerned to learn that the social security programme's financial reporting focuses on spending against the annual budget and does not clearly monitor or report how much it will cost to fully implement all the benefits. As you know, the Auditor General's report found that there needs to be much clearer reporting of longer-term programme costs, profiling of when the programme expects to spend money and the impacts of policy, investment and delivery decisions. The Committee agrees.

In her evidence to the Committee, the Auditor General indicated that—

“I think that it is fair to say that the initial cost of £308 million, which was the figure that was included in the financial memorandum to the Social Security (Scotland) Bill, had to be a ballpark figure.”⁸

However, she went on to add that—

“The Government has not updated the overall cost of implementing the programme since that figure was provided, and given that significant decisions have been taken and more commitments have been made, I think that it is important that the figure is updated, so that the programme can manage to the updated figure and Parliament can scrutinise it.”⁹

The Auditor General's report suggests that part of this problem is linked to the difficulties that the programme has faced in recruiting suitably experienced finance staff.¹⁰ In their written and oral evidence, the Scottish Government advised that an independent review of the finance functions across the programme and agency had been undertaken and had resulted in the finance capability being augmented.¹¹

The Committee considers that it is essential that the revised business case to be published in the autumn includes detailed information about the long-term implementation costs of the social security programme.

Workforce issues

As noted above, the programme has found it difficult to recruit the range of skills and experience it needs. In particular, the Auditor General's report notes that—

“The programme has assessed that to manage its expected workload it needs 345 core members of staff covering a wide range of roles. However, it has routinely been operating with about 30 per cent of these posts unfilled. This is a significant gap in resource and has led to high numbers of contractors within the programme.”¹²

As you are aware, the reliance on contractors is no more evident than in the Chief Digital Office's team, with over half of the team being employed as contractors. The

⁸ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12110&mode=pdf>

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¹⁰ https://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190502_social_security.pdf

¹¹ <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12236&mode=pdf>

¹² https://www.audit-scotland.gov.uk/uploads/docs/report/2019/nr_190502_social_security.pdf

Committee is concerned that this high level of contractor and interim staff use across the programme has had implications in terms of costs and continuity.

The Auditor General's report acknowledges that the programme is aware of the resourcing challenges and both the report and the Scottish Government's evidence set out the steps being taken to address these challenges, including carrying out a review of the programme workforce, setting up a workforce planning group and working closely with the Scottish Government's People Directorate team responsible for workforce, skills and capacity. The Committee understands that the refreshed programme business case will include information about workforce assumptions.

It is clearly essential that the requisite workforce is in place to ensure the delivery of the benefits under the programme. As such, while the action being taken by the Scottish Government to address these challenges is encouraging, it needs to be regularly updated to ensure that such actions are producing the required results.

I hope this summary is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Marra', followed by a long horizontal line extending to the right.

Jenny Marra MSP
Convener of the Committee