SOCIAL SECURITY PROGRAMME BUSINESS CASE FEBRUARY 2023

TABLE OF CONTENTS

Contents

1   Introduction

1.1   Background

The Scotland Act of 2016 (Scotland Act), and the Social Security (Scotland) Act (Social Security Act) of June 2018 put in place an overarching legislative framework for the administration of Social Security in Scotland. As part of a programme of devolution, the 2016 Act gave the Scottish Parliament legislative competence over a range of welfare benefits, including the ability to top up benefits which remain reserved to the UK Parliament, and to allow some new benefits to be created. The 2018 Act also detailed the principles for Scottish Social Security, in line with the Scottish Government's objective of creating a fairer Scotland that provides improved opportunities and a better quality of life for everyone regardless of their circumstances.

The devolution of Social Security to Scotland forms an integral part of the Scottish Government's wider constitutional reform agenda. It is an extremely important public policy change with the ambition to make a real difference to the lives of individuals receiving devolved benefits in Scotland.

1.2   Nature of this Social Security Programme Business Case

This document forms the Programme Business Case (referred to hereafter as Programme Business Case or PBC) for the Scottish Social Security Programme, the scope of which is detailed in **Section 2 - Strategic Case**. This PBC will be an iterative document, with regular reviews undertaken. This will reflect the evolution of the Programme as a whole, as well as the component activities associated with the delivery of the devolved benefits and other Social Security commitments made by the Scottish Government. This document will follow formal governance controls by consulting key stakeholders during Quality Review activity, and a finalised version will be provided to the Social Security Programme Board for approval.

The PBC provides a framework for transparent and evidence-based decision making and for co-ordination, delivery, monitoring and evaluation of the outputs, outcomes and measurable improvements associated with the Scottish Social Security Programme.

This business case is intended to support the Social Security Programme by providing an overarching framework across the lifetime of the Programme, capturing both the short-term implementation and transition phase of activity (expected to run to 2025) as well as covering some of the longer term activity related to the ongoing delivery of the devolved benefits. It provides the "umbrella" under which Social Security Scotland activities associated with each of the devolved benefits can be co-ordinated and delivered in accordance with the principles outlined in the applicable Scottish Government policy documents and legislative directives.

The appraisal in this PBC is intended to provide an overall lifetime view of the Social Security Programme, reflecting the whole-life cycle costing of the Programme. It adopts the HM Treasury (HMT) 5 case model framework in line with the Programme Business Case guidance.[1] The 5 cases (or perspectives) are:

- **Strategic Case**: Describes the strategic context and how the Programme is aligned with the strategies and priorities of the Scottish Government (along with other relevant strategies) and sets out the case for change
- **Socio-economic Case:** Denotes the preferred way forward following appraisal of the potential options to identify the option that maximises public value
- **Commercial Case:** Describes the commercial approach for the Programme
- **Financial Case:** Discusses the affordability and funding requirements of the Programme
- **Management Case:** Describes the implementation arrangements and governance of the Programme

Typically, the cases within a business case are iterative and as such are continuously developed over a period of time as plans develop and mature. Within the Programme, component business cases for significant spending proposals have been developed in three key stages as follows:

- Stage 1 – Scoping and preparing the Strategic Outline Case (SOC)
- Stage 2 – Planning and preparing the Outline Business Case (OBC)
- Stage 3 – Procuring the solution and preparing the Full Business Case (FBC)

A comprehensive review of the Programme structure was carried out in 2019 resulting in an approach that supports the efficient and timely development of governance documents, within the agile workspace. **Section 6.2 - Programme Structure** of this Business Case provides more information. Within the Programme there are Service Area, Enabling Capabilities and Programme Functions which have overarching business cases or overview documents, some of which are underpinned by strategy documents for each benefit and individual area within the business cases or overview document. Funding requests will be created where there is a requirement to commit to spend and are subject to the documented programme investment decision thresholds in place at the time.

---

[1] [Guide to developing the Programme Business Case](#)

Historically, Business Cases have gone through specific Business Case development following the three stages of maturity noted above; however, this overarching Social Security Programme Business Case and underpinning Service Level Business Cases will not go through the SOC, OBC, FBC stages. As the Programme is taking an Agile approach **(Section 6.4 - Delivery Approach)**, individual Business Cases that form part of the Programme will be at different stages of maturity at different points in time. However, it is intended that at certain points in time through the life of the Programme a formal update of this PBC will be published to reflect the latest 'snapshot in time' position of the overall programme of activity. Various updates will be made at key Programme milestones or when there is a significant change to the Programme (for example significant changes in scope, timescale, cost or benefits such as those caused by the COVID-19 Pandemic).

This PBC is intended to provide an overarching framework for governance, decision making and appraisal. Any commitment of resources, including investment decisions, will be based upon the underpinning Service-Level Business Cases and will be further informed by a Programme-wide understanding of strategic alignment, affordability and achievability. Each of the underpinning Business Cases will include appraisal of options to ensure strategic alignment, achievability, and evidence of value for money.

Figure 1.1 below shows the relationship between Programme and Service Area Business Cases. This arrangement is intended to avoid duplication of information, allowing multiple business cases to contribute to the Strategic and Financial Cases at the Programme level, whilst ensuring value for money and commercial viability are dealt with at the service/outcome-specific level. This process also recognises the iterative/incremental approach being taken across the Programme.

The service/outcome-specific activity and information aggregates up to, and is controlled by, the overarching Social Security Programme and this overarching Business Case is used to assess, on an ongoing basis, the emergent Social Security system from the combined perspective of cost, risk and benefit-potential.

1.2.1 Figure 1.1: Document Hierarchy

1. Social Security Programme Business Case
2. Service Area Business Case / Overview Document
3. Strategy Document
4. Funding Requests

2   Strategic Case

The Strategic Case sets out the strategic context for the Programme and articulates the case for change and supporting evidence-base. This includes the rationale for why the Programme is required, as well as a clear definition of the Programme scope and anticipated outcomes. It sets out how the spending proposal, as set out in the Financial Case, fits in relation to wider Scottish Government policies and the National Performance Framework.

The Strategic Case set out below provides an overview of the rationale for creating a Social Security Programme in Scotland. It provides the strategic context to the devolution of various aspects of Social Security to the Scottish Government and the policy and legislative changes that have been enacted to give the Scottish Government these powers. This includes details of the 2017 public consultation[2] on Social Security following the passing of the Scotland Act 2016 and the development of the Social Security (Scotland) Act 2018 and the Social Security Scotland Charter (2019). It also details the main objectives of the Social Security Programme and how these fit within the broader objectives of the Scottish Government.

2.1   Strategic And Policy Context

Following the Scottish independence referendum in September 2014, a Commission was set up to deliver cross-party agreement on enhanced devolution for the Scottish Parliament in line with the commitments made by the three largest UK parties immediately before the Referendum. The Commission was overseen by Lord Smith of Kelvin (the "Smith Commission") and included representation from all five main Scottish Political Parties as well as representations from over 400 Civic Institutions, organisations and groups and over 18,000 members of the public providing a broad range of views on which powers should be devolved. In November 2014, the Commission reported the findings of its work to agree a package of powers to be devolved to strengthen the Scottish Parliament within the UK.[3]

Under the pillar of "delivering prosperity, a healthy economy, jobs, and social justice", the Smith Commission Heads of Agreement detailed a number of recommendations in relation to Social Security, including allowing the Scottish Parliament:

- The complete autonomy to determine the structure and value of a range of powers over disability, and devolution of the components of the regulated Social Fund;
- The power to make administrative changes to Universal Credit (UC) and to vary the housing cost element.
- The power to create new benefits in areas of devolved responsibility, and top-up reserved benefits.

---

[2] Analysis of written responses to the consultation on social security in Scotland
[3] The Smith Commission Report

The Heads of Agreement recommended changes that would deliver more power to the Scottish Parliament to create a Social Security system that is more accountable to the people of Scotland. The recommendations were formalised through the legislation of the Scotland Act 2016[4].

2.2 The Social Security (Scotland) Act 2018

To determine how best to use the new Social Security powers devolved by the Scotland Act 2016, the Scottish Government made a commitment to work with the people of Scotland.

Through an extensive public consultation exercise in 2016, the Government sought views on a principled approach to Social Security in Scotland, the devolved benefits provided by the newly devolved powers and the operational policy relating to the delivery of benefits. The consultation contained a total of 234 questions and obtained 521 responses (280 from individuals and 241 from organisations).[5]

The findings of this public consultation closely informed the development of the Social Security (Scotland) Bill,[6] which was granted Royal Assent on 1 June 2018, becoming the Social Security (Scotland) Act 2018 (Social Security Act)[7].

The primary purpose of the Social Security Act was to put in place an overarching legislative framework for the administration of Social Security in Scotland that will underpin a process by which the Scottish people will be given public assistance, after a determination is made that individuals meet eligibility criteria. Whilst details regarding the new forms of public assistance (i.e., Social Security Benefits) will be contained in subsequent regulations, the Act incorporated stakeholder views around delivering Social Security in Scotland by providing:

- Information about entitlement for the devolved benefits and new forms of public assistance (including already devolved benefits under the new Social Security system)
- Eight overarching principles of the new Social Security system
- A description of duties in relation to promoting take-up of Social Security
- Accessibility requirements to ensure all individuals are adequately aware of their rights to public assistance
- Client advocacy requirements, assessment guidelines and accountability requirements
- A framework for processing benefits (eg, determinations, appeals, repay of overpayment) in the new Social Security system

---

[4] Scotland Act 2016
[5] Consultation on Social Security in Scotland
[6] Social Security (Scotland) Bill
[7] Social Security (Scotland) Act 2018

- Requirements associated with the delivery of supplemental assistance, eg, top-up of reserved benefits.

Of particular importance was the definition of eight overarching principles. To be successful, the new social security system must be delivered in accordance with the undernoted principles:

(a)   Social Security is an investment in the people of Scotland;
(b)   Social Security is itself a human right and essential to the realisation of other human rights;
(c)   the delivery of Social Security is a public service;
(d)   respect for the dignity of individuals is to be at the heart of the Scottish Social Security system;
(e)   the Scottish Social Security system is to contribute to reducing poverty in Scotland;
(f)   the Scottish Social Security system is to be designed with the people of Scotland on the basis of evidence;
(g)   opportunities are to be sought to continuously improve the Scottish Social Security system in ways which:
            a. Put the needs of those who require assistance first;
            b. Advance equality and non-discrimination
(h)   the Scottish Social Security system is to be efficient and deliver value for money.

The Act also required:

- a charter to be developed. The charter was to set out what should be expected from Scottish Ministers when (i) developing Social Security Policy; and (ii) exercising the functions conferred on them by the Act. The charter was also required to set out what should be expected from individuals who apply for, and receive, assistance through the Scottish Social Security system; and
- the establishment of a Scottish Commission on Social Security whose functions include scrutinising legislative proposals in relation to Social Security; and reporting to Ministers and Scottish Parliament on the extent to which the expectations set out in the charter are being fulfilled; and to make recommendations for improvement in any area where they feel expectations are not being fulfilled.

The eight principles set out in the Act embed the tenets into legislation so that they can be reflected in a Scottish Social Security Charter, and so that the Scottish Commission on Social Security can have regard to them when considering, and making recommendations in relation to, any regulations about assistance.[8] They provide the framework for future decisions relating to Social Security in Scotland.

2.3   Social Security Scotland Charter

Building on the 2017 public consultation[9], which revealed that respondents were generally in favour of creating a Charter the Scottish Government sought to draft the guiding principles of a new Social Security Programme in Scotland.

Table 2.1 - Summary of the Social Security Scotland Our Charter**Table 2.1 - Summary of the Social Security Scotland Our** Charter provides a summary of the Social Security Scotland: Our Charter[10] (referred to as "the Charter") that was created by people with lived experiences of Social Security, organisations that help or represent people who may use public assistance and Scottish Government and Social Security Scotland staff. It builds on the eight principles set out in the Act and explains what they will mean in practice, and what individuals are entitled to expect from the Scottish Government and Social Security Scotland.

---

[8] In addition, the Social Security (Scotland) Act 2018 states the following effect of the principles: A court or tribunal in civil or criminal proceedings may take the Scottish social security principles into account when determining any question arising in the proceedings to which the principles are relevant; and: Breach of the principles does not of itself give rise to grounds for any legal action.
[9] Analysis of written responses to the consultation on social security in Scotland
[10] Social Security Scotland: Our Charter

2.3.1   Table 2.1 - Summary of the Social Security Scotland Our Charter

A People's Service	Processes That Work
We are here to help you get everything you're entitled to. We will:	We will design services with the people who use them. We will:
1) be patient, kind and consider how you might feel; 2) listen to you, trust you and treat you as an individual; 3) treat everyone equally, fairly and without discrimination; 4) support you through your application, keeping you updated and explaining what will happen and why; 5) ensure staff are knowledgeable about social security to help you get what you're entitled to; 6) refer you to independent advice and support if you want extra help with your application or appeal. You are also entitled to ask someone that you know to support you.; 7) make decisions in a way that is consistent and accurate – and aim to get them right first time; 8) be honest, provide clear reasons for decisions and explain what to do if you disagree; 9) pay you on time in the right amount; 10) refer you to other organisations, services or forms of help where they could help improve your wellbeing or financial circumstances; 11) tell you if we think you might be entitled to benefits not delivered by Social Security Scotland; 12) recruit people who care about delivering a service based on equality, respect, dignity and human rights; and 13) involve people with diverse lived experiences of social security and the organisations that represent them in training staff.	1) make communications, processes and systems as simple and clear as possible by testing them with the people who will use them; 2) recognise that your time is precious and handle your application and enquiries as quickly as we can; 3) adapt processes and ways of communicating as much as we reasonably can to meet your needs and preferences, for example by providing interpreters; 4) support your wellbeing and make your contact with us as positive and stress-free as possible 5) ensure that disabled people who need help with the application process can get independent advocacy; 6) deliver face-to-face services in local communities in places that are convenient and accessible. This includes home visits if appropriate; 7) look at your application again if you disagree with a decision. This is called a re-determination. When we do this someone different will look at it as if it were a completely new application; 8) explain how you can appeal if you still don't think the right decision has been made after a re-determination; 9) continue to pay you at the same level if you challenge a decision to reduce or stop your benefit; 10) only carry out a face-to-face assessment for disability benefits when we are not able to make a decision with information that is already available; 11) ensure face-to-face assessments are carried out in a way that puts your wellbeing first; and 12) make sure that face-to-face assessments are carried out by qualified staff who understand your condition and the impact it is having on you.

A Learning System	A Better Future
We will encourage feedback and empower people to deliver the best service possible. We will:	We will invest in the people of Scotland, making a positive difference to all our lives. We will:

A Learning System

1) listen, learn and improve by owning up to mistakes and valuing feedback, complaints and appeal decisions;
2) encourage you to provide feedback, explain how you can complain and do everything we can to make things right;
3) involve people using the service in measuring how well it works - including the commitments in Our Charter;
4) make sure staff are well trained, supported and well equipped to do their jobs;
5) ensure staff understand the needs of different people and the barriers they face - so that no-one experiences discrimination because of who they are;
6) encourage staff to speak up when they feel we could provide a better service;
7) build a workforce that reflects the diversity of the people of Scotland;
8) create a culture of trust by being open and transparent;
9) work with other organisations to ensure services and policy are joined up to provide the best possible help and support;
10) encourage other organisations working in social security to adopt the approach described in Our Charter; and
11) base services in places that are accessible and welcoming for everyone.

A Better Future

1) embed the social security principles and Our Charter in the policymaking process;
2) involve people with diverse lived experiences of social security in developing policy;
3) develop policy that seeks to advance equality, non-discrimination and the human right to social security as defined in laws, treaties, and guidance;
4) use social security powers to help ensure people can play a full and active part in society;
5) promote a positive view of social security, explaining it is a public service to be proud of – a human right there for all of us who need it;
6) publicly challenge the myths and stereotypes about social security to help reduce stigma and negativity;
7) change the language on social security - introducing more positive words to describe the service and the people who use it;
8) look for ways to make eligibility rules fairer and consider creating new benefits to meet people's changing needs;
9) review the payment levels of Scottish benefits every year;
10) increase the value of disability, employment-injury, carers and funeral expense benefits every year in line with inflation;
11) work to improve take-up, ensuring as many people as possible get what they are entitled to, making a particular effort to reach people who are most likely to be excluded;
12) use social security powers to contribute towards tackling poverty;
13) work with other public services to support delivery of the National Outcomes. These define the Scottish Government's vision for a fairer, more prosperous Scotland;
14) allocate resources fairly and efficiently, delivering value for money in a way that puts people first; and
15) develop ways of measuring how we are doing against the commitments in Our Charter.

2.4   Social Security Devolution Scope

Historically, all benefits paid in Scotland were managed by the UK Government and administered by the DWP. The devolution of benefits, through the Act, gave autonomy to the Scottish Government to deliver, change policy (eg, alter eligibility criteria), and amend the value of a range of Social Security Benefits in Scope.

An overview of which benefits were devolved to the Scottish Government, and those which remain reserved to the UK Government, following the Scotland Act 2016 is set out in **Table 2.2 - Overview of Benefit** System, split by the broad category of recipient. Those benefits where powers are devolved to Scotland are highlighted in **bold**.

2.4.1   Table 2.2 - Overview of Benefit System[11]

Benefits for:					
People out of Work	**People of Pension Age**	**People who are Ill or Disabled and those who care for them**	**Families with Children**	**People on Low Incomes**	**Others**
Job Start Payment	Pension Age Winter Heating Payment (Winter Fuel Payment)	Pension Age Disability Payment (Attendance Allowance)	Scottish Child Payment	Discretionary Housing Payments	UC Scottish Choices
Income Support	State Pension	Carer Support Payment (title for Carer's Allowance replacement) including the addition of Carer's Allowance Supplement and Additional Payment for carers who look after more than one disabled person	Child Benefit	Scottish Welfare Fund	Universal Credit
In Work Credit & Return to Work Credit	Pension Credit	Young Carer Grant	Child Tax Credit Guardians Allowance	Winter Heating Payments (Cold	Bereavement Benefits

---

11 Responsibility for benefits: overview

People out of Work	People of Pension Age	People who are Ill or Disabled and those who care for them	Families with Children	People on Low Incomes	Others
				Weather Payments)	
Jobseekers Allowance	Financial Assistance Scheme	Child Disability Payment	Maternity Allowance	Best Start Grant (BSG) Pregnancy and Baby Payment (Sure Start Maternity Grant)	Christmas Bonus
	Free TV Licences (over 75s and low income)	Child Winter Heating Assistance	Statutory Maternity Pay	BSG Early Learning Payment	Other Benefits
		Adult Disability Payment		Best Start Foods (Healthy Start Vouchers)	
		Scottish Adult Disability Living Allowance		BSG School-Age Payment	
		Severe Disablement Allowance		Funeral Support Payment	
		Employment Injury Assistance (Industrial Injury Disablement Benefit)		New Deal & Employment	
		Employment & Support Allowance		Programme Allowances	
		Incapacity Benefits		New Enterprise Allowance	
		Specialised Vehicles Fund		Working Tax Credit	
		Statutory Sick Pay		Housing Benefit	
		Vaccine Damage Payments			

2.4.2   Benefit Delivery

The Scottish Government will implement 17 benefits through the Programme. These 17 benefits include seven completely new forms of financial support. A short description of each of the Scottish social security benefits that are currently planned to be delivered by the Programme, or have already been delivered, is set out below. The timeline for delivery is set out in **Section 2.10 - Programme Timeline.**

2.4.2.1　Older People

2.4.2.1.1　Pension Age Winter Heating Payment (PAWHP)

Assistance paid to those who have reached State Pension age by the end of the September qualifying week, providing older people additional help towards their winter heating costs, to replace Winter Fuel Payment.

2.4.2.2　People with Caring Responsibilities

2.4.2.2.1　Carer Support Payment

Carer Support Payment is the title for the benefit which will replace Carer's Allowance in Scotland and will provide support to individuals providing regular and substantial care to someone in receipt of a disability benefit. To be eligible the individual must be 16 or over, spend at least 35 hours a week caring, and earning less than less than £132 a week after tax, National Insurance and expenses. At present, carers in receipt of Carer's Allowance also receive top-up support through the **Carer's Allowance Supplement** (first payments for which were made in September 2018), and this top up will be maintained when Carer Support Payment is launched.

New support will also be delivered as part of Carer Support Payment for those caring for more than one disabled person (currently known as **Carer's Additional Person Payment**)**.**

2.4.2.2.2　Young Carer Grant

A new benefit, not available elsewhere in the UK, introduced in October 2019, which provides support to those with caring responsibilities aged 16, 17, or 18 to help them access life opportunities which are the norm for many of their non-caring peers.

2.4.2.3　People Who Are Ill or Disabled

2.4.2.3.1　Pension Age Disability Payment

Assistance intended to help with personal care for individuals of State Pension Age and over with a physical or mental disability (replacing Attendance Allowance).

2.4.2.3.2   Child Disability Payment

Assistance for 0-16 year olds (and up to 18 in some circumstances) to help if an individual's disability or health condition means one or both of the following; (a) individuals need help looking after themselves or (b) have mobility difficulties. This replaces Disability Living Allowance for Children and was launched nationally on 22 November 2021.

2.4.2.3.3   Child Winter Heating Assistance

A new benefit introduced in November 2020, payable to children and young people under the age of 19 in receipt of the highest care component of Disability Living Allowance for Children and Child Disability Payment, or the enhanced rate of the daily living component of Personal Independence Payment and Adult Disability Payment.

2.4.2.3.4   Adult Disability Payment

Assistance to help with some of the extra costs caused by long-term ill-health or disability for individuals aged 18 to State Pension Age. This replaces Personal Independence Payment (PIP), and was launched with both a pilot on 21 March 2022, and full national rollout on 29 August 2022.

2.4.2.3.5   Employment Injury Assistance

Assistance for individuals who are ill or disabled as a result of an accident or disease caused by work or while individuals were on an approved employment training scheme or course (replacing Industrial Injury Disablement Benefit). We will begin a widespread consultation on the subject of Employment Injury Assistance and on options in 2023.

2.4.2.3.6   Severe Disablement Allowance (closed benefit)

Assistance for working age individuals who are unable to work due to illness or disability. Closed to new applications; DWP continue to administer for those individuals who remain in receipt of it.

2.4.2.3.7   Scottish Adult Disability Living Allowance

Assistance for individuals living in Scotland that are in receipt of Disability Living Allowance and were over 65 when Personal Independence Payment was introduced on 08 April 2013. When the awards of these individuals are transferred from the DWP to Social Security Scotland their awards will continue to be managed under the same entitlement rules as Disability Living Allowance.

2.4.2.4   People on Low Incomes

2.4.2.4.1   Winter Heating Payment

Assistance for individuals in receipt of certain reserved low-income benefits will be awarded an annual flat rate payment during the winter. This will replace Cold Weather Payments (CWP). Everyone who is currently eligible for CWP across Scotland will be eligible for Winter Heating Payment (those in receipt of Pension Credit, Income Support, Income-Based Jobseekers Allowance, Income-Related Employment and Support Allowance, Universal Credit and support for Mortgage Interest). Additional qualifying criteria will also need to be satisfied in relation to disability premiums paid to the client or a disabled child in their household. This removes the dependency of the payment on weather.

2.4.2.4.2   Scottish Child Payment

A new benefit to tackle child poverty, this is a regular payment to eligible lower-income families in receipt of qualifying benefits. Payments for children aged under 6 started from February 2021 and payments for children aged 6 to 16 started in November 2022.

2.4.2.4.3   Best Start Grants (BSG)

BSG Pregnancy and Baby launched on 10 December 2018, replacing Sure Start Maternity Grant, and providing low- income families with financial support during the key early years of a child's life.

Three further benefits were also introduced by summer 2019 – **BSG Early Learning Payment**; **BSG School-Age Payment**; and **Best Start Foods** (replacing Healthy Start Vouchers).

2.4.2.4.4   Funeral Support Payment

Assistance for individuals on low incomes and needing help to pay for a funeral they are arranging, which was delivered in September 2019 (replacing Funeral Expense Payment).

2.4.2.5   Others

2.4.2.5.1   Universal Credit (UC) Scottish Choices and Split Payments

In addition to arrangements with DWP to allow recipients of UC in Scotland a choice to have their UC award paid either monthly or twice monthly, and to have the housing elements of their UC award paid direct to their landlord (introduced in October 2017), the Scottish Government is developing the option to split the household UC payments to ensure that people have access to an independent income.

The split of the payment will depend on the circumstances within the household, for example, if there are children or if someone in the household has additional caring responsibilities and will support equality in the welfare system. The Scottish Government has been working with the DWP to develop a proposition which is deliverable within the existing UC system.

2.4.2.5.2   Job Start Payment

A new benefit aimed at supporting young people moving into employment, launched on 17 August 2020.

2.4.3   Existing Arrangements

It is important to note that the Scottish Government delivered public assistance in various forms prior to the devolution of powers. Please refer to Annex B – Scottish Government's Existing Public Assistance Activities for a description of the pre-existing public assistance delivered by the Scottish Government.

2.5   Social Security System for Scotland

2.5.1   Governance Options Appraisal Approach

In 2016, in parallel with drafting the legislation that would become the Act, the Scottish Government undertook an options appraisal around the governance of Social Security in Scotland[12]. The Social Security system in Scotland has a number of levels of delivery. This ranges from the governance of the entire system to the operational delivery (functions which will process applications and arrange for payments to be made etc.) and the interface where clients will interact with the system. The 2016 options appraisal considered the high level governance options and resulted in the decision to form an Executive Agency to administer Social Security in Scotland as well as a Programme to deliver capability required for a new Scottish Social Security system.

The options appraisal was an initial, high-level appraisal around the governance of Social Security in Scotland. The approach consisted of a number of individual elements. Firstly, a range of evidence was used to construct a Strategic Case for change. Secondly, outcomes for the Social Security system in Scotland were developed using a logic modelling approach. These outcomes were then used to construct six high level criteria to assess seven options (including the status quo) for the governance of Social Security in Scotland which were also developed as part of the process. Based on the evidence these options were then assessed to see whether they were better or worse than the status quo.

---

[12] UKWA (UK Web Archive)

The options considered in the appraisal for the governance of Social Security were:

- Status Quo
  - Option 0 - DWP continues to deliver Social Security for Scotland as per existing policies.
- Options for Change
  - Option 1 - A new Scottish public body or Executive Agency.
  - Option 2 - Expanding the functions of an existing Scottish national level public sector organisation.
  - Option 3 - A Service Level Agreement (SLA) with another body, Agency or Government department out with Scotland.
  - Option 4 - A Scottish Government core Directorate.
  - Option 5 - Outsourcing by procurement.
  - Option 6 - Expanding the functions of existing Scottish local level public sector organisations.

The options appraisal considered the seven options against the following criteria:

- Control - ease of organisation and level of control;
- Governance - where accountability and responsibility sit;
- Practicality - how practical it is to implement;
- Flexibility - how easily the option enables the mixed model delivery we envisage we will need;
- Alignment - how readily accessible the platform will be to join up with other delivery mechanisms, services and data sources; and
- Affordability - how much resource it would require.

The options appraisal concluded that three options did not perform well against the status quo option of DWP continuing to deliver. These were: Option 3 (an SLA); Option 5 (outsourcing by procurement); and Option 6 (local level public sector organisations).

The remaining three options: Option 1 (new public body/agency); Option 2 (existing public organisation); and Option 4 (Scottish Government core Directorate) all performed better than the current status quo (Option 0) as options for the long term.

The analysis concluded that the governance body for Social Security in Scotland should have close links to Ministers and be flexible enough to respond as the Social Security landscape in Scotland unfolds. Therefore, the governance for Social Security in Scotland should sit within the Scottish Government family.

2.6 Programme Scope and Structure

Transition of the devolved Social Security powers is the biggest programme of change that the Scottish Government has embarked upon since devolution.

Transferring the devolved benefits requires a large-scale programme of implementation, transition and, where appropriate, reform, particularly as there was no previously existing Scottish Government infrastructure for Social Security in Scotland.

The scope of the Programme is summarised in **Figure 2.3 - Scope and Structure of the Overall Social Security Programme** in Scotland **(below).** It is comprised of the devolved benefits (shown in light green) that are grouped by Service Areas (shown in dark blue) enabling capabilities (shown in dark lilac) and Programme Functions (shown in light lilac).

The definition of these are:

- **Service Areas**: Interrelated delivery areas within the Programme are grouped into Service Areas – these are our devolved benefits.
- **Enabling Capabilities**: Capabilities which are required to support the delivery of more than one devolved benefit. They cut across multiple benefits.
- **Programme Functions**: These areas provide dedicated strategic management and functional support (such as financial management and resource management) to the overall Programme and its Senior Leadership Team.

The Programme may be required to deliver on any new policy commitments in relation to Social Security going forward. If required, these will be subject to carefully managed Change Control processes as indicated in **Section 2.16 - Risks, Constraints and Dependencies**

2.6.1 Figure 2.3 - Scope and Structure of the Overall Social Security Programme in Scotland

SERVICE AREAS

KEY
- Service Area
- Benefits
- Enabling Capabilities
- Programme Functions
- Programme Partners

LOW INCOME BENEFITS
BSG Early Learning	Funeral Support Payment
BSG Pregnancy & Baby	Job Start Payment
BSG School Age	Young Carer's Grant
BS Foods	

CARERS BENEFITS
- Carer's Additional Person Payment
- Carer's Allowance Supplement
- Carer Support Payment Inc Case Transfer
- Universal Credit (x2 Scottish choices)

DISABILITY BENEFITS
Adult Disability Payment	DLA 65+
Child Disability Payment	Working Age DLA
Employee Injury Assistance	Severe Disablement Allowance
Pension Age Disability Payment	

SCOTTISH CHILD PAYMENTS
- SCP under 6
- SCP 6-16 years

WINTER BENEFITS
- Child Winter Heating Assistance
- Winter Heating Payment
- Pension Age Winter Heating Assistance

PROGRAMME PARTNERS
- CAD
- POLICY
- SOCIAL SECURITY SCOTLAND (INCL. CDO)

ENABLING CAPABILITIES

Re-determinations & Appeals (including Short Term Assistance)	Information Governance	Consultations (incl. Appointments)	Exportability	Data Sharing & Integration	Compensation Recovery	Case Transfer (ADP, CDP, WA DLA,)
Identity Verification	Data Service	Decision Support Team (DST)	Document Management	Passporting	Accessibility & Inclusive Design	Cross Borders
Public Protection	Fraud	Decision Making & Supporting Info	Telephony, Multiple Contact Channels	Digital BASRiS	Accessible Vehicles & Equipment (AVE)	Local Delivery
Change of Circumstances	Error & Debt	Special Rules for Terminal Illness	Digital Portal	SCTS Appeals Integration	Audit	Enhancements
Case Maintenance	Payments & Accounting	Redactions	Death & Bereavement	InSight	Notifications	Live Running
	Residency	Client Interactive Services	Client Representatives	Attendance Allowance	Service Design Strategy	LEAP/Scottish Admin Exercises

PROGRAMME FUNCTIONS

Programme Management Office	Finance	Supplier Management	Release Management	Delivery Management	SPM Architecture Practice	Quality & Compliance
Strategic Resourcing	Corporate Management Unit	DWP Dependencies & Engagement	Transition	Delivery Train	SPM Design	Strategic Service Design
Digital Resources BA/UCD	Lessons Learned		Model Office	Testing	SPM Feature team / Cross Cutting	

2.7 Social Security System Organisation

Following the options appraisal work in 2016, Scottish Ministers decided to create a new Social Security Agency in Scotland (Social Security Scotland) which will be responsible for the administration of all of the devolved benefits. Social Security Scotland will have a strong central processing capability as well as a significant local presence. A local delivery workforce is being created to be located across the country in accessible community hubs.

In order to meet the requirements for the Social Security system in Scotland, Social Security Scotland needs to have in place systems and services to support Scottish applications, determination, award and ongoing payment. To deliver this capability, Scottish Ministers decided to set up a Programme (henceforth referred to as "the Programme"), including a significant digital function which will be responsible for developing the operational capability and systems required to commence administration of all of the devolved benefits.

2.8   Social Security Scotland

An outline business case for the establishment of a new Social Security Agency, with a local presence providing face-to-face advice, and a central administrative function, was published on 27 April 2017.[13]

Social Security Scotland was formally established in September 2018. It is an Executive Agency of the Scottish Government, and its purpose is to administer part of the Scottish Social Security system, in accordance with the principles in the Act and Charter.

Once all benefits have been implemented, Social Security Scotland will administer the devolved benefits, supporting over 1.8 million people[14] and providing over £6 billion in payments every year[15]. Social Security Scotland is creating job opportunities as it expands its operations to deliver more benefits for the people of Scotland. Once all of the benefits have been introduced, it is estimated that it will have a permanent workforce of more than 3,500 people with headquarters in Dundee, an office in Glasgow and people located in communities across Scotland delivering face-to-face support to those who need it. Actual numbers will fluctuate in line with seasonal and other demands. Security Scotland made the decision to recruit a team of in-house health and social care professionals, removing the need for third-party assessments

2.9   The Programme

The Programme to develop and implement the initial capability required by Social Security Scotland is being delivered by the Social Security Directorate (SSD) within the Scottish Government, with a range of additional organisations involved, reflecting the complex nature of Social Security delivery and the scale of work required to establish the structures and capabilities to deliver the devolved benefits.

The SSD is primarily accountable for delivering the Programme, and its responsibilities[16] include:

- Working with the UK's DWP to transfer Social Security Powers to Scotland
- Introducing the necessary legislation in the Scottish Parliament
- Developing policies to implement the Programme for Government commitments which relate to Social Security and
- Establishing a Social Security Agency to deliver the devolved benefits

---

[13] Social security agency in Scotland: outline business case
[14] Scottish Government analysis based on Scottish Fiscal Commission data
[15] Scotland's Economic and Fiscal Forecasts – December 2022
[16] Scottish Government. (2019). Social Security Directorate, What we do

Since the Programme Business Case was published in February 2020 a significant external event has occurred – the COVID-19 Global Pandemic. Whilst this inevitably introduced delays to the timetable of delivery, not least due to staff being reprioritised to the Government response, it also introduced a period of consideration, prioritisation and rebaselining of the products which were to be delivered next.

Previously the Programme had been focused on ensuring the design, delivery and deployment of initial functionality to enable citizens to submit a claim and for Social Security Scotland to assess, determine and pay that claim (as well as redetermine or allow for an appeal where necessary). The delay due to the Global Pandemic allowed for some of the initial functionality to be expanded and enhanced prior to initial delivery of some services that were yet to be launched.

Learning from live service provided better understanding of how Social Security Scotland is operating in practice. During this period Social Security Scotland has become more established and resource has shifted – the most notable of these being the Chief Digital Office transitioning from the Programme into Social Security Scotland in April 2021. This evolution of Social Security Scotland has enabled a better understanding of capability and capacity considerations around the approach and timing for transitions to be incorporated into the Programme Business Case.

Since original publication of the Programme Business Case, what is known and understood now about the practicalities of formulating and operationalising the capabilities Social Security Scotland requires is much greater than it was then. This means that we can estimate that there is, in practice, a longer period of parallel running with Social Security Scotland to both complete transition and deliver necessary improvements that is more clearly understood.

This Programme Business Case has a defined role to outline and describe the implementation costs and outputs required to meet the Programme objectives in **Section 2.12 - Programme Objectives.** It is however recognised that this focus is on setting up and ensuring delivery can commence to meet those objectives. Time, experience, and live operations will inform and drive considerations by Social Security Scotland around elements which they wish to implement or improve over the coming years. Social Security Scotland will continually assess which services would benefit from further optimisation or where increased efficiencies could be achieved. This understanding will inform the decisions taken about continuous improvements and where investments would yield the greatest value. Currently the parallel running and collaboration between the Programme and Social Security Scotland mean that elements of the costs of any currently identified efficiencies or improvements are outlined and estimated in this document but over time these will be taken over by Social Security Scotland as the Programme's involvement winds down.

Social Security Scotland will ultimately own and prioritise the decisions regarding essential efficiencies and ongoing investments in improvements as part of their operational planning. Social Security Scotland is required to report and record their plans and finances as an Executive Agency and any future spend related to their infrastructure will be incorporated into their established reporting processes. Future Social Security Scotland investment in infrastructure will be a continuation of delivery towards the objectives described in **Section 2.12 – Programme Objectives**

Costs outlined in **Section 5 - Financial Case** include the combined impacts of the two year COVID-19 Global Pandemic, consequent delays, and resetting of the scope of delayed deliverables; the addition of a new benefit, Scottish Child Payment 6-16; and, in parallel, support provided to Social Security Scotland with continuing agile delivery as services launch and are transitioned.

Figure 2.4 - Organisational Ownership Structure of Scotland's Social Security Programme provides an overview of the organisational structure that has been put in place. The governance approach and structure aim to ensure a smooth transition of benefits from the UK to the Scottish Government; this includes various boards intended to support the Scottish Government in delivering the devolved benefits.

The complexity around delivering the devolved benefits and the transition of delivery from the UK to Scotland is reflected in the number of dependencies (e.g., shared benefit recipients with DWP) between different areas of the Programme, the number of organisations who are working jointly to deliver the benefits and the pace of change required. The SSD recognises that the planning and delivery of devolved benefits across the Programme requires a robust and structured planning approach focused on managing interdependencies across multiple stakeholders as well as providing the supporting evidence to drive effective decision-making.

2.9.1   Figure 2.4 - Organisational Ownership Structure of Scotland's Social Security Programme

Social Security Director
Senior Responsible Owner (SRO) for Social Security Programme – Ultimately responsible for delivery of programme.

Note, Social Security Director provides Social Security Scotland Support and Challenge

Social Security Scotland
Executive agency of Scottish Government responsible for administering the devolved social security benefits

Chief Executive
(Accountable Officer for Social Security Scotland)

Executive Advisory Body =
Executive Team (DDs) +
Non- Executive Members

Audit and Assurance Committee

Deputy Directors (DDs)
Chief Digital Officer
Chief Officer (Health & Social Care Operations)
Deputy Director Finance and Corporate Services
Deputy Director Operations
Deputy Director Strategy and Client Experience

Social Security Programme Board
Chair: Director General for Communities (the Accountable Officer for Social Security)
Frequency: Eight Weekly
Role:
•   To support the SRO to make recommendations for ministerial decisions
•   To support the SRO to make decisions on programme implementation

Delivery Board
Chair: Heads of Service & Function (Rotates)
Frequency: Fortnightly
Role:
•   To provide management direction and prioritisation to the programme
•   Decision-making forum for high risk, high profile and significant decisions

Change Control Board
Chair: Programme Manager
Frequency: Fortnightly
Role:
•   To formally assess all Project and Programme Level Change Requests
•   Decision-making forum for Project and Programme Level Change Requests

Finance Board
Chair: Social Security Programme Deputy Director
Frequency: Fortnightly
•   Role: To make financial decisions; provide procurement assurance; monitoring and advising the Delivery Board on financial matters

Design Authority Board
Chair: Head of Service Management and Service Development, Social Security Scotland
Frequency: Fortnightly
•   Role: To make business and technical design decisions, ensuring alignment across the overall Programme design.

Note, there are many supporting boards, forums, panels, working and steering groups which underpin above programme governance

Multidisciplinary teams
Involves staff from across the programme, Social Security Scotland and other function including digital, policy, procurement and analysis. Teams can make decisions within parameters of the approved work stream level plans

The full details regarding the organisational structure of the Social Security Programme, including the responsibilities and associated reporting lines, can be found in **Section 6 - Management** Case. This includes further detail on the governance arrangements, and investment approval mechanisms.

2.9.2   Engagement with DWP and Third Parties

The Programme has developed collaborative working relationships with transition partners and internal stakeholders, including DWP. The Programme is also dependent on DWP in key areas as outlined in **2.11 - Programme Objectives and Strategic Alignment** and detail of this is set out in **Section 6 - Management** Case. These relationships will, over time, transition to Social Security Scotland.

2.10   Programme Timeline

The Programme timeline includes implementation and transition phases which are expected to run to end of 2025. This will be followed by longer term activity delivered by Social Security Scotland related to the ongoing operational delivery of the devolved benefits. As services transition to Social Security Scotland, they will need to consider how they wish to prioritise improvements to the products and services delivered alongside any required change or improvements to live delivery for clients. As the programme finalises its work on any products and services that have launched and been supported to transition, it will work with Social Security Scotland colleagues to estimate and forecast what potential opportunities and costs are in relation to continuous improvement. This will also include initial support for the running of live services and efficiency essentials.

In response to the COVID-19 Pandemic, the Programme has had a phased approach to confirming re-planned launch dates, focusing on ensuring benefits were and continue to be delivered safely. A high level timeline showing the key milestones associated with the overall Programme is shown in Figure 2.5. This timeline (particularly years 2023-2025) is subject to further refinement through further iterations of this Programme Business Case. The detailed approach to planning and scheduling is detailed in **Section 6 - Management** Case.

To note, we will begin a widespread consultation on the subject of Employment Injury Assistance in 2023.

2.10.1   Figure 2.5 - High Level Timeline for the Social Security Programme

2018	2019	2020	2021	2022	2023	2024	2025
• Carer's Allowance Supplement • Best Start Grant – Pregnancy & Baby • Social Security Scotland – Go Live	• Best Start Early Learning – School Age & Food Payments • Funeral Support Payment • Young Carer Grant	• Scottish Child Payment 0-6 • Job Start Payments • Child Winter Heating Assistance	• Child Disability Payment – New Claims Pilot • Child Disability Payment - New Claims National Launch	• Adult Disability Payment – New Claims Pilot • Adult Disability Payment - New Claims National Launch • Scottish Child Payment 6-16	• Winter Heating Payment • Carer Support Payment - New Claims Pilot	• Carer Support Payment - New Claims National Launch • Pension Age Disability Payment – New Claims Pilot • Pension Age Winter Heating Payment (PAWHP)	• Pension Age Disability Payment – New Claims National Launch • Carer's Additional Person Payment • Conclusion of Case Transfer

Implementation & Transition Phase

2.11   Programme Objectives and Strategic Alignment

The Programme is a key component to enabling Social Security Scotland to deliver against the overarching principles for Social Security in Scotland and against the expectations set out in the Charter. These in turn contribute towards the National Outcomes in the National Performance Framework, which aims to create a more successful country by giving opportunities to all people living in Scotland and increasing their wellbeing through sustainable and inclusive growth.

A set of objectives has been developed for the Programme in the implementation and transition phase. Successful delivery of these objectives will contribute to delivering the measurable improvements defined for the Social Security System and these in turn will contribute to delivery of the overall Scottish Government objectives in the National Performance Framework.

2.12   Programme Objectives

The specific Programme objectives for the implementation and transition phase of the Social Security Programme (up to 2025) are set out below. When the implementation and transition phase is complete, the Programme should:

2.12.1   Table 2.6 - Specific Programme Objectives

Set up a new public body - Social Security Scotland	• Have created processes and systems that allow Social Security Scotland to administer each of the devolved benefits for which it is responsible
Delivered a system focused on client needs	• Have designed and developed a service that treats citizens with dignity and respect • Have improved the experience people have of applying for and receiving benefits • Be able to demonstrate to clients that the system is informed by, and responds to, their needs • Have delivered a multi-channel service that is accessible to all • Significantly reduced the number of people who go through a face to face assessment for disability benefits • Be able to support proactive, efficient, ongoing case management and assessments
Delivered modern, efficient and secure systems	• Be able demonstrate that Social Security Scotland's operations are underpinned by modern, efficient technology • Have delivered new, integrated systems based around a single, centralised view of the client • Where possible, have delivered a system, which is consistent across different benefits and re-uses components which have been designed, where possible, in other areas of the system • Have delivered robust and multi-layered data management and fraud controls using the 'Secure by Design' approach
Safely and securely launched new claims	• Have safely and securely launched new claims for each of the devolved benefits
Delivered a safe and secure transition	• Have safely and securely transitioned all of the existing cases that are to be moved from DWP to Social Security Scotland
Established effective relationships	• Have established effective relationships and working practices between Social Security Scotland, DWP and other public bodies

Delivered value for money	• Be able to demonstrate that decisions were taken with a focus on value for money incorporating both a qualitative and quantitative analysis of the costs and benefits
Developed capability for the future	• Be collecting and using information about and from our clients to influence future policy direction • Have created processes and systems that are flexible, adaptable and, where possible, enable Social Security Scotland to respond to future policy changes and deliver continuous improvement, adjusting based on client feedback • Have developed the programme management skills and capability to enable Scottish Government to deliver future large-scale change programmes

These objectives provide the overarching programme-level objectives and will be used to inform decision-making for the Programme and each of the component Service Areas. Individual Service Areas may build on these to set more detailed objectives and intended outcomes for the development and delivery of the benefit system. These objectives will reflect the particular objectives and outcomes that each individual Service Area is aiming to fulfil through its activities but will also show how these activities will contribute to, and are aligned to, the programme-level objectives.

2.13   Measurable Improvements Strategy and Evaluation Activity

In any Programme Business Case, it is important to set out the key benefits to be realised from the Programme. HM Treasury Green Book guidance is clear that:

"The benefits realisation strategy should set out arrangements for the identification of potential benefits, their planning, modelling and tracking. It should also include a framework that assigns responsibilities for the actual realisation of those benefits throughout the key phases of the programme."

In the Social Security Programme, the term 'Measurable Improvements Management' is used in place of the Project and Programme Management industry standard term 'Benefits Management'. This is to avoid confusion with the Programme's delivery of Social Security Benefits.

The Programme's approach to Measurable Improvements Management is outlined in its Measurable Improvements Management Strategy. Further details on the Programme's Measurable Improvements Management approach can be found in **Section 6 -   Management** Case*.*

The success of the Programme will be measured by how well the social security system delivers on the principles set out in the Act and the expectations of the Charter. To monitor and evaluate realisation of outcomes and impacts of the Programme, the following approach will be used to measure the Programme's strategic objectives and longer term Charter and Policy commitments.

The approach sets out a process/delivery-focused methodology to evaluation and includes three key elements:

1) A policy evaluation approach will gather management information, trends in wider policy variables, and bespoke qualitative research for each benefit to identify the impact on the desired policy outcomes. The policy evaluation approach will both feed into measurement of the Charter commitments and provide information on the impact on a range of desired policy outcomes.

2) To measure the success of the Programme in relation to achieving its Programme Objectives, as set out in this Business Case, measurable improvements will be identified and tracked within the Social Security Programme.

3) Finally, a Charter Measurement Framework has been developed to provide the analytical framework which will capture how Social Security Scotland is delivering against the Charter. The Framework is a co-designed list of measures relating to the commitments set out in the Charter on which data will be collected, included in the Framework and published. The Framework has four sections that match those of the Charter. The first three sections are designed to tell us how Social Security Scotland treats clients; if staff are well supported; how the systems are working and how clients are experiencing the systems. The final section relates to Scottish Government commitments on policy making about benefits.

2.14   Scottish Government National Performance Framework

In addition to delivering against the specific social security principles set out above, the Social Security Programme will also contribute to the aims of the National Performance Framework to create a more successful country by giving opportunities to all people living in Scotland and increasing their wellbeing through sustainable and inclusive growth.[17]

Refreshed in 2018, the National Outcomes in the Framework set out the key themes for a successful Scotland where its citizens:

- grow up loved, safe and respected so that they realise their full potential (Children and Young People);
- live in communities that are inclusive, empowered, resilient and safe (Communities);

---

[17] Scottish Government National Performance Framework

- are creative and their vibrant and diverse cultures are expressed and enjoyed widely (Culture);
- have a globally competitive, entrepreneurial, inclusive and sustainable economy (Economy);
- are well educated, skilled and able to contribute to society (Education);
- value, enjoy, protect and enhance their environment (Environment);
- have thriving and innovative businesses, with quality jobs and fair work for everyone (Fair Work and Business);
- are healthy and active (Health);
- respect, protect and fulfil human rights and live free from discrimination (Human Rights);
- are open, connected and make a positive contribution internationally (International); and
- tackle poverty by sharing opportunities, wealth and power more equally (Poverty).

This Programme Business Case will contribute most closely to the themes of **Children and Young People; Communities; Economy; Fair Work; Health and Poverty.**

These themes are then underpinned by 81 specific National Indicators. The Social Security Programme will contribute to many of these, including:

- public services treat people with dignity and respect;
- quality of public services;
- trust in public organisations;
- income inequality;
- economic participation;
- productivity;
- wealth inequality;
- persistent poverty;
- relative poverty after housing costs;
- healthy life expectancy;
- mental wellbeing;
- child material deprivation;
- resilience of children and young people; and
- social capital.

2.15   Alignment with Other Strategies and Policies

As well as contributing towards the achievement of the National Performance Framework outcomes, the Social Security Programme, wherever possible, is aligned with the following strategies, action plans and their associated objectives and intended outcomes.

- Scotland's Digital Strategy[18] 2021 sets out a shared vision of a modern, digital and collaborative government, designed around people. The strategy outlines the steps that are required to ensure that services are designed to meet the needs of the user, to deliver economic recovery, to meet climate change targets and to ensure that everyone in Scotland has the skills, connectivity and devices required to fully participate in a digital nation.
- Social Security Scotland Digital Strategy 2018-21[19] sets out fundamental pillars of digital direction and aspiration for both technologies and citizens engagement through a number of channels. Updated again in 2022 to reflect the progress and future direction to support the continued delivery of the remaining benefits, devolution and implementation to 2025
- Best Starts, Bright Futures: Tackling Child Poverty Delivery Plan 2022 – 2026. Following the Child Poverty (Scotland) Act of 2017 which set targets for the reduction in child poverty, and the publication of Every Child, Every Chance: Tackling Child Poverty Delivery Plan 2018 – 22, a second delivery plan has been published which sets out how we will work on Scotland's national mission to tackle child poverty.
- The Fairer Scotland Action Plan: Published in 2016, this sets out 5 key ambitions and 50 concrete actions to be taken over the life of this parliament to make progress in the following areas: a fairer Scotland for all; ending child poverty; a strong start for all young people; fairer working lives; and a thriving third age.
- The National Strategy for Economic Transformation (NSET)[20], published in March 2022, sets out the priorities for Scotland's economy as well as the actions needed to maximise the opportunities of the next decade to achieve our vision of a wellbeing economy. Social security and Scottish Child Payment are referenced as part of the policy programme of action 'A Fairer and More Equal Society
- The Health and Social Care Delivery Plan[21]. In 2016, the Scottish Government set out its programme to further enhance Health and Social Care Services to deliver the 2020 Vision.
- Health and Social Care Integration[22]. The Scottish Government wants to ensure that adult Health and Social Care Services are firmly integrated around the needs of individuals, their carers and other family members; that the providers of those services are held to account for improved delivery; and that services are underpinned by flexible, sustainable financial mechanisms that give priority to the needs of the people. The Scottish Government has published draft legislation for a proposed National Care Service[23] in order to progress towards these aims.

---

[18] Scottish Government (2021) A changing nation: how Scotland will thrive in a digital world
[19] Social Security Scotland Chief Digital Office Strategy 2022 - 2025
[20] Scotland's National Strategy for Economic Transformation
[21] Scottish Government (2016) Health and Social Care Delivery Plan
[22] Scottish Government. Health and Social Care Integration
[23] A National Care Service (2022)

2.16   Risks, Constraints and Dependencies

2.16.1   Risks

The Programme's approach to Risk Management is outlined in the Social Security Risk Management Strategy. This document defines and articulates the Risk Management principles, concepts, structures, processes, tools and associated roles and responsibilities implemented to ensure that risks to Programme objectives are effectively managed. The key principles and concepts outlined in this strategy are drawn from the Scottish Government Risk Management Guide and AXELOS Management of Risk and Managing Successful Programmes (MSP) literature'. These principles and concepts have been appropriately tailored to the requirements of the Programme.

The Risk Management Strategy is owned by the Programme Management Office (PMO) Risk and Issue Management Function and Programme level risks are recorded on the Social Security Programme Risk Register. Management of the Programme Level Risk Profile has been delegated by the Social Security Programme Board to the Social Security Programme Risk Review Panel. Further details on the Programme's Risk Management approach can be found in *Section 6: Management Case*.

2.16.1.1   Table 2.7 - Programme Risk Categories

Category	Definition
Communications/Stakeholder Engagement	These are threats or opportunities to the Programme relating to communication activity and/or engagement of and with stakeholders. (This risk category considers communications and/or engagement with any individual or organisation that is impacted by or perceived to be impacted by the work of the Programme.)
Delivery	These are threats or opportunities to the Programme that arise from the delivery/service design approach taken by the Programme.
Executive Support	These are threats or opportunities to the Programme that arise from assistance received or not from an Executive level of the Scottish Government. (This risk category considers the Executive level as the SG Executive team.)
External Threats	These are threats or opportunities to the Programme that come from dependencies the Programme has on individuals and organisations outside the Scottish Government eg, DWP.
Financial	These are threats or opportunities to the Programme which stem from financial aspects of delivery.
Governance	These are threats or opportunities to the Programme arising from the approach to and

Category	Definition
	implementation of its own governance arrangements.
Organisational Dependencies	These are threats or opportunities to the Programme that come from dependencies the Programme has on other areas within the Scottish Government.
Procurement/Supplier Management	These are threats or opportunities to the Programme relating to the procurement and subsequent management of third party suppliers involved in the development and/or delivery of the Programme.
Resource	These are threats or opportunities to the Programme relating to people resource and estate resource.
Technology	These are threats or opportunities to the Programme that arise from a technological source.

2.16.1.2 Constraints and Dependencies

The key constraints to the Programme are:

- **Financial** – the Programme is required to operate within a tight fiscal envelope;
- **Alignment with existing systems** – the Programme is required to align with third party systems, in particular those of DWP; and
- **Capacity** – the Programme requires a wide range of skills and capabilities which are in short supply, particularly digital resources. In addition, the Programme is dependent on services being provided by other capabilities across the Scottish Government including HR and accommodation.

There are a number of key dependencies between the Programme and other organisations as well as many internal to the Programme. These have been considered in the development and delivery of the Programme and include:

- dependencies between the Programme and UK Government;
- dependencies on Local Authorities and Health Boards;
- dependencies between the Programme and Social Security Scotland;
- dependencies between individual Social Security project benefits/enabling capabilities; and
- other internal dependencies that need to be considered to ensure the Programme can be delivered.

There are many dependencies being tracked by the Programme at any one time. Further details can be found in **Section 6 - Management** Case**.**

2.17 Building Capacity for the Scottish System to Deliver on Future Ministerial Priorities

The Scottish Government's investment in social security is an investment in the people of Scotland and this investment can be broadly articulated in terms of the costs of building the infrastructure to support the caseload, and then maintaining the caseload. Our new Scottish social security system is being built with dignity, respect and fairness at its heart and will deliver for the people of Scotland for years to come.

3 Socio-Economic Case

The purpose of the Socio-Economic Case is to determine the preferred way forward from a range of credible options. This is accomplished by developing a range of possible options for the delivery of the Social Security Programme, appraising these and identifying the preferred option. Options should be appraised against a set of Critical Success Factors (CSFs) for the Programme[24] as described later in the section.

In order to assess the extent to which an option meets the CSFs, an understanding of an option's anticipated outcomes is necessary, including where possible the anticipated costs and both quantitative and qualitative assessments of benefits. As described in **Section 1 - Introduction,** this Business Case is at a programme-level covering all of the individual service area and outcome-specific Business Cases, the delivery of which will be supported by multiple teams that will be working concurrently to progress specific devolved benefits. As a result, the possible options for delivery of each of the devolved benefits and corresponding appraisals will be set out in the robust evidence produced in individual Service Area/Enabling Capability Business Cases.

Given the large and complex nature of this Programme professional analytical skills, for example those available from within Scottish Government's Communities Analysis Division (CAD), will be drawn upon for these individual Business Cases.

3.1 Economic Rationale for the Provision of Social Security

As described in **Section 2 - Strategic Case**, the Programme has been initiated to deliver the capabilities required for the Scottish Social Security System. This in turn contributes towards the National Outcomes in the National Performance Framework which aims to create a more successful country by giving opportunities to all people living in Scotland and increasing their wellbeing through sustainable and inclusive growth.

Provision of Social Security by government can be described as an intervention that provides support to individuals (eg, benefit payments) in the event of adverse economic shocks (eg, loss of employment) or inability to work (eg, due to ill health or caring commitments) or increased costs of living (eg, due to disability).

---

[24] HM Treasury (2018). Guide to Developing the Programme Business Case

Through insurance, and/or if such insurance were available, it would be taken up by individuals at a sub-optimal level which those most vulnerable would likely not be able to afford. It is due to this failure of the free market to allocate resources efficiently (i.e., the presence of market failure)[25] that, from an economics perspective, government provided public assistance is appropriate.

From a welfare perspective, the provision of Social Security acts as a transfer of resources between individuals. As stated in the HM Treasury Green Book, "transfers pass purchasing power from one person to another and do not involve the consumption of resources. Transfers benefit the recipient and are a cost to the donor and therefore do not make society as a whole better or worse off."[26] As a result, if one form of tax (such as income tax) were to rise to fund any increase in Social Security payments, one group of individuals would be gaining while another group would be losing out and the effects would cancel out without a net gain. Therefore, the HM Treasury guidance indicates that these transfers should be excluded from the overall estimate of UK level Net Present Social Value (NPSV) and, hence, would not be captured as part of the Benefit Cost Ratio (BCR) analysis. However, central to the provision of Welfare Benefits are the important distributional effects it generates, whereby there is the transfer of equivalent costs or benefits (in monetary terms) from one group in society to another (eg, high income to low-income households).

Facilitating this redistribution of income through the provision of benefits is pivotal to the Scottish Government aim to create a fairer and more prosperous Scotland, and as a means of promoting human development and ensuring better outcomes for people.[27] Given this, in line with HM Treasury guidance, as these transfers have a distributional impact, quantifying and showing these effects alongside the estimate of UK NPSV is of value. This involves applying distributional weightings (based on the marginal utility of income) whereby financial gains for lower income households are given a higher social value than the equivalent gains for higher income households.

Yearly estimates of the distributional effect of taxation and of government spending, including Social Security Benefits, produced by the Office for National Statistics (ONS) demonstrate at a high level the overarching socio-economic rationale for Social Security provision, and some of the impacts that its provision has in terms of reducing inequalities. Although not specific to Scotland and covering a wider range of taxes and spending than the range of benefits within the Scottish Government's control, the ONS analysis provides an indication of the types of socio-economic impacts that could be expected from the provision of Social Security Benefits by the Scottish Government.

---

[25] Akerlof G.A. (1970). The market for lemons: Quality uncertainty and the market mechanism. Quarterly Journal of Economics. Rothschild M and Stiglitz J.E. (1976). Equilibrium in competitive insurance markets: An essay on the economics of imperfect information. Quarterly Journal of Economics.
[26] HM Treasury (2018). The Green Book: Central Government Guidance on Appraisal and Evaluation
[27] Scottish Government (2018). Fairer Scotland Action Plan, Progress Report 2018

Full details of the ONS analysis and findings are set out in **Annex D – ONS Analysis on the Effects of Taxes and Benefits on UK Household Income: Financial Year Ending 2021.** In summary, it shows that for the whole of the UK in 2020:

- the receipt of cash benefits (including welfare benefits) reduces income inequality between the poorest and the richest 20% of people.[28] This means that overall, Social Security programmes (along with taxes and other public assistance) lead to household income being shared more equally between populations;
- in terms of benefits received and taxes paid by households (i.e., the net position) the lowest income group (i.e., poorest households) received large amounts of cash benefits compared to other income groups and were net recipients (i.e., public assistance received minus taxes paid was positive), while the richest income group received less public assistance and paid more in taxes, and were net contributors; and
- the provision of cash benefits, through income redistribution, had the largest impact on reducing income inequality, reducing the Gini Coefficient[29] from 51% to 32%.

To reflect the positive distributional impacts that are associated with the provision of Social Security and to capture in socio-economic appraisals the associated societal welfare gains that result, as outlined above, HM Treasury guidance[30] proposes applying distributional weightings to reflect the welfare effects of costs and benefits falling to different groups in society. This methodology aims to analyse the 'true value' of public spending so that any proposed policy which provides greater net benefits to lower income deciles is rated more favourably than one whose benefits largely accrue to higher deciles

According to this methodology, appropriate decile weights are derived by comparing the median equivalised net income within each decile to the median equivalised income across the whole income distribution. Applying the average of the weight values detailed in the 2003 HM Treasury Green Book[31] the results mean, for example, that an additional £1 of spending on someone in the lowest decile corresponds to £3.42 of 'true value', whilst an additional £1 of spending on someone in the highest decile corresponds to only an additional £0.31 of 'true value'.

---

[28] Office of National Statistics (2021). Effects of taxes and benefits on UK household income: financial year ending 2020.
[29] The Gini Coefficient is a way to compare how the distribution of income in a country compares to a hypothetical scenario where everyone in the country earned the exact same income. Inequality is calculated between 0% where everyone is earning the same amount and 100%, where all the country's income is earned by a single individual
[30] HM Treasury (2018). The Green Book, Annex A3
[31] HM Treasury (2003). The Green Book: Appraisal and Evaluation in Central Government, Annex 5, Box 5.2.

This is based on the fundamental economic principle of 'diminishing marginal utility', which dictates that the additional utility or 'true value' that a person derives from an increase in their income (eg, though Social Security Benefits) diminishes as the overall level of income they have increases. Therefore, it is recognised that the 'true value' of Social Security Benefits, as well as other forms of additional income, for an individual's wellbeing will vary according to the relative prosperity (i.e., existing income levels) of the person receiving the Social Security Benefit.

Applying 'true value' weights to the actual spending on Social Security in Scotland in 2021-22 of £3.7 billion shows the weighted 'true value' of spend is £4.7 billion **Table 3.1 - True Value of Public Spending** . Therefore, simply as a result of the income distribution of benefit recipients, the 'true value' of Social Security is around £1 billion more than the actual spend of welfare benefits on Scottish households each year. This additional benefit would be foregone in the absence of an effective Social Security System for the devolved benefits.

3.1.1   Table 3.1 - True Value of Public Spending [32]

Deciles	True Value of £1 of Additional Income (weights)	Actual Spend (£ millions)	Weighted Spend (£ millions)
1	3.42	£ 224	£ 768
2	1.82	£ 397	£ 722
3	1.47	£ 511	£ 749
4	1.24	£ 600	£ 743
5	1.07	£ 611	£ 652
6	0.93	£ 508	£ 475
7	0.81	£ 361	£ 293
8	0.70	£ 246	£ 171
9	0.57	£ 134	£ 77
10	0.31	£ 86	£ 27
Total	-	**£3,679**[33]	**£4,676**

[32] Scotland's Economic and Fiscal Forecasts – December 2021 | Scottish Fiscal Commission and The effects of taxes and benefits on household income, disposable income estimate - Office for National Statistics (ons.gov.uk)
[33] Forecast total Social Security spend for 2021-22 as per Scottish Fiscal Commission December 2021 forecasts. SFC December 2022 forecasts quote out-turn spend for 2021-22 as slightly higher, at £3,682m

The redistribution of £3.7 billion spent on the devolved Social Security Benefits (in 2021-22) from general taxpayers is not expected to be a costless transfer of resources from one group into another. Therefore, to some extent, the £1 billion of 'additional' value generated by Social Security spending is offset by a number of costs. These are referred to as 'leakage'[34], with the sources of this including:

- the administrative costs associated with redistributions of resources;
- behavioural changes in the population who face new work incentives because of increased taxation to fund Social Security;
- changes in saving and investment behaviour, for example take-up of long term care insurance; and
- changes in attitudes (eg, to the formation of human capital, the propensity for altruistic behaviour).

There are also wider socio-economic impacts associated with social security benefits beyond the 'additional' value detailed above. Evidence[35] has shown that a well-designed Social Security Programme with suitable welfare benefits may:

- contribute to sustainable employment and improved employability through programmes like the Job Start Payment[36] that intends to help young people with costs associated with the transition into the workplace, and disability benefits which are often vital in supporting disabled people to enter and maintain employment;
- promote human development by increasing access to nutrition, education and healthcare, for example through the Best Start Grant[37] that provides financial support to help with the costs of early learning and preparation for schooling;
- protect people against losses due to adverse shocks like the Industrial Injuries Disablement Benefit[38] that helps individual who were disabled because of an accident at work;
- reduce other areas of government spending: for example, the payment of Best Start benefits makes a contribution to decreasing child poverty in Scotland. This in turn reduces future public spending on mitigating social problems and costs arising from lower productivity in later life; and[39]
- promote equity and inclusive growth by providing a level of protection that provides improved opportunities for everyone regardless of their life circumstance.

---

[34] 6 Okun. (1975). Equality and Efficiency: The Big Tradeoff.
[35] Ortiz, Isabel (2018). The Case for Universal Social Protection
[36] Scottish Government. Job Grant
[37] Scottish Government. Best Start Grant
[38] Scottish Government. Industrial Injuries Disabled Benefit
[39] Child Poverty (Scotland) Bill - Parliamentary Business : Scottish Parliament

3.2   Options for the Social Security Programme

As described in the Strategic Case, the scope of the Scottish Social Security Programme is broad, encompassing a wide range of activities to build the capacity of the Social Security System and deliver each of the devolved benefits (and the associated transition activities required) as well as the set-up of enabling capabilities for the delivery, such as payment systems and information governance. The programme-level options considered at the outset of the Programme were broad and a pragmatic approach was taken to documenting the high-level options and the decisions to be taken in relation to the Social Security System changes brought about by the devolution of powers.

3.2.1   Programme Options

The standard approach within options appraisal is to compare options for an intervention against a base case where no action is taken. This is referred to as a 'do-nothing' option. At the time the Social Security Programme was established, following the Smith Commission Heads of Agreement, the 'do nothing' option was for DWP to continue to deliver the existing benefits in Scotland without any changes.

Convention dictates that this is referred to as Option 0, but this should not be taken to imply that it is actively being considered as an option. As explained in the options appraisal, this option is not practically viable as it both counters the intention and objectives of devolution and DWP would be unable to accommodate changes from the current system, which the Scottish Government might wish to implement for the devolved benefits. The prime purpose of including this option is for it to serve as a comparator for appraisal in the Socio-Economic Case and form the baseline against which options are assessed.

The overarching, high-level options developed for the Social Security Programme, reflecting the preferred delivery model and the legislative provisions in relation to Social Security, are:

Option 0   Do nothing: the scenario in which the DWP continues to deliver the existing benefits under the status quo.

Option 1   Do minimum: the scenario in which the legislative powers set out in the Act are delivered by the Scottish Government commissioning delivery of the devolved benefits back to DWP through Social Security Scotland agreements.

Option 2   Minimal Service Implementation: the scenario where the Scottish Government takes over the delivery of the devolved benefits but minimises the implementation costs by developing a thin service 'wrapper' that is heavily dependent on DWP systems and does not have the capability to support future changes or service improvements.

Option 3   Full "As Is" Service Implementation: the scenario where the Scottish Government takes over the full service delivery of the devolved benefits but develops a system that is designed solely to deliver the existing 'As Is' benefits and does not have the capability to support future policy changes and/or service improvements.

Option 4   Full Service Implementation with Change Capability: the scenario where the Scottish Government takes over the full service delivery of the devolved benefits and develops a Social Security System that is designed to deliver the existing benefits as well as having the flexibility and capability to support future policy changes and/or service improvements.

Apart from the 'Do Nothing' option, all of the options above also have sub-options with regard to timings of handover.

1) Big Bang: The Scottish Government takes responsibility for the delivery of all benefits on one single 'Big Bang' handover date.
2) Phased Approach: The Scottish Government takes responsibility for the delivery of one benefit at a time in a phased handover.
3) Phased Approach with case transfer: the Scottish Government takes responsibility for the delivery of one benefit at a time in a phased handover but also separates new claims from migration of existing cases (case transfers).

The Programme options were considered based on whether they met the expectations of the legislation and on the practical implications for implementation of each benefit. The considerations at Programme level are set out in **Table 3.2 - Programme Option** Considerations with the specific option for each benefit set out in   Table 3.3 - Benefit Option Considerations.

3.2.1.1   Table 3.2 - Programme Option Considerations

Option	Description	Considerations
Do nothing	The scenario in which the DWP continues to deliver the existing benefits under the status quo.	This is not a permanent option, as it would not fulfil the objectives of devolution. DWP made legislation in 2017 that provides for the Scottish Ministers to take over responsibility for all devolving benefits from 1 April 2020. DWP could change the 1 April 2020 date so that DWP continues its full responsibility for devolving benefits for longer, but this is now an option about timing only (a short term interim solution).
Do minimum	The scenario in which the legislative powers set out in the Act are delivered by the Scottish Government commissioning delivery of the devolved benefits	With the making of the Scottish legislation, this ceased to be a viable option. The legislation creates an expectation that, in time, Scottish Ministers will re-platform all devolving assistance onto a Scottish legislative basis, with consequential changes in systems.

Option	Description	Considerations
	back to DWP through agency agreements	In addition, the legislation creates an expectation that Scottish Ministers can make design changes around delivery, but it is not practical for DWP to deliver Scottish forms of assistance that differ operationally from the rest-of-GB basis of delivery. Therefore, this is a timings option only, i.e., when Scottish Ministers take over responsibility for a devolving benefit under existing legislation, they can ask DWP to continue to deliver it on their behalf under that legislation (under agency arrangements) in the transitional phase on the same basis as the rest of GB, until the devolved system is ready to deliver. The use of agency agreements is subject to Scottish Ministers maintaining legislative parity with the rest-of-GB.
Minimal Service Implementation	The scenario where the Scottish Government takes over the delivery of the devolved benefits but minimises the implementation costs by developing a thin service 'wrapper' that is heavily dependent on DWP systems and does not have the capability to support future changes or service improvements.	In theory, Scottish Ministers could operate devolving benefits under the 'inherited' DWP legislation, but the Act creates an expectation that they will re-base what they deliver (except possibly the declining SDA caseload) onto a Scottish legislative basis for each benefit. Therefore, a break from DWP systems operationally is required although DWP and other UK government data flows may need to inform future Scottish delivery (eg, DWP or HMRC data may be needed to check that a person has not been in employment or receives a low income benefit that qualifies a person for devolved assistance).

Option	Description	Considerations
Full "As Is" Service Implementation	The scenario where the Scottish Government takes over the full service delivery of the devolved benefits but develops a system that is designed solely to deliver the existing 'As Is' benefits and does not have the capability to support future policy changes and/or service improvements.	This option would fulfil the expectation that Scottish Ministers will re-platform all devolving assistance onto a Scottish legislative basis, but it would not fulfil the expectation that Scottish Ministers can make design changes around delivery. Therefore, this is at most a transitional option as the intention of the legislation is that Scottish Ministers can make design changes around delivery.
Full Service Implementation with Change Capability	The scenario where the Scottish Government takes over the full service delivery of the devolved benefits and develops a social security system that is designed to deliver the existing benefits as well as having the flexibility and capability to support future policy changes and/or service improvements.	This option would fulfil the expectation that Scottish Ministers will re-platform all devolving assistance onto a Scottish legislative basis and the expectation that Scottish Ministers can make design changes around delivery.

The preferred option for each benefit is set out in Table 3.3 - Benefit Option Considerations. This table is concerned only with the forms of assistance prescribed in the Social Security (Scotland) Act, and as such does not include benefits such as Scottish Child Payment. The options have been selected following close working between the Programme and DWP and the assessment of which options were practical and best met the objectives of the Programme. Particular focus was given to the need for a safe and secure transition from DWP.

Whilst it was considered practical to have a 'single point in time' handover for some of the one-off benefits (such as Best Start Grant Pregnancy and Baby Payment), for most of the ongoing benefits a phased approach with case transfer was considered the most safe and secure option based on complexity of the benefit delivery and the volume of cases to be transferred. The total numbers of cases to be transferred exceeds 500,000 which meant that a 'big bang' option to transfer all benefits on a single date was not considered a genuinely viable option.

3.2.1.2   Table 3.3 - Benefit Option Considerations

For benefit delivery timeline, please refer to **Section 2.10 - Programme Timeline**

Benefit	Description	Preferred Option Considerations
Attendance Allowance	Purpose: To help with personal care for individuals aged at least 65 with a physical or mental disability.	Became a devolved responsibility from 1 April 2020. DWP will continue to deliver from April 2020 on behalf of Scottish Ministers under an agency agreement, and on a 'business as usual' basis.
Carer's Allowance	Purpose: Assistance to help an individual providing regular and substantial care to someone in receipt of a disability benefit. To be eligible the individual must be 16 or over and spend at least 35 hours a week caring.	Responsibility for Carer's Allowance was devolved in September 2018. The first payments of Carer's Allowance Supplement (a top-up to Carer's Allowance which increases the support by around 13%) were made in September 2018, and extra support will be delivered in future for those in receipt of Carer's Allowance and caring for more than one disabled person (currently known as **Carer's Additional Person Payment**). **Young Carer Grant,** a new benefit introduced in October 2019, provides support to people aged 16 to 18 with caring responsibilities.
Disability Living Allowance (DLA)	Purpose: To help a person if a disability or health condition means that one or both of the following statements apply to them: • The person needs help looking after himself or herself	Became a devolved responsibility from 1 April 2020, including Disability Living Assistance for over 65s (closed to new claims). There are individuals living in Scotland that are in receipt of Disability Living Allowance and were over 65 when Personal Independence Payment was introduced. When the awards of these individuals are transferred from DWP to Social Security Scotland, their awards will continue to be managed under the

| | | same entitlement rules as Disability Living Allowance.

New applications for Child Disability Payment were launched in 2021 with a phased transfer of existing cases in parallel with future new claims launches for other benefits. |
|---|---|---|
| | • The person has walking difficulties
DLA is closed to new working age claimants, so only persons under 16 can now make a claim. It is being replaced by PIP. | |
| **Personal Independence Payment (PIP)** | Purpose: Aid to help with some of the extra costs caused by long-term ill health or disability for individuals aged 18 to 64. ADP replaces Personal Independence Payment (PIP)

Child disability payment purpose: Assistance for 0-16 year olds (and up to 18 in some circumstances) to help if an individual's disability or health condition means one or both of the following: (a) individuals need help looking after themselves or (b) have walking difficulties. | **Adult Disability Payment** was launched with a pilot on 21 March 2022 with full national rollout on 29 August 2022.

Child Disability Payment was launched with a pilot on 26 July 2021 (replacing Child Disability Living Allowance) with full national rollout on 22 November 2021. |
| **Industrial Injuries Disablement Benefit** | Purpose: Assistance for individuals who are ill or disabled as a result of an accident or disease caused by work or while individuals were on an approved employment training scheme or course (replacing Industrial Injury Disablement Benefit) | Employment Injuries Assistance will be the subject of consultation in 2023. |

Severe Disablement Allowance (SDA)	Purpose: SDA was a benefit for working age individuals who became unable to work due to illness or Disability. SDA has been closed to new claims for nearly 20 years but is still paid to around 1,500 persons in Scotland.	Became a devolved responsibility from 1 April 2020. DWP will continue to deliver from April 2020 on behalf of Scottish Ministers under an agency agreement, and on a 'business as usual' basis. As SDA is a closed benefit, this may continue until there ceases to be any recipients of the assistance. There would be no need for any transfer of cases.
Cold Weather Payment	Purpose: A payment to help persons receiving certain benefits with heating costs in winter months when the temperature in their locality is recorded as, or forecast to be, not above zero degrees Celsius over 7 consecutive days.	DWP currently deliver the UK benefit through the Social Fund. Everyone who is currently eligible for CWP across Scotland will be eligible for the Scottish Government replacement, Winter Heating Payment. Eligible individuals will be awarded an annual flat rate payment, removing the dependency of the payment on the weather.
Funeral Expense Payment	Purpose: To assist persons receiving certain low income benefits with the costs of a funeral they are responsible for arranging.	Became a devolved responsibility and was replaced by a new Scottish type of assistance, on 16 September 2019. DWP ceased accepting Scottish claims on that date, and Social Security Scotland began accepting and paying claims for Funeral Support Payment. There were no cases that required transitional arrangements: it was a "clean break" based on application dates
Sure Start Maternity Grant	Purpose: To assist persons with the costs of having a first child, where they are in receipt of certain benefits	A devolved responsibility from 11 December 2019, providing a broader form of Scottish assistance, which places no limit on the number of children who can benefit from the assistance. DWP ceased accepting Scottish claims from that date, and Social Security Scotland began accepting and paying claims. There were no cases that required transitional arrangements: it was a 'clean break' based on application dates. Best Start Grant (BSG) Pregnancy and Baby Payment were launched in December 2018 followed by BSG Early Learning Payments and BSG School-Age

		Payments and Best Start Foods in August 2019
Winter Fuel Payment	Purpose: Assistance to help pay for heating bills. Dates for delivery are under discussion with the UK Government, as part of re-planning the Programme's delivery timetable following the impact of the COVID-19 Pandemic.	DWP currently deliver the UK benefit through the Social Fund. *Pension Age Winter Heating Payment* Assistance paid to those who have reached State Pension age by the end of the September qualifying week, providing older people additional help towards their winter heating costs, to replace Winter Fuel Payment. *Child Winter Heating Assistance* A new benefit introduced in November 2020, to which children who receive the highest care component of Disability Assistance are also entitled.
Discretionary Housing Payments	Purpose: Discretionary additional help for those in receipt of Housing Benefit or Universal Credit with a housing payment element, to help meet rent payments.	DHPs are already paid by local authorities and the legislative basis of the DHP scheme was substantially devolved even before the 2016 devolution settlement changes. The arrangements for discretionary housing assistance became fully devolved from 1 April 2017. The Social Security (Scotland) Act 2018 contains provisions to devolve all responsibilities for local schemes to Scottish local authorities, and arrangements are being progressed to commence that further devolution. The nature of this type of assistance means that there is no 'caseload', and as local authorities will continue to administer payments transitional arrangements are unnecessary.

3.3 Critical Success Factors

When considering Service Area and Enabling Capability level options for implementation and transition it is important that a framework is in place to appraise these and identify the preferred way forward. Whilst it is recognised that there is a range of individual Service Areas and Enabling Capabilities within the Programme, with specific objectives and intended outcomes for each, an overarching set of Critical Success Factors (CSFs) has been developed for the Programme as set out in **Table 3.4 - Critical Success Factors (CSF)**, with additional supporting material set out in Annex C – Supporting Material for Developing CSFs.

These overarching programme-level CSFs have been put in place to help to ensure that all activities within the Programme align to the overarching vision, principles and objectives for the Social Security System in Scotland, and that the key dimensions of strategic alignment, deliverability, cost and risk are taken into account. Additional, specific CSFs will also be developed for individual Service Area and Enabling Capability options appraisal, tailored to reflect the specific objectives. It is expected that those CSFs will take account of the programme-level CSFs and consider these issues as part of the options appraisal. The measurement of the Programme's CSFs will be continuous as new benefits and capabilities go live and transfer over.

3.3.1 Table 3.4 - Critical Success Factors (CSF)

Overarching CSF	Broad Description
Strategic fit	How well the option delivers against the principles set out in the Act and the Charter. In particular, how well the option contributes to the delivery of a Human Rights-based system (as set out in the Charter) towards the following outcomes: • Staff attitudes reflect an understanding of, and value dignity and respect as set out in the Charter • Clients do not experience discrimination • Clients experience good service • Clients find staff knowledgeable and approachable • Staff are well trained • Staff are well supported • Processes work well • Services are accessible • Places are accessible and convenient • The face-to-face assessment process for benefits for disabled people (and people with health conditions) minimises stress for clients • Social Security Scotland uses feedback to improve performance • Clients and organisations that work with them see Social Security Scotland as a trustworthy organisation • Social Security Scotland works well with other organisations • Clients are involved in all areas of Social Security Scotland

Overarching CSF	Broad Description
	• Scottish Government has effective policy making processes • Scottish Government promotes Social Security as positive • Benefits make a difference to people's lives
Potential value for money	How well the option optimises public value for Scotland in terms of the potential costs, benefits (including economic, social and environmental) and risks.
Capacity and capability	How well the option fits with current ability of the Scottish Government to deliver the required services and supports the building of capacity and capability within the relevant organisations where this will be required over the longer term.
Potential affordability	How well the option fits within financial and resourcing constraints.
Potential deliverability	How well the option is likely to be delivered given the Scottish Government's ability to respond to the changes required: • Meets the timeframes and key milestones set for the Programme • Reflects available capabilities, skills and resources required for successful delivery

3.4 Service Area Options Appraisal

For each individual Service Area shown in **Figure 2.3 - Scope and Structure of the Overall Social Security Programme** in Scotland, an individual Business Case will be produced setting out the specific options and undertaking an options appraisal against the Programme-level CSFs plus any more specific CSFs that are defined for the Business Case. The anticipated individual Business Cases are shown in Table 3.5 - Component Level Options Appraisal.

3.4.1 Table 3.5 - Component Level Options Appraisal

Ref	Component	Component type
Business Case 1	Carer's Benefits	Service Area
Business Case 2	Low Income Benefits	Service Area
Business Case 3	Scottish Child Payment	Service Area
Business Case 4	Disability Benefits	Service Area
Business Case 5	Winter Benefits	Service Area
Business Case 6	Other Benefits	Service Area

4 Commercial Case

4.1 Overview

The purpose of the Commercial Case is to set out the commercial and procurement arrangements for the Programme. These arrangements have been put in place to demonstrate the Programme's approach to securing value for money and the effective management of commercial risks during the implementation, transition and operational phases of the Programme, and to show compliance with Scottish Government best practice in this area.

As articulated in the Introduction to this Business Case, this is an umbrella business case at Programme level which serves to summarise the process used across all activities that sit within the Programme. Therefore, this Commercial Case outlines the various approaches to supporting the commercial requirements for this Programme. The detailed procurement approach for each individual Service Area or Enabling Capability will be detailed in the relevant commodity level Procurement Strategy.

4.2 Procurement Strategy

4.2.1 Programme Level Procurement Strategy

The Scottish Procurement and Property Directorate (SPPD) has published its Procurement Strategy for 2022-24[40]. The More Powers Implementation Procurement (MPIP) team acts in accordance with this strategy when acting for Social Security Programme.

The Scottish Government Procurement Strategy notes that the Scottish Government's key priorities are centered on contributing to Scotland's purpose of creating a more successful country, with opportunities for all to flourish, through increasing sustainable and inclusive economic growth. This is underpinned by the National Performance Framework, Scotland's National Strategy for Economic Transformation (NSET) and the annual Programme for Government which sets out the plan for policy delivery, public procurement priorities and legislation over the next year. It ensures compliance to, and delivery of the priorities through the sustainable procurement duty as outlined in Procurement Reform (Scotland) Act 2014.

Our strategy continues to support the Scottish Government's work on addressing climate change, tackling child poverty, delivering COVID-19 recovery and building our constitution. The sustainable procurement duty is supported by tools which include the National Outcomes and Indicators and provide a structured approach to what we buy.

---

[40] Scottish Government Procurement Strategy: April 2022 to March 2024

They help public sector organisations identify opportunities to include economic, social and environmental considerations in contracts and show how our procurement activity contributes to the National Outcomes and, in turn, to Scotland's NSET.

We develop sourcing strategies for each procurement project worth £50,000 or more. This work is supported by the Sustainability Test and, where appropriate, the Sustainable Public Procurement Prioritisation Tool (SPPPT). We track our contribution to the Scottish Government's purpose and priorities through our compliance with the sustainable procurement duty.

In doing so the Programme ensures it furthers the Strategic Aims and Objectives such as:

- **Tackling Child Poverty through Fair Work First** - Our vision is that by 2025, people in Scotland will have a world leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. We use public procurement to tackle in-work poverty and by extension, child poverty by ensuring job security and fair pay in our contracts.
- **Climate Change** - Our sustainable procurement tools include indicators and guidance to support Scottish public sector buyers to consider and act on a number of climate change and circular economy considerations. We are committed to taking action on climate change and to develop the circular economy by buying goods and services which reduce emissions, minimise waste and allow for repair, re-use, refurbishment or recycling wherever appropriate.
- **Covid Recovery** - The strategy covers commitments described in Scotland's National Strategy for Economic Transformation and Scotland's Programme for Government. This includes using the £13.3 billion annual procurement spend across the Scottish public sector to boost inclusive economic recovery, support longer term economic wellbeing, and a just transition to net zero. Our tools and guidance will influence and empower buyer, supplier and key stakeholder communities to use public procurement to support an inclusive and green economic recovery.

The strategy is underpinned by detailed guidance on each stage of the Procurement Journey (phases of activity).

4.2.2   Commodity Procurement Strategies

Commodity level Procurement Strategies sets out the particular approach to buying the goods, services and works in a series of Service Area and Enabling Capability procurements. These strategies are bespoke on a procurement-by-procurement basis and include sections on the choice of procurement procedure or potential payment mechanisms as these will be defined in each commodity level procurement strategy to suit the needs of the individual contract. A high level outline of the principles regarding the choice of procurement procedure or potential pricing mechanisms is set out in   **Table 4.2 - Service Area and Enabling Capability** Procurement Strategies along with references to supporting documentation.

4.2.3   Table 4.2 - Service Area and Enabling Capability Procurement Strategies

Service Area/Enabling Capability Procurement Strategies	
Choice of procurement procedure	The route to market will be determined jointly by the Programme and the MPIP team. There are a number of procurement options available to enable the award of an appropriate commercial contract. The Programme Procurement Strategy lists these options and in Annex 1[41] to the strategy sets out the advantages and disadvantages for each of the procurement procedures.
Pricing Strategy	The pricing strategy will be bespoke to each individual procurement. The strategy will consider how best to incentivise service providers to provide value for money whilst ensuring that commercial risks are identified, owned and managed. This will assist with making changes to services and operations in the future (should the need arise) and embed risk transfer and allocation within the charging mechanism for the Programme. The pricing strategy and underpinning payment mechanism will be considered in the following key phases of the service: • The pre-delivery phase – up to the acceptable delivery of the service and commencement of the payment stream; • The operational phase – following acceptable delivery of the service up to the close of the primary contractual period; • The extension phase – post-primary contract period; • Exit phase – appropriate disposal of goods and/or expiry of services.
Risk Apportionment	When deciding how the Programme's service risks in the design, build, funding and operational phases of programme and programme delivery may be apportioned between the procuring authority and service providers, the following principles will be taken into account: • The Procuring Authority should consider transferring risk to service providers when they are better able to influence the outcome than the procuring authority; • The degree to which risks may be transferred depends on the specific proposal under consideration – hence the need to consider on a case-by-case basis; The successful balance of risk transfer requires a clear understanding by the contracting authority of the risks presented by a proposal; the broad impact that these risks may have on the service provider's incentives and financing costs (cost drivers); and the degree to which risk transfer offers Value for Money – hence the need to identify and cost individual risks.

---

[41] Social Security Scotland Corporate procurement strategy 2021-2023

Service Area/Enabling Capability Procurement Strategies	
	The Service providers should be encouraged to take the risks it can manage more effectively than the Public Sector; particularly where it has clear ownership, responsibility and control. The transfer of risks can generate incentives for the Private Sector to provide timelier, cost effective and innovative solutions. For each procurement, the potential risk allocation (procuring authority, service providers, shared) will be considered by risk category (design, transition, financing etc.) and documented in relevant documents such as; procurement strategies, OBC, & FBC Commercial Case.

4.3   Service Streams and Required Outputs

Commodity level Procurement Strategies are cognizant of launch dates for each benefit. This Programme level picture of procurement requirements is constantly evolving as projects mature. MPIP manage a procurement Forward Plan and contracts register of which certain priority contracts are tracked by the Supplier Management (SM) team (**see Section 4.4 - Forward Plan**) and reported to the Finance Board (FB) (see **Section 6 - Management Case).**

4.4   Forward Plan

The Programme 'procurement Forward Plan' is a live document that identifies a list of systems and services that may be required. The MPIP Forward Plan helps the Programme to plan for future procurements, manage contract relets, manage resources and understand which projects should be considered in the transition arrangements between Programme and Social Security Scotland.

4.5   Property Requirements

Scottish Procurement Property Division continue to advise on property requirements for Social Security Scotland.

The Property Division has supported Social Security Scotland in appointing appropriately experienced external advisors and are managing the delivery of professional services for property acquisitions for Social Security Scotland

All Social Security Scotland property proposals developed with Property Division are approved within Social Security Scotland before a submission is made for Ministerial approval to comply with requirements of the Scottish Public Finance Manual. All such proposals are subject to proportionate options appraisals carried out by appropriately qualified and experienced advisors to meet the requirements of the SPFM and HM Treasury Green Book.

4.6 Digital Requirements

The Digital Strategy for Scotland, "A Changing Nation: How Scotland Will Thrive in a Digital World" sets out the role digital will play and this, together with other relevant digital strategies such as Cyber Resilience underpin our approach to digital procurement activity.

When appropriate, the MPIP team undertake pre-market supplier engagement to ensure that the market is aware of future procurement activity prior to the publication of tender documents. This is designed to increase supplier participation in the procurement process and provide increased opportunities for the delivery of innovative digital solutions and de-risk delivery outcomes. In delivering the procurement of IT projects including digital platforms and software the agile approach is predominately utilised.

4.7 Procurement and Commercial Support

MPIP provide a full procurement and commercial service to the Programme. MPIP also provide support to Social Security Scotland until those functions and related contracts are transitioned over to Social Security Scotland Procurement and Commercial team during 2022/23.

Social Security Scotland's own Procurement and Commercial Team have developed their own Corporate Procurement Strategy which sets out their specific response[42].

---

[42] Social Security Scotland Corporate procurement strategy 2021-2023

	Key partners involved in the end to end Procurement Journey			
	Programme Management & Delivery (PMD) Division	**Chief Digital Office (CDO > Social Security Scotland from 01 April 2021)**	**Social Security Policy Division**	**Social Security Scotland**
Procurement & Commercial Lead	MPIP Team & Social Security Scotland Procurement and Commercial team			
Governance & Business Case support	PMO – Governance, Change Control & Programme Artefacts teams			Executive Advisory Body
Finance support	Strategic and Programme Finance team			Finance team
Supplier Management	PMD Supplier Management Team	CDO Supplier Management Team	Policy Division	Teams liaise directly with SG
Resource recruitment support	Programme & Policy Resourcing team		Programme & Policy Resourcing Team	More Powers Procurement team

A description of the respective roles of each of these teams is set out below:

More Powers Implementation Team (MPIP) - The More Powers Implementation Procurement (MPIP) Team within Scottish Procurement and Property Directorate (SPPD) has been established to support core Scottish Government directorates impacted by the Scotland Act 2016. The MPIP team provide support to Social Security Programme and Social Security Scotland (being transferred during 2022/23) and the level and resource profile of procurement support is regularly reviewed to ensure that Programme milestones with commercial dependencies are met.

Management of commercial risks is overseen by the Head of More Powers Implementation who is a member of the Delivery Board and the Finance Board. Within SPPD, the Chief Surveyor provides commercial advice in relation to the acquisition of Property for Social Security Scotland.

The MPIP team works collaboratively with commercial colleagues in the DWP commercial function to manage exit management, transition and capabilities provided to the Programme by third parties via DWP contractual agreements.

Supplier Management (SM) - The Programme's Supplier Management Team (SM) provides a central capability for supplier management across the Social Security Programme Management & Delivery Division. The supplier management function provides support for contracts that:

- Are awarded by the MPIP team
- Are awarded for the SS Programme Management & Delivery Division
- Priority contracts with a whole life cost >£50k (exclusive VAT)

The Chief Digital Office (CDO) Supplier Management team was responsible for Supplier Management on technology and technology resourcing contracts in the Programme until 31 March 2021. From 01 April 2021, CDO continued to provide this service within Social Security Scotland and assist the Programme in any legacy obligations. The SM team works with the CDO team where these contracts also contain a significant professional business services element for Programme Management & Delivery.

4.8   Roles & Responsibilities

Table 4.4 - Programme and Project Procurement Responsibilities provides a broad outline of the key roles and responsibilities for MPIP, SM and the SSD Programme Leads for individual Service Area and Enabling Capability procurements, aligned with the phases of activity within the Procurement Journey. Note that the roles and responsibilities led by MPIP may be for Social Security Scotland and Programme before Oct 2022 but for Programme only after 2022.

4.8.1   Table 4.4 - Programme and Project Procurement Responsibilities

Procurement Journey (phases of activity)	MPIP	SM Team	SSD Programme Lead for Individual Service Delivery
Pre- Market engagement.	This is carried out by MPIP for non- digital procurement Programme & MPIP carry out early consultation with potential suppliers for technology procurement	N/A	N/A
Develop Procurement Strategy & Opportunity Assessment	Lead development of the procurement strategy including the proposed route to market	Act as an intelligent client on behalf of the Programme to engage with Subject Matter Experts to construct appropriate strategies	Provide data specific to their organisations and technical expertise Verify demand

Procurement Journey (phases of activity)	MPIP	SM Team	SSD Programme Lead for Individual Service Delivery
	Lead data gathering and profiling activities Direct data and market analysis to determine and evaluate strategic options Sustainable considerations Notify the market and engage with suppliers		and supply data Participate in Strategy development and evaluate the suitability of proposed options
Develop Procurement Documents	Responsible for the development of procurement documentation including the procurement timetable, Invitation to Tender, award criteria, pricing strategy, management approach and terms and conditions Apply lessons learned	Support Programme work streams in specification of services and with drafting and development of key artefacts Apply lessons learned	Responsible for collating data required for the development of the procurement documents, including provision of the specification Apply lessons learned
Contract Award	Responsible for leading the selection and evaluation Execute the end to end procurement	Co-ordinate mobilisation of new contracts Retain detailed knowledge of commercial agreement awarded	Participate on evaluation and selection eg, evaluate tender responses, attend workshops
Implementation (predominately by end user)	Develop communications materials and work closely with supplier(s)	Facilitate development of Statement of Works process and sign off following assurance	Own the Statement of Works collaborating with key

Procurement Journey (phases of activity)	MPIP	SM Team	SSD Programme Lead for Individual Service Delivery
	Ensure implementation is compliant with the contract	from Service Delivery team Monitoring, controlling & reporting the commercial progress of supplier agreements Independent scrutiny of contract invoices & control over the flow of money	partners eg, service delivery teams Promote deployment of new contract arrangements across the organisation Manage delivery with the supplier
Contract and Supplier Management	Strategic performance and contract management Provision of commercial advice to the Programme on the contract scope and terms and conditions Capture lessons learned	Support delivery work streams via a series of quality & governance controls that ensure detailed Statements of Work are consistent with commercial objectives and financial & time constraints	Operational performance and contract management Monitor performance and participate in annual reviews

4.9 Governance Relating to Procurement & Commercial Activity

4.9.1 Commercial Governance

Delegated Purchasing Authority (DPA) is the authority to enter into a contract for goods, services and works and applies to all contracts placed by the Scottish Government. Delegated Purchasing Procedures must be followed for all procurement exercises:

- Delegated purchasing authority for low level spend (i.e., contracts valued under £50,000) is supported by the MPIP team where required.
- All regulated procurement activity is managed by the MPIP Team. The Head of MPIP has a commercial delegation of £75,000,000 ex VAT and is ultimately responsible for the commercial due diligence of all contract awards up to this value.
- The Programme governance process relating to Regulated Procurements is as follows:
  - o The MPIP team develop a Procurement Strategy for every procurement over £50,000 ex VAT. This is produced in collaboration with the Programme C3 Budget Holder/Project manager
  - o The MPIP team is responsible for writing the Commercial Case in any commodity Enabling Capability OBC and FBC
- The Project level outline and Full Business Cases are presented to the Delivery Board for endorsement and approval. Where costs stated within the document are exceeded by greater than £10 million but less than £20 million, approval comes via the Delivery Board, with a decision made by the SRO on whether or not the request should be presented to Programme Board. For costs greater than £20 million then approval comes via the Programme Board.

The Head of SM also attends the Delivery Board and Finance Board and reviews the commercial aspects at this stage. For further information on these boards and their responsibilities see **Section 6 - Management** Case.

4.9.2 Design Governance

The Programme is working in a complex multi-supplier environment and has established a Design Governance Agreement and a regular Supplier Engagement Forum. The Design Governance Agreement will be a formal agreement with suppliers to set the legal framework for sharing information. The Supplier Engagement Forum will provide oversight and assurance in connection with the technical aspects and overall delivery of the Social Security Programme.

4.9.3 Procurement Decision Making Framework

An investment decision process for the Programme has been developed which aligns with the phases of the lifecycle (see **Section 6: Management** Case). This supports a staged funding approach as well as collaboration between policy, Programme delivery and Social Security Scotland, where input and decision-making is executed jointly. Procurement activity is approved as follows:

- For cases where costs stated within the baselined document are exceeded up to £10 million, costs are approved via the Change Control Board.
- For cases where costs stated within the baselined document are exceeded by greater than £10 million but less than £20 million, approval comes via the Delivery Board, with a decision made by the SRO on whether or not the request should be presented to Programme Board.
- For cases where costs stated within the baselined document are exceeded by over £20 million, approval comes via the Programme Board.

The programme artefact going to those Boards for approval will include detail and the rationale behind the procurement option selected including:
- Whether it is a short-term tactical solution or longer-term solution
- For shorter term tactical solutions:
  - Resource implications including skills in SG to implement, run and deliver service
  - Date for re-let and early preparation required
- For longer term strategic solutions:
  - Can it meet future needs of the SG in relation to services outside SS?
  - Is it future facing technology?
  - Are there the skills in SG to implement and run or is training/recruitment required?
  - Is there a local (UK) market for expertise/support when required?

A Technology Assurance Framework (TAF) Pre-Procurement Gate should also be considered for major investments, which meet the definition within the Scottish Public Finance Manual.[43] See **Section 6.19 -** Assurance for further detail on TAF.

4.10   Transition of Procurement and Commercial Contracts and Interests

MPIP have placed contracts and managed the commercial interests of the Programme since its inception. As a number of functions transition from Programme to Social Security Scotland then a number of contracts and commercial interests will transfer from MPIP to Social Security Scotland Procurement and Commercial team. MPIP therefore play an active role in the Social Security Transition Steering Group and its Contract and Suppliers Management Transition Workstream.

Where MPIP have also placed contracts on behalf of Social Security Scotland for their standalone contracts, custody of these is due to be transferred from MPIP to Social Security Scotland Procurement and Commercial team during 2022/23.

MPIP will continue to place contracts for Programme where those contracts are not yet planned to transition or are not to transition at all.

---

[43] Scottish Public Finance Manual

5 Financial Case

5.1 Overview

The purpose of the Financial Case is to describe the investment and demonstrate the affordability and funding of the preferred options, as described earlier in the Socio-Economic Case. This Financial Case provides an update of the financial information presented in the Programme Business Case published in February 2020, which set out the estimated costs of the investment in establishing the Scottish social security system to commence delivery (implementation, transition, and operational costs), and the potential impact on public expenditure over a thirty-year timeframe to 2050. The Scottish Fiscal Commission (SFC) forecasts of benefits expenditure are considered in the Financial Case in order to provide the link between the investment being made by the Scottish Government to the measurable improvements which the Social Security Programme delivers.

The impact of the COVID-19 Pandemic on the Scottish Government, and our delivery partners, meant that we re-planned our delivery schedule after the Programme Business Case was published in February 2020. In this refreshed Financial Case, we provide updated forecasts, setting out our current view of the investment to date and the remaining investment required to complete the establishment of the Scottish social security system.

5.1.1 Investing In Creating the Scottish Social Security System

The Social Security Programme is developing and delivering the infrastructure, systems, and service design to enable Social Security Scotland to commence delivery of over £6 billion of demand-led benefits expenditure each and every year safely and securely once the Programme Implementation investment is completed in 2025-26.

There is significant investment in the enabling capabilities to develop and deliver a uniquely Scottish system which delivers the priorities of Ministers to help some of the most vulnerable people in society. **Table 5.5 - Total Implementation Investment** sets out the current estimates of implementation investment which is approximately £715 million to 2025-26, when the current implementation investment will complete.

The assets being developed by the Social Security Programme to enable Social Security Scotland to pay benefits are an investment in public services which will, in combination with Social Security Scotland's future investment, shape and support the delivery of social security for decades to come.

The February 2020 PBC considered the investment in terms of a thirty-year timeframe to 2050. To give a sense of scale, over this timeframe, the February 2020 PBC stated that the total value of Scottish benefits delivered by Social Security Scotland would be in the region of £150 billion once inflation is taken into account, and subject to fluctuations in inflation and demographics, and the nature of policy choices by the Scottish and UK Governments. The planned investment to implement the new public service for Scotland represents less than 0.5% of the value of benefits which will be delivered over this timeframe.

We are building a different type of benefit service in Scotland; one where we make sure that we are responsive to our clients, with the client at the heart of everything we do. As a result of the modern systems and service design that the Programme is developing for Social Security Scotland, in combination with anticipated future development by Social Security Scotland, the 2020 Programme Business Case noted that Social Security Scotland's operating costs, as a percentage of annual benefits expenditure each year, will be in broadly in line with or lower than DWP, when comparing like for like. Our demonstration for value for money would be to monitor our achievement against the Social Security Charter and on the impact our benefits will have on clients.

5.1.2   Scope of the Financial Case

There are several elements to the costs of developing and operating the Scottish Social Security system covered by this PBC:

- The investment in setting up the infrastructure supporting the Scottish social security system; these are implementation and transition costs. The main components are broadly information technology, estates and staffing for the Social Security Programme and Directorate;
- Social Security Scotland's operating costs;
- Funding provided to other bodies (including Local Authorities and the Scottish Courts and Tribunals Service); and
- Expenditure on social security benefits.

This business case brings together these elements to show the financial implications over the timeframe under consideration, as shown in Figure 5.1 below.

5.1.2.1   Figure 5.1 - Financial Case Scope

The scope of the Financial Case follows from the scope of the Programme Business Case described earlier in this document. The Scottish Government is working to implement delivery of eleven benefits being devolved to Scotland and introduce new benefits using its powers.
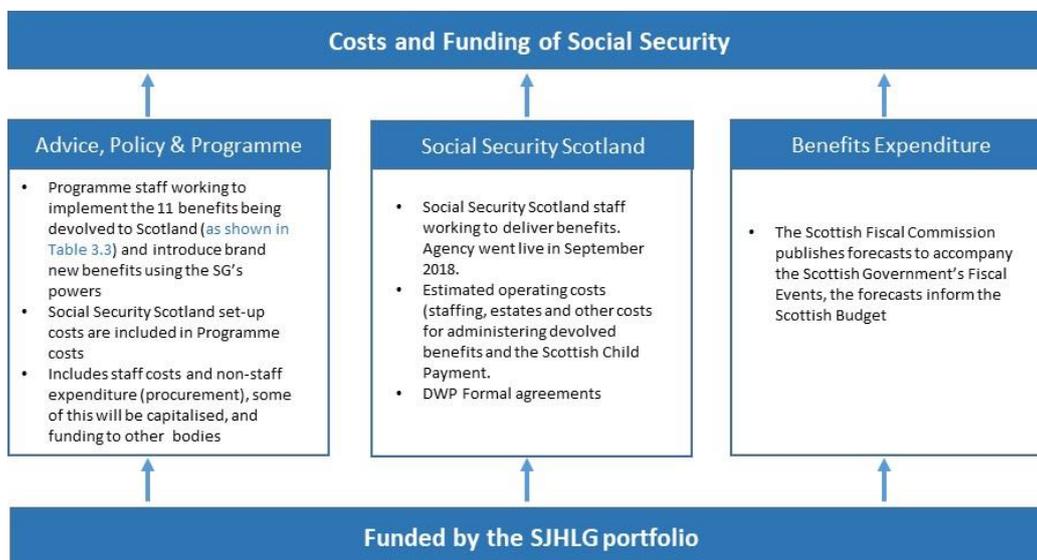
5.1.3   Financial Case Timeframe

As an 'umbrella' business case covering the successful delivery of the whole Programme of social security devolution, it is necessary to cover a sufficient timeframe to allow for robust analysis of the whole-life costs for the system. HM Treasury Green Book guidance – *"Guide to Developing the Programme Business Case: Better Business Cases for Better Outcomes, 2018"* – states that the timeframe for analysis should be the useful life of the asset. In terms of the Social Security Programme, that would be the identifiable whole life of the underpinning capabilities supporting the services being developed. The guidance in the Green Book has been adopted by the Scottish Government and applies to all organisations to which the Scottish Public Finance Manual is directly applicable.

The assets delivered by the Social Security Programme are underpinning the development of the overall Scottish Social Security system, which has several different components integrated into the overall platform. Quantifying the lifespan of these assets clearly involves a degree of uncertainty, and the February 2020 PBC stated that it is reasonable to consider a thirty-year timescale to 2050; this is discussed in **Section 5.2.2 - Whole Life Expenditure**.

This Financial Case covers the investment already made, from 2016-17 to 2021-22, and we provide estimates for future years. Estimates for the short term and medium term have a higher level of maturity than estimates further out, and these timeframes are summarised in the table below.

5.1.3.1   Table 5.2 - Timeframes Considered

	Timeframe	Current maturity of the information	Impact on the Financial Case
WHOLE-LIFE EXPENDITURE	**2016-17 to 2021-22**	Actual expenditure reported	• Implementation investment and directorate costs to date • Social Security Scotland's operating costs to date • Benefits expenditure to date
	2022-23 to 2025-26	Detailed forecasts and estimates	• Implementation investment and directorate costs (set out in terms of the Programme framework*) • Social Security Scotland's operating costs • Benefits expenditure forecasts

*Note: * grouped as benefits, service enablers, enabling capabilities or programme functions as per the Programme structure described earlier in this PBC.*

5.2   Summary of Benefits expenditure, Programme Investment and Social Security Scotland's Operating Costs

5.2.1   Expenditure to 2025-26

Table 5.3 below sets out the current forecasts for Social Security expenditure to 2025-26 across the different elements described in this financial case. The Scottish Government's Resource Spending Review runs to 2026-27 taking account of the remainder of the programme and the forecasts reflect current estimates of Social Security expenditure provided by the SFC. Further information on the SFC's forecasts is provided in **Section 5.11 - Social Security Benefits Forecast**. Whole-life costs are discussed in the subsequent section, and further discussion on each line is provided in this financial case.

5.2.1.1   Table 5.3 (a) - Benefits Expenditure to 2025-26

£m	Actual				Forecast				Total
	To 2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
Benefits Expenditure	191.0	347.0	3,371.8	3,484.5	4,036.9	5,102.3	6,013.5	6,401.3	28,948.3

5.2.1.2 Table 5.3 (b) - Programme Investment and Social Security Scotland Costs to 2025-26

	£m	Actual				Forecast				Total
		To 2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
1	Social Security Scotland's Operating costs	9.4	28.9	54.9	98.7	205.8	233.3	226.9	225.2	1,083.1
2	DWP Formal Agreements	3.4	6.9	75.4	76.3	72.8	43.2	16.4	6.9	301.3
3	Social Security Scotland's Implementation investment	-	-	1.0	30.8	29.0	21.0	17.5	16.2	115.5
4	Advice, Policy & Programme* of which:	88.2	109.5	123.4	148.3	176.5	147.3	99.0	65.2	957.4
4a	Programme Implementation Investment	55.4	81.4	103.8	104.3	110.7	75.7	49.4	19.2	599.9
4b	Programme Support	9.6	7.4	8.3	9.0	6.6	5.2	4.9	3.7	54.7
4c	Directorate Costs	14.2	10.1	8.2	11.0	14.4	16.7	15.9	15.3	105.8
4d	DWP Recharges (Programme)	9.0	10.6	3.1	14.3	14.0	6.0	3.0	1.0	61.0
4e	Efficiency essentials**	-	-	-	5.3	*8.4*	*10.9*	-	-	24.5
4f	Live Running Support**	-	-	-	3.5	*8.1*	*8.0*	-	-	19.6
4g	Funding to other bodies	-	-	-	0.9	14.3	24.8	25.8	26.0	91.8
	Programme & Social Security Scotland	101.0	145.3	254.7	354.1	484.1	444.8	359.8	313.5	2,457.3

* Advice, Policy & Programme is the Portfolio Budget line which includes Programme implementation investment.   Figures may not sum due to rounding.
*** Transitional costs/estimates with Social Security Scotland*

The allocation of expenditure between Resource and Capital and the impact on the Statement of Financial Position (balance sheet), is determined in the course of the Programme's financial planning process, and in future by Social Security Scotland's accounting policies.

5.2.2 Whole Life Expenditure

The infrastructure and organisational capabilities which, in part, the Social Security Programme is delivering underpins the Scottish Social Security system. Therefore, it is important to consider the costs of the system as a whole, to the extent that they are known, across a longer time horizon beyond the life of the implementation Programme.

The anticipated profiles of benefits expenditure, implementation investment and Social Security Scotland's operating costs over the thirty years to 2050 were summarised in the PBC published in February 2020. We continue to expect the demand-led benefits expenditure to be around 95% of the total expenditure over the timescale; the key financial driver over the longer term would be the policy choices around how the Scottish benefits are configured, and related factors including demographics and take-up rates. The Scottish Fiscal Commission is planning to publish its Fiscal Sustainability report in May 2023, and we understand this publication will include their projections of benefits expenditure in the longer term.

5.2.2.1   Figure 5.4 - Proportion of Expenditure over a Thirty-Year Timescale
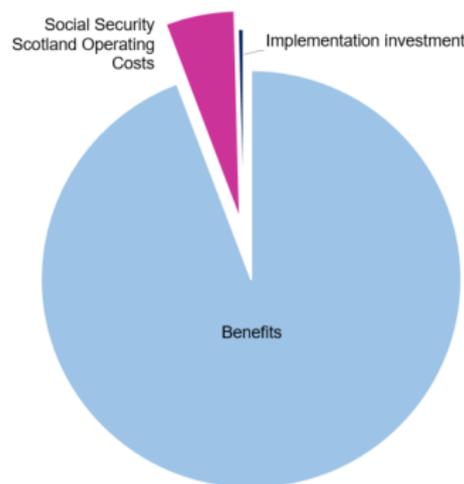
5.3   Programme Implementation Investment

This section sets out our current forecast of Programme Implementation investment, developed by the Social Security Directorate for the preferred options which were described in the Socio-Economic Case, including implementation and transition costs with planned completion in 2025-26.

The Financial Memorandum supporting the Social Security (Scotland) Act 2018 set out estimated Programme implementation costs of £308 million for a four-year Programme. Since this estimate was published in 2017, several key decisions have been made and the scope of the Programme has evolved. Decisions will continue to be made as the Programme progresses, as would be expected in an Agile programme of delivery, and to that end we provide our current assessment of the anticipated programme implementation investment, based on the latest available evidence.

These estimates were updated as a result of significant financial planning exercises across the Programme from 2019 to 2022, after the re-planning of the delivery schedule in 2020 due to the COVID-19 Pandemic. These estimates form the basis of the baselined financial plan against which the Programme is managed. Further information on the Programme's governance and management arrangements is provided in the Management Case.

The infrastructure required for Scotland's new social security system is being developed; delivery requirements are more refined and will continue to develop as work progresses. These cost estimates will be updated periodically as decisions are made and are scrutinised in accordance with the Programme's governance arrangements.

As the Programme is an Agile programme of delivery, the service design will continue to evolve as decisions are taken; this may have further impacts on both the level of Programme Implementation investment and Social Security Scotland's operating costs. The forecasts are as robust as they can be at this point in time but there will remain a degree of uncertainty in the technology implementation and operating cost forecasts given the scale of development, the Agile methodology being used, and evolution of the available technology.

In addition, policies of future governments could have a material bearing on costs. For example, future development and launch of new benefits would necessarily extend the Programme beyond the current planned timescale. Since the PBC was published in February 2020, the outturn has been broadly in line with the forecasts, once the changes resulting from the re-plan were taken into account, and the programme remains within its planning parameters.

The table below shows the current forecast of Programme implementation investment and shows costs coming down each year from 2022-23 onwards, as the Programme develops the systems and service design and hands them over to Social Security Scotland. The layout of the table below reflects the current structure of the Programme at this stage of its lifecycle.

5.3.1 Table 5.4 - Total Implementation Investment

£m	Actual 2016-17 to 2021-22	Forecast 2022-23	2023-24	2024-25	2025-26	Total
PROGRAMME IMPLEMENTATION						
Benefit Specific						
Low Income Benefits	46.2	4.8	1.7	1.1	0.5	54.3
Carers Benefits	17.0	16.4	18.7	12.1	4.7	68.9
Disability Benefits	66.3	23.3	8.9	4.3	0.8	103.6
Other Benefits	0.7	1.2	0.0	0.0	0.0	1.9
Case Transfers	9.1	9.0	5.5	3.6	1.0	28.2
Other Digital						
Chief Digital Office (Historic)	77.1	-	-	-	-	77.1
Digital Transformation	51.4	22.3	16.6	11.8	4.6	106.7
Testing	38.9	16.4	15.3	13.6	6.5	90.7
Other						
Design Standards & Information Systems	14.3	6.3	3.5	0.2	0.0	24.3
Shared Functions	14.4	8.3	3.2	2.6	1.1	29.6
Other Costs	9.4	2.8	2.3	-	-	14.5
Programme Implementation	344.9	110.7	75.7	49.4	19.2	599.9
SOCIAL SECURITY SCOTLAND IMPLEMENTATION						
Chief Digital Office	22.3	27.8	21.0	17.5	16.2	104.8
Estates	9.5	1.2	0.0	0.0	0.0	10.7
Social Security Scotland Implementation	31.8	29.0	21.0	17.5	16.2	115.5
Implementation TOTAL	376.7	139.7	96.7	66.9	35.4	715.4

Figures may not sum due to rounding.

These forecasts can be set out in terms of the original high-level categories described in the Financial Memorandum, as shown in the table below.

5.3.2 Table 5.5 - Total Implementation Investment in the format shown in the 2017 Financial Memorandum

£m	Actual 2016-17 to 2021-22	Forecast				Total
		2022-23	2023-24	2024-25	2025-26	
Programme Implementation	**344.9**	**110.7**	**75.7**	**49.4**	**19.2**	**599.9**
Staff	189.9	48.3	36.4	22.6	8.8	**306.0**
Estates	3.5	-	-	-	-	**3.5**
Technology	145.7	57.6	37.0	26.7	10.4	**277.4**
Other	5.7	5.0	2.3-	-	-	**13.0**
Social Security Scotland Implementation	**31.8**	**29.0**	**21.0**	**17.5**	**16.2**	**115.5**
Staff	0.0	17.8	10.9	8.4	8.5	**45.6**
Estates	9.5	1.2	-	-	-	**10.7**
Technology	22.3	10.0	10.1	9.1	7.7	**59.2**
Other	0.0	-	-	-	-	**0.0**
TOTAL	**376.7**	**139.7**	**96.7**	**66.9**	**35.4**	**715.4**
Staff	189.9	66.1	47.3	31.0	17.3	**351.6**
Estates	13.0	1.2	-	-	-	**14.2**
Technology	168.0	67.6	47.1	35.8	18.1	**336.6**
Other	5.7	5.0	2.3	-	-	**13.0**

Figures may not sum due to rounding.

The Financial Memorandum which accompanied the 2018 Social Security (Scotland) Act was clear that the estimates were initial estimates which could change materially, and that firm estimates of cost would only become clear as the key decisions are taken. The comparative figures from the Financial Memorandum are Programme Staffing £104 million; Estates £14 million; Technology £190 million, for a four-year programme. The main changes from the Financial Memorandum estimates are discussed below.

The scope of the Programme has broadened since 2017 as a result of policy decisions around the configuration of Scottish benefits, including the decision to introduce the brand new Scottish Child Payment. The Programme uses an Agile programme delivery approach which allows new policies to be developed and delivered more quickly compared to traditional waterfall methods where, broadly, the system is designed once the policy is set.

5.4 Changes since the February 2020 Programme Business Case

The re-plan of the programme during the spring of 2020 resulted in changes to the timetable and hence costs, with further updates made during the agile programme lifecycle. The total implementation costs are forecast to be £715 million compared to £651 million published February 2020. The updated figure comprises £600 million for the Programme and £115 million for Social Security Scotland. This reflects the maturity of our planning and the changing shape of the Programme since the pandemic started; for example, some areas such as the Chief Digital Office & Estates have been transferred from the Programme to Social Security Scotland.

This additional activity is therefore reflected in costs outlined in Section 5, the Financial Case, as well as other features which have contributed to an increase in programme implementation costs. These include the combined impacts of the two year COVID-19 Global Pandemic, consequent delays, and resetting of the scope of delayed deliverables; the addition of a new benefit, Scottish Child Payment 6-16; and, in parallel, support provided to Social Security Scotland with continuing agile delivery as services launch and are transitioned.

5.5 Improving the Social Security Offer for People in Scotland

It is important to note that the Scottish Government is doing more than simply delivering exactly what DWP does but with different staff: the Social Security Programme is delivering more than a comparative "lifting and shifting". The Social Security Programme is fundamentally improving the social security offer for Scottish citizens and the work supporting these improvements, in tandem with delivering safely and securely, is the main driver for the Programme running to 2025-26. For example, following engagement with stakeholders, the original Sure Start Maternity Grant was significantly expanded to form an entirely new series of benefits which provides much more support to young families across the early years of a child's life, instead of just a one-off payment. The Scottish Government has ensured that when we provide additional financial support of this kind there are no unintended consequences for the people receiving benefits, for example to their entitlement to Universal Credit or other UK level benefits. There are added complexities associated with delivering a partially rather than fully devolved social security system in Scotland and this is reflected in the updated estimates of the investment required to deliver safely and securely.

Examples of the Scottish Government doing more than "lifting and shifting" include benefits already being delivered by Social Security Scotland:

- Carer's Allowance Supplement, a Scotland-only addition;
- The Sure Start Maternity Grant has been replaced by Best Start Grant – Pregnancy and Baby Payment in Scotland;
- The Best Start Grant – Early Learning Payment is a new Scottish benefit;
- The Best Start Grant – School Age Payment is a new Scottish benefit;
- Healthy Start vouchers have been replaced by Best Start Foods;
- The Funeral Expense Payment has been replaced by the Funeral Support Payment;
- The Young Carer Grant is a new Scottish benefit;

- Job Start Payment is a new Scottish benefit;
- Scottish Child Payment for under 6s is a new Scottish benefit;
- Child Winter Heating Assistance, for those in receipt of the highest care component of Child Disability Payment and Personal Independence Payment, is a new Scottish benefit; and
- Scottish Child Payment for under 16s is a new Scottish benefit.

These examples demonstrate a significant amount of development in the policy and delivery space since 2017, and these developments have been made possible as a result of the Programme's agile approach to development.

5.6 Other Costs

5.6.1 Programme Support

Programme Support includes costs associated with running the Programme Management Office (PMO), see **Section 6.8 - Programme Management Office (PMO)** of the Management Case and **Section 4.8.1 - Table 4.4 - Programme and Project Procurement Responsibilities**, of the Commercial Case, and the Programme Business Management Unit (BMU) which provides administrative support to the Programme, manages internal communications, leads on our Learning and Development strategy, co-ordinates responses to corporate commissions and Freedom of Information requests.

The Scottish Government is investing in its capability to deliver Agile programmes at scale and this investment strongly supports the Scottish Government's ability to execute large complex programmes, beyond the current Social Security Programme. Programme support costs would not be incurred after the Programme is formally closed down, and permanent staff would be redeployed in the normal way.

5.6.1.1 Table 5.6 - Programme Support

£m	Actual 2016-17 to 2021-22	Forecast 2022-23	2023-24	2024-25	2025-26	Total
Programme Management Office	18.7	4.5	3.4	3.1	2.1	**31.8**
Programme Business Management Unit	15.6	2.1	1.8	1.8	1.6	**22.9**
Total	34.3	6.6	5.2	4.9	3.7	**54.7**

5.6.2   Directorate Costs

In addition to the Programme Implementation investment and Programme support, the Social Security Directorate incurs other costs to support the ongoing development and management of the Scottish social security system as a whole (eg, policy, analysis and stakeholder engagement functions, etc). These costs are part of the Scottish Government's operating costs, as with other Directorates across the organisation. These costs are included in this Financial Case to support an understanding of the different elements within the Advice, Policy and Programme budget line.

5.6.2.1   Table 5.7 - Directorate Costs

£m	Actual 2016-17 to 2021-22	Forecast 2022-23	2023-24	2024-25	2025-26	Total
Directorate costs	43.5	14.4	16.7	15.9	15.3	**105.8**

5.6.2.2   DWP Recharges

The Financial Memorandum stated, in paragraph 67, that work required by DWP as part of the Scottish Government's Social Security Programme will be costed and agreed as necessary: "The investment which the Scottish Government is making in social security includes an investment in developing organisational capability, in addition to the one-off implementation and transition costs described above."

The complexity of DWP's infrastructure and the need to integrate into DWP systems is an important factor in the duration of the Programme (eg, bi-directional data flows and data sharing).

DWP recharges were not included in original estimates and the full scale of these costs were unknowable at that time. It was understood that under the terms of the Fiscal Framework, the Scottish Government would be required to meet DWP costs, however, the forecasts and costs included here were developed as the delivery options were explored and changes impacted by DWP. The cost of making changes to DWP's legacy systems continues to be difficult to quantify and we may see these costs continue to change over the life of the Programme.

5.6.2.3   Table 5.8 – DWP Recharges

£m	Actual 2016-17 to 2021-22	Forecast 2022-23	2023-24	2024-25	2025-26	Total
DWP Recharges (Programme)	37.0	14.0	6.0	3.0	1.0	**61.0**

5.7   Live Running Support & Efficiency Essentials

Since the Programme re-plan was undertaken in 2020, decisions have been taken to invest in continuously improving capability, shown in the table below. Most of these activities would move, over time, from the Social Security Directorate to Social Security Scotland as part of the transition process or to other bodies to support the work of the Social Security Directorate and are not within the Programme Business Case scope of implementation. Decisions around optimisation and which improvements or efficiencies yield the greatest value will be for Social Security Scotland to take as they learn and gain knowledge and experience from live delivery of services.

Delivering further capabilities and efficiency essentials involves developing products and processes and investing in our IT as part of an ongoing agile approach. This work will gradually transfer to Social Security as products transition and Social Security Scotland takes responsibility for continuing development.

Live running support costs capture the lifecycle costs of the IT products and processes we develop and are mainly licences and live running support for post go-live. As with any essential efficiency improvements, these costs would gradually transfer to Social Security Scotland as part of the transition process.

5.7.1   Table 5.9 – Efficiency Essentials & Live Running Support

£m	Actual 2016-17 to 2021-22	Forecast				Total
		2022-23	2023-24	2024-25	2025-26	
Efficiency Essentials*	5.3	*8.4*	*10.9*	-	-	24.5
Live Running Support*	3.5	*8.1*	*8.0*	-	-	19.6
Total	**8.8**	**16.5**	**18.9**	**-**	**-**	**44.1**

* Transitional cost estimates for joint work with Social Security Scotland

5.8   Funding To Other Bodies

The Scottish Government provides funding to other bodies to support the development and delivery of the wider social security system in Scotland, including Local Authorities, the Scottish Courts and Tribunals Service and the Advocacy Service.

5.8.1   Table 5.10 - Funding to Other Bodies

£m	Actual 2016-17 to 2021-22	Forecast				Total
		2022-23	2023-24	2024-25	2025-26	
Funding to other bodies	0.9	14.3	24.8	25.8	26.0	**91.8**

5.9 Assurance over the Cost Estimates

The cost estimates presented are a result of financial planning exercises undertaken across the Programme between 2019 to 2022. The estimates cover both ongoing and planned activity across the Programme, and, as would be expected on an Agile programme of delivery which is in progress, the component estimates across the Programme have reached different levels of maturity; therefore, these are reviewed and updated continuously as part of the Programme's financial management processes. The estimates include the relevant allowances for uncertainty or optimism bias as appropriate.

5.10 Social Security Scotland's Operating Costs

Social Security Scotland is now an established Executive Agency. Social Security Scotland lays its Annual Report and Account before Parliament annually. This document, available on Social Security Scotland's website, is subject to independent audit and provides, among other information, a complete record of the expenditure incurred in the relevant financial year Case.

Social Security Scotland's operating costs are largely based on the expected staffing required to deliver against forecast demand with the expected level of capability of systems and processes transitioned by the Social Security Programme. It is expected that required further investment, which is not included in this Programme Business Case, will lead to material savings being delivered against Social Security Scotland's operating cost estimates.

5.11 Social Security Benefits Forecast

The Scottish Fiscal Commission report published in December 2022, *"Scotland's Economic and Fiscal Forecasts[44]",* sets out the forecasts for Social Security benefits expenditure to 2027-28. This includes forecasts for all the benefits and payments which have already been launched in Scotland, indicative forecasts for new benefits which have not yet launched, and devolved payments administered by DWP. In the report the SFC note that they attach a high degree of uncertainty to the indicative forecasts as important policy details, for example on launch dates, are not firm. The SFC also states that the uncertainty should decrease over time as they receive data and information on how many people receive the payments and how much they receive. Future years' expenditure will be subject to pre-budget and post-budget scrutiny in the normal way.

---

[44] Scotland's Economic and Fiscal Forecasts

The table below sets out the SFC forecasts for the benefits delivered (or to be delivered) by Social Security Scotland as per our delivery timeline set out in Section **2.10.1 - Figure 2.5 - High Level Timeline for the Social Security Programme**; these are the benefits within the scope of the implementation work undertaken by the Social Security Programme. The Scottish Government's investment in other forms of assistance outside the Social Security Programme, for example the Scottish Welfare Fund or Discretionary Housing Payments, are not presented in this table.

The Scottish Fiscal Commission is planning to publish its Fiscal Sustainability report in March 2023, this publication will incorporate their projections of benefits expenditure in the longer term.

5.11.1 Table 5.11 - Social Security Benefits Expenditure

Benefits £m	Forecast			
	2022-23	2023-24	2024-25	2025-26
Adult Disability Payment	2,047	2,690	3,218	3,513
Best Start Foods	13	17	20	20
Best Start Grant	21	20	20	19
Carer's Allowance Supplement	44	50	57	61
Child Disability Payment	269	328	374	396
Child Winter Heating Assistance	5	5	5	5
Employment Injury Assistance	79	84	87	85
Funeral Support Payment	12	12	13	13
Job Start Payment	1	1	1	1
Pension Age Disability Payment	540	614	684	740
Pension Age Winter Heating Payment	-	-	180	184
Carer Support Payment	312	372	438	503
Scottish Child Payment	226	442	469	462
Scottish Disability Living Allowance	440	438	417	372
Severe Disablement Allowance	6	6	5	5
Winter Heating Payment	21	24	24	24
Young Carer Grant	1	1	1	1
Total	**4,037**	**5,102**	**6,013**	**6,401**

Source: Scottish Fiscal Commission December 2022 report 'Scotland's Economic and Fiscal Forecasts[45]'. Job Start Payment and Young Carer Grant are not forecast by the SFC. Figures may not sum due to rounding.

---

[45] Scotland's Economic and Fiscal Forecasts – December 2022

5.12 Value For Money

The Scottish Government is making a significant investment in implementing the Scottish Social Security system. Current plans forecast Programme implementation investment of £600 million and further implementation investment made by Social Security Scotland of at least £115.5 million. This expenditure is delivering a new public service for Scotland, which will be fully distributing the devolved benefits and the new benefits as described earlier in this business case. The Programme is not simply replicating DWP systems, so we are ensuring this is carried out in a safe and secure manner.

5.12.1 The Implementation Costs as a Proportion of Benefits Expenditure

These implementation costs represent a significant investment in the capability to deliver social security for decades to come. As stated in the February 2020 PBC, the investment that the Scottish Government is making through the programme in terms of implementation costs is less than 0.5% of the benefits expenditure over the next thirty years.

The purpose of the Programme is to develop and implement the system and service design to enable Social Security Scotland to commence delivery of benefits safely and securely.

5.13 Affordability and Funding

The Scottish Government is committed to fully funding social security so as to ensure the system can deliver a service based on dignity, fairness and respect, is an investment in the people of Scotland and provides clear value for money for the public purse. The current estimates of the financial implications of social security devolution are taken into consideration in the Scottish Government's Spending Review which was published in May 2022. Funding for future years will be secured through the normal budget setting process, alongside wider Scottish Government priorities. Further information on the Scottish Government's budget and longer term Fiscal Strategy are available in the Scottish Budget document, and in the Medium-Term Financial Strategy.

From April 2020 the Scottish Government became responsible for funding the majority of benefits being devolved. It is recognised that demand-led social security spending is harder to control than other areas of expenditure. Expenditure on demand-led benefits is driven by the number of people who have a claim, based on rates and eligibility criteria set in legislation, rather than an amount allocated in a budget. Budgets for demand-led spending are set based on the Scottish Fiscal Commission's forecasts and there will always be a risk of forecast variation in-year.

5.14 Funding

This Financial Case describes how the Scottish Government is incurring implementation costs in establishing the Scottish social security system, in addition to the costs incurred in administering the system each year. The Fiscal Framework provides a baselined £66 million per year for administration costs and a one-off amount of £200 million for implementation for all the newly devolved powers.

These sums do not however represent the full costs of implementation or administration and represent a share, rather than the totality, of implementation and ongoing delivery. Any additional sums required will be funded from the existing Scottish budget envelope and will be allocated as part of the normal Scottish Government budget process.

Under the Fiscal Framework, the annual block grant to the Scottish Government is adjusted to reflect the transfer of responsibility for social security. The arrangements for the funding transfers are described in the Fiscal Framework agreement. Funding for existing benefits will be transferred through the Fiscal Framework but increases in demand-led spending and new policy choices which give rise to additional spending will require new budget cover, funded from the existing Scottish budget envelope and determined through the normal Scottish Government budget process, alongside other Government priorities.

5.15 Financial Risk

The main financial risk to Programme delivery is failing to secure sufficient financial resources to deliver the new social security powers. This would mean that the Programme delivery could be compromised, being unable to meet expectations regarding quality, scope or timescales. There is a level of uncertainty in the forecasts of implementation and running costs described in this Financial Case and this introduces uncertainty into the financial planning. The forecasts have been made in the context of an Agile programme of delivery and will remain subject to change as decisions are made on policy and delivery; and therefore, the forecasts are as robust as they can be at this point in time. Similarly, there is a degree of uncertainty around the value of the DWP recharges, which remain subject to ongoing discussion. Furthermore, the risks around inflation have increased and we keep these under review. These risks are actively managed through the arrangements in place to undertake financial management across the Programme, and the Management Case sets out the governance arrangements which support the management of risk across the Programme.

Demand-led social security expenditure of this scale represents a risk for the Scottish Government's budget because it introduces a new level of volatility into the public finances, for example:

- the funding that Scotland receives will not be related to the actual level of social security expenditure in Scotland, or on anticipated spending needs in Scotland;
- by their nature, the cost of demand-led benefits will fluctuate both up and down relative to the level of funding provided through the block grant adjustment in that year, and expenditure may not match the block grant adjustment; and
- The forecasting of potentially volatile demand-led social security expenditure increases the risks around financial management because forecasts are estimates of future events based only on information that is known at the point when the forecasts were made.

The Programme and Social Security Scotland have arrangements in place to mitigate and manage the risks associated with managing demand-led spending on this scale, including:

- working closely with the Scottish Fiscal Commission to ensure they have accurate information and data, where available, to support robust forecasting;
- monitoring actual expenditure against forecast profiles in-year to ensure robust financial management and planning;
- working closely with Scottish Government Central Finance, which manages benefits expenditure as a corporate risk, to report forecast variations in-year and ensure that appropriate funding is available to manage forecast variation, including making use of borrowing powers to manage forecast variations; and
- continually reviewing forecasting and financial management processes and procedures as delivery of benefits beds in to ensure that they remain fit for purpose.

6 Management Case

6.1 Introduction to the Management Case

The Management Case sets out the management and governance arrangements for the Programme to develop the capability required for the Social Security System in Scotland. As described in **Section 2: Strategic Case**, the Programme is being delivered by the Social Security Directorate (SSD) and is responsible for developing the operational capability and systems required for the administration of all of the devolved benefits.

SSD have engaged with stakeholders to develop the approach for the management and governance of the Programme, focused on delivery of the strategic objectives set out in the Strategic Case.

1) Set up a new public body - Social Security Scotland
2) Deliver a system focused on client needs
3) Deliver modern, efficient and secure systems
4) Safely and securely launch new claims
5) Deliver a safe and secure transition of existing claims
6) Establish effective working relationships
7) Deliver value for money
8) Develop capability for the future

The Programme preferred methodology continues to be Scaled Agile Frameworks (SAFe®) supported by the Managing Successful Programmes (MSP®) framework[46] which sets out good practice in coordinating, directing and overseeing large-scale change initiatives.

The sections below set out how these frameworks are being applied to the implementation and transition phase of the Programme, including the approach to investment decision-making, planning, monitoring and reporting, risk & issue management, assurance, stakeholder engagement and communications. Any strategies and frameworks referred to are living documents which will be maintained and updated regularly throughout the life of the Programme. The latest versions are held in the Scottish Government's Electronic Records and Document Management system (eRDM).

[46] Managing Successful Programmes (MSP®)

6.2   Programme Structure

The Programme has developed a structure that reflects the SSD's delivery strategy and focuses the Programme on the delivery of its objectives. This structure is set out in   **Figure 2.3 - Scope and Structure of the Overall Social Security Programme** in Scotland and re-produced below in **Figure 6.1: Programme Structure** for ease of reference.

The key components of this structure are:

- **Service Areas**: Interrelated delivery areas within the Programme are grouped into Service Areas – these are our devolved benefits.
- **Enabling Capabilities**: Capabilities which are required to support the delivery of more than one devolved benefit. They cut across multiple benefits.
- **Programme Functions**: These areas provide dedicated strategic management and functional support (such as financial management and resource management) to the overall Programme and its Senior Leaders.

6.2.1   Figure 6.1: Programme Structure
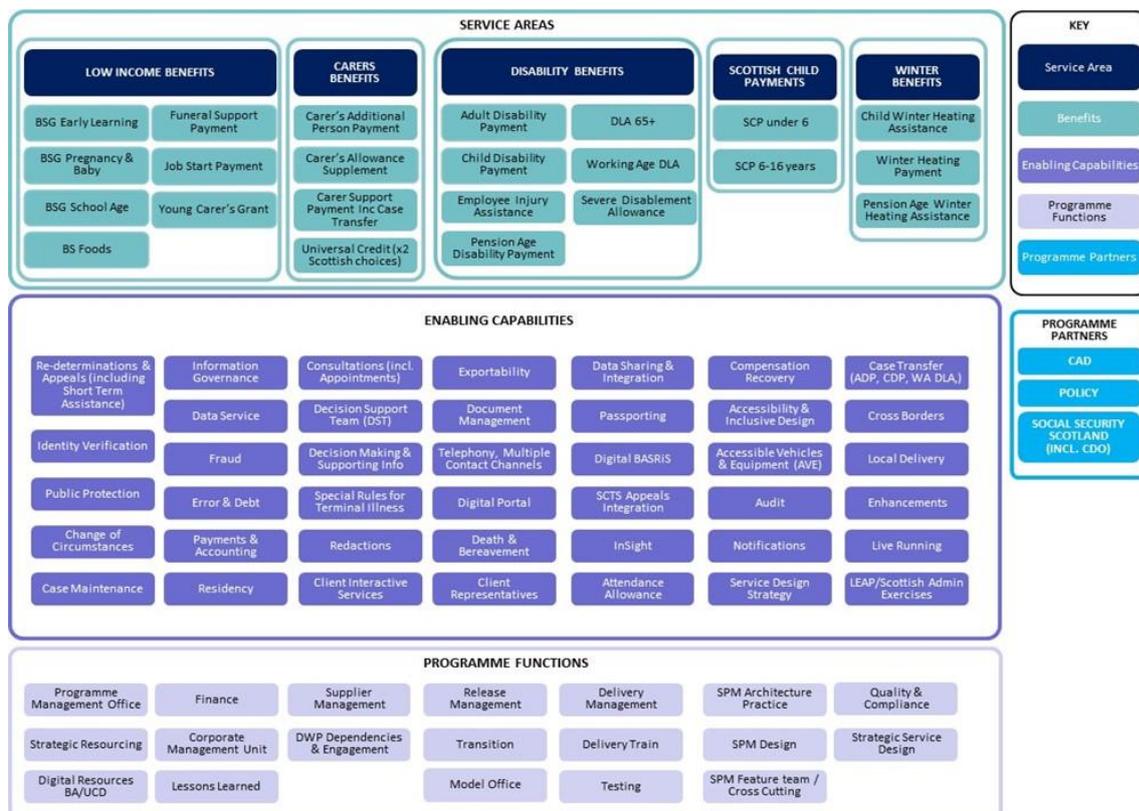
6.3 Programme Governance

The Programme has an established governance structure that supports Programme delivery by enabling timely decision-making at the appropriate level by those with the appropriate expertise and authority. The forums within this structure include the Programme Board, Delivery Board, Change Control Board, Finance Board and Design Authority Board with these are further supported and underpinned by key 'Supporting Groups'. The Programme governance structure is shown in **Figure 6.2 - Programme** Governance.

6.3.1 Figure 6.2 - Programme Governance
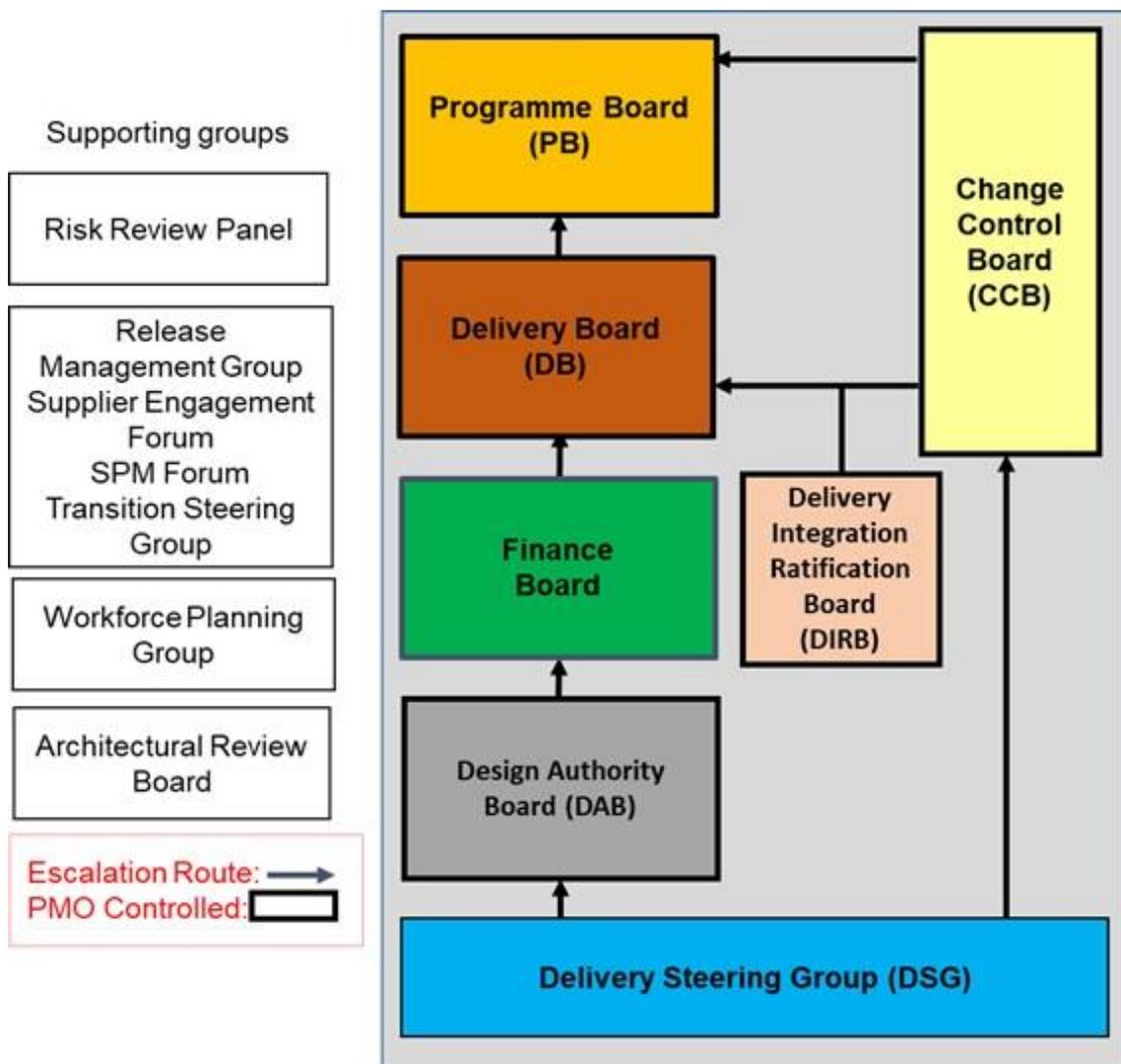
Each Board and Supporting Group has a detailed Terms of Reference to articulate their purpose, key responsibilities and operating arrangements and these are readily available to all Programme staff via the Programme Management Office Handbook.

The formal Programme level Governance Boards are supported in their activity by a range of forums, panels and working groups that provide the necessary control and assurance. These forums, panels and working groups provide a route for escalation whilst also providing direction to service area teams. The service areas are further supported with their own working groups where appropriate. A summary of the purpose of each Board is described in Table 6.3 - Programme Boards.

Social Security Scotland have representation on all Programme Governance Boards and have their own complimentary governance arrangements for any independent decisions they need to undertake. The role of Social Security Scotland Governance will increase as Programme's role decreases over time.

6.3.2   Table 6.3 - Programme Boards

Board	Purpose
Programme Board	Focuses on the long-term Programme goals and the overall strategic direction of the Programme.
Delivery Board	Provides management direction and prioritisation to the Social Security Programme. Acts as a decision-making forum for high risk, high profile and significant decisions which cannot be made at lower levels. Ensures that the Programme is on track to deliver on time in line with Ministerial and policy intent, while remaining within design principles and financial tolerances Focuses on delivery confidence, deliverability (including key Risks & Issues) and progress of agreed plans with attention on upcoming and/or missed milestones.
Finance Board	Provides quality assurance, reviews and makes decisions from a finance perspective on funding vehicles (funding requests, business cases and strategies) in line with delegated authority thresholds. Reports monthly on forecast, budget and actual expenditure across historical years, current year, and future years. Regularly reviews forecast and spend to budget as part of the monthly review reporting formally at Autumn Budget & Spring Budget review, and advises on actions to amend budget holders' delegations.
Change Control Board	To ensure the Programme has an integrated Change Control Process that provides robust and accurate information to aid timely and effective decision making at a programme level. To ensure decisions to implement change are taken by those with the authority to do so.

Board	Purpose
	To ensure that all decisions are supported by an auditable record demonstrating that the impacts from the change have been assessed, appropriate options considered, and benefits assessed.
Design Authority Board	Acts as the Design Authority for the Programme and reviews design-specific options covering both technical and non-technical elements. Ensures that designs are consistent with relevant strategies and design principles/directives/constraints and that the overall high-level design is free from omission, error, contradiction and duplication, whilst being capable of delivering on policy intent. Key aspects of design will have been reviewed by the Architecture Review Board (ARB) ahead of Design Authority Board decision.
Delivery Integration Ratification Board	Ensures the Programme Planning and Dependency Management Strategy is suitably embedded across the Programme. Formally approve Product or Service Level Plans, including related dependencies Formally approve changes to Product or Service Level Plans within their delegated level of authority. Tracks and drives Plan development and maintenance across the Programme Improves linkages between planning and dependency management.

6.4   Delivery Approach

The Programmes preferred methodology continues to be Scaled Agile Frameworks (SAFe®) supported by the Managing Successful Programmes (MSP®) framework. The overall approach will continue to evolve as we progress through the lifecycle of the Programme.

The Programme uses appropriate elements of SAFe® to ensure the approach and management of features, releases and services are aligned. This is a widely recognised framework for large organisations and provides flexibility to allow an incremental adoption of its components depending on the ever evolving requirements of our Programme.

This approach is fundamental in managing and providing clear accountability and visibility across this complex and multi-faceted Programme.

One of the key concepts the Programme utilises as part of its adoption of SAFe® is the concept of Delivery Trains (an adaptation of SAFe®'s Agile Release Train concept) to structure its Agile teams and progressively produce and deliver outputs while remaining aligned to overall goals and objectives. These Delivery Trains look to include all the attributes required to advance products and outputs through the full delivery lifecycle whilst applying other key SAFe® principles that promote a constant focus on value.

The delivery landscape and introduction of SAFe® are continually evolving as we inspect and adapt our approach. Our adoption of components of SAFe® also supports Programme planning activities by providing the foundation for a single prioritised view of Programme delivery requirements'. The development of these prioritised delivery requirements will be supported through the Programme delivery roadmap, defining the amount of delivery resources required and sequencing approach needed to meet these objectives. This is closely aligned to the key programme level milestones plan – simply providing a delivery level view.

The Programme also employs a suite of industry standard work management tools to help support delivery and our Agile ways of working. These powerful tools provide a precise and dynamic way for multiple teams to define workflow, work in unison, manage tasks/issues/risks/dependencies/interfaces and the ability track strategic delivery progress. These tools work in unison with the existing Programme Planning System and the Microsoft Project delivery schedules that are developed for each area.

6.5   Release, Transition and Lesson Learned

The Release, Transition and Lesson Learned Team is made up of three key functions:

1) Release Management: Release Management is an assurance function within the Social Security Programme – providing confidence that all benefits, products, services and systems being deployed into Social Security Scotland are implemented safely and securely.
2) Lessons Learned: The primary aim of Lessons Learned is to integrate continuous improvement into our everyday business processes. Lessons Learned activity is a vital component in ensuring the Programme's objective of creating a legacy is documented. Real life examples are articulated and shared with wider Scottish Government to influence future programmes.
3) Transition: The core objective of Service Transition is to coordinate the effective handover of the Programme services into Social Security Scotland. This includes people and functions, benefits and policies and tools and processes.

6.6 Programme Corporate Management

Programme Corporate Management has a wide and diverse suite of responsibilities. At its heart the role is about ensuring that many of the enabling, corporate requirements and functionality operate well to support a large Senior Leadership team within the programme. The area works alongside others within the programme to ensure appropriate governance and assurance processes are in place with respect to supplier management and resourcing.

- Strategic Resourcing and Succession Planning – focuses on recruitment, workforce planning, and succession/transition planning for next phase of the programme collaborating and aligning with both Social Security Directorate and Social Security Scotland.
- Interface with Professional Development & Skills Academy– responsible for scoping and the delivery of a Skills Academy for programme staff, including the delivery of training and the transfer of knowledge and expertise from suppliers and product leads within the programme and Social Security Scotland.
- Strategic Programme Communication/ FOI Handling - ensures the delivery of core policy and comms functions within the programme through engagement with policy, programme and Social Security Scotland leads. This includes the delivery of Ministerial briefing, parliamentary questions and the handling of Freedom of Information requests.
- Programme Legacy & Delivery Community– the development of a programme resource through which areas can share their experience, expertise and learning to other parts of the programme, Social Security Scotland and wider government. This work is in collaboration with lessons learned colleagues and PMO.
- Interface with Parliamentary Unit– the team leads on the handling of ministerial requests and public scrutiny of the programme. This is carried out in conjunction with PMO and product leads to ensure a high standard of briefing or response is issued, reflective of the work being carried out, lessons learned and future projections.
- Supplier Management– manages a range of contracts across the programme. Working closely with finance, procurement and PMO colleagues to ensure adequate governance, monitoring and reporting processes are in place and can be easily considered by the Programme Director and Ministers.

6.7 Programme Resource Management

To deliver its objectives and related measurable improvements, the Programme requires significant people resources, capacity and skills. The Programme will have varying people resource needs as it moves through the different stages of delivery. The staff capability and capacity to meet those needs must be identified and obtained or developed, to ensure the Programme is best placed to deliver its proposed outcomes.

A dedicated Programme Resourcing Team is in place to deliver those resources required by the Programme, working closely with colleagues in the Chief Digital Office and Digital Directorate on securing technical skills. The team works closely with Programme senior managers, recruiting managers, Scottish Government Digital Directorate and HR to ensure the Programme has the right people, in the right place, at the right time to support a safe and secure transition of benefits. The team also work closely with a dedicated finance business partner and finance team to ensure this activity is in line with broader SG resource ambitions, to ensure the programme delivers value for money and achieves its outcomes within budget.

To maximise effective use of resources the Programme has adopted a resource pool approach for specific skillsets, for example business analysts and user researchers that can be utilised on more than one service area or project.

The Programme will develop and upskill its Scottish Government employed resources to increase internal capability. We will map learning and development pathways that support career progression within professions, particularly the Digital, Data and Technology (DDaT) profession. Our people will be able to undertake appropriate learning and secure qualifications to demonstrate their professional capability for future roles.

However, the Programme will continue to require specialist resources that are not currently available in the Scottish Government, and where external skills are in short supply across the UK, for example digital, technical and digital architecture skills. This means we will continue to have a mixed workforce in which interim resource will supplement permanent civil servants to ensure the levels of resourcing and skills required for delivery are in place. Work is underway with the ambition of working closely with contractors and external organisations to transfer skills into SG, to ensure appropriate maintenance and operation of systems beyond the lifetime of the programme.

As the Programme continues through delivery and in conjunction with our Strategic Transition Approach, it will identify the roles that may be transitioned into the live operation in Social Security Scotland, assisting in the retention of the skills and knowledge in the business operation. This also includes ensuring that the appropriate conversations with staff and unions take place.

The roles and skillsets required by Social Security Scotland for operational live running are different to those needed for programme. However, we expect that cadre of professionals, who have skills and knowledge not previously held in the Scottish Government will be in demand to assist other programmes that are established across the organisation in future.

6.8 Programme Management Office (PMO)

The Programme is supported by a centralised Programme Management Office (PMO) that provides support, coordination and control across the Programme. The PMO is made up of a central team as well as a Local Programme Management Office Team (LPMO) who are embedded within the Service Areas. The Central PMO model is shown in **Figure 6.5 - PMO Functions.**

6.8.1 Figure 6.5 - PMO Functions
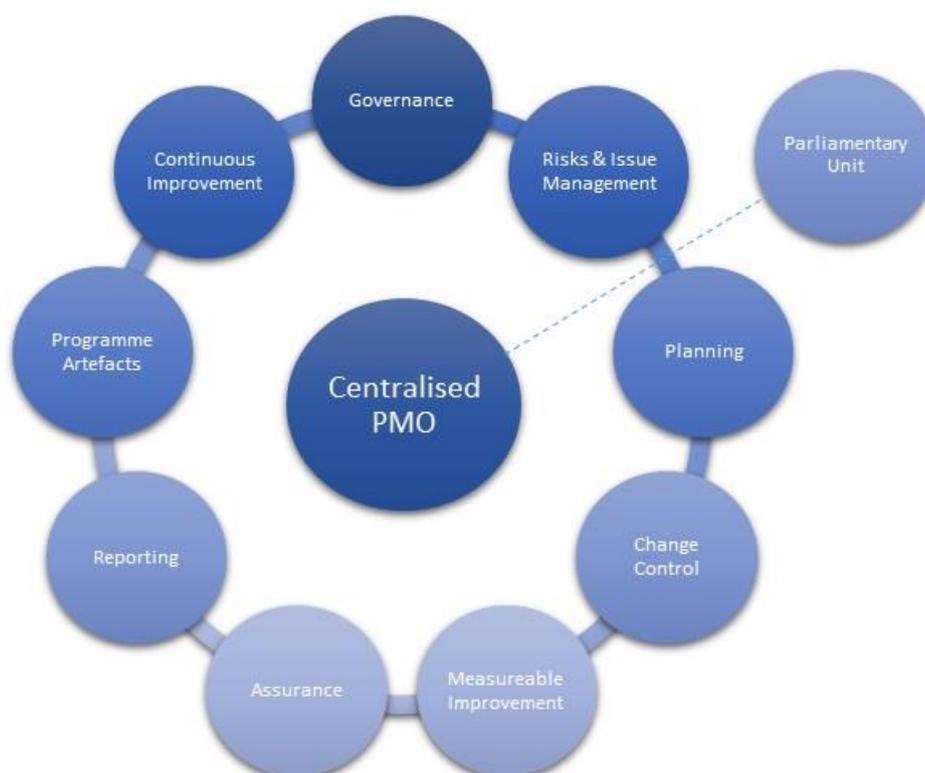
The Central PMO team is responsible for Programme-wide governance and setting out the required programme level standards and controls, it delivers consistency across the Programme by developing and maintaining a set of PMO strategies which set the standards for all programme management functions. All PMO strategies, processes, PMO owned programme artefacts and templates are living documents and are regularly maintained and updated. The latest versions are held within a central PMO Handbook accessible on eRDM and available through Saltire (the Scottish Government's internal website).

Local PMO (LPMO) are deployed on a demand-led basis to support the delivery of individual Service Areas, working to the standards and approaches set by the Central PMO. This approach drives quality and consistency and enables a programme-level view of progress, risks and issues that inform decision-making.

6.9   Governance

The Programme Governance Team provides support to Programme to ensure the smooth progress of relevant programme level design and investment decisions, as well as required reporting through the required governance boards. The team offers advice and direction, providing guidance on the appropriate 'decision pathway' and the rules, practices and processes by which the Programme is controlled, to ensure that Programme decisions are made, recorded and communicated in an efficient and controlled manner**. See Figure 6.2 - Programme Structure**.

The team also provides a central function for Information Management across the Programme, ensuring all documentation is maintained to quality standards and is in line with the Scottish Government's record management guidance. They are responsible for the Information Management Strategy for the Programme, ensuring all configuration items are identified, managed and readily available in line with Programme requirements and Scottish Government guidance.

6.10   Programme Artefacts and Document Hierarchy

Programme artefacts form the basis for all investment decisions required within the Programme and ensure those investment decisions are controlled and managed. The artefacts articulate the requirement and rationale for funding and are approved through our formal governance process as shown **in Figure 6.2 - Programme Structure**.

The Social Security Programme therefore has a hierarchy of overarching documents designed to support the delivery of the Programme and its constituent parts. This suite of documents is referred to as the Document Hierarchy. All documents within the hierarchy are standardised to ensure consistency, alignment, traceability and a clear link to Programme objectives, as well as providing the lower level detail which outlines delivery strategy and justifies the required funding. All artefacts within the Document Hierarchy are pre planned according to the scope of the Social Security Programme Business Case and are subject to baselining and change control via the appropriate governance routes.

All documents align to ensure consistency and overall achievement of Programme objectives. The diagram below, **Figure 6.7 – Linked Documents,** details the linked documents from the top tier through to the bottom tier.

6.10.1 Figure 6.7 – Linked Documents

Figure showing a pyramid hierarchy:
1. Social Security Programme Business Case
2. Service Area Business Case / Overview Document
3. Strategy Document
4. Funding Requests

1) Social Security Programme Business Case (SSPBC) is a Programme level document and outlines the objectives, scope and overall costs as well as an overarching framework for Programme management, governance and decision making.

2) Service Area Business Cases (SABC) are Benefit Service level documents. They provide justification of funding and outline how, when and what benefits will be delivered under a specific benefit category. Overview Documents (ODoc) are the equivalent Tier 2 artefact for products categorised as Enabling Capabilities. The content is different from that of the traditional 5 case model Business Case due to the cross-cutting nature of Enabling Capability products

3) Strategy Documents (SD) are Project level documents. They act as a project definition document and communicate the adopted delivery strategy, scope and budget required for a project.

4) Funding Requests (FR) are the vehicle by which funds are drawn down from the budget specified in a baselined Strategy Document. These are used to approve spend. Approved FRs are directly linked to the relevant Tier 3 artefact.

Our Document Hierarchy and supporting processes are aligned to our agile delivery approach ensuring there is transparency and control of evolving requirements and costs.
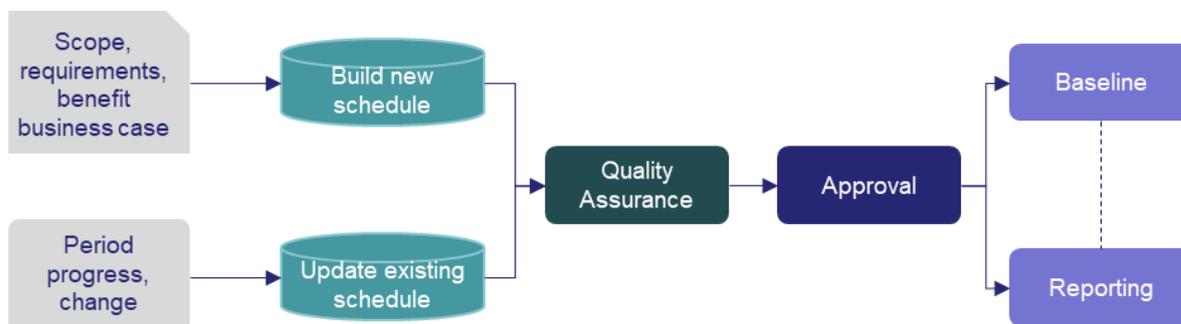
6.11   Planning

The Programme Planning and Depending Management Strategy outlines the approach adopted to ensure the products and outputs that directly relate to the delivery of Programme objectives are scheduled by all component areas according to a consistent and standardised methodology rooted in Project and Programme Management best practice.

In deploying a clear strategy Social Security Programme planning activities and their associated artefacts can perform several essential functions including:

- identifying the activities to be carried out and milestones to be reached to deliver objectives including timescales and sequencing;
- demonstrating how the delivery of outputs contribute to the delivery of Programme outcomes and the realisation of measurable improvements;
- aid in the identification and ongoing management of risks, assumptions and dependencies;
- control and track delivery progress and provide related management information to inform decision making;
- drawing up the critical information from the various individual delivery schedules of the Programme to produce a Programme level view;
- act as an effective communication tool, giving stakeholders' visibility of what's happening now and what's coming next;
- this Planning and Dependency Management Strategy is further supported by detailed planning Standards documentation which includes interactive process flowcharts aimed at helping all Programme staff navigate the key planning steps of:
  - o developing a delivery schedule and seeking formal approval;
  - o updating an approved 'baselined' delivery schedule; and
  - o delivery schedule maintenance and reporting.

This is illustrated in **Figure 6.8 - Planning Processes**.

6.11.1   Figure 6.8 - Planning Processes

To further drive consistency in the scheduling approach across the Programme, standardised schedule templates have been developed using an approach that considers progressive planning as component areas move through their lifecycle with detailed plan content for each known phase and a gradual reduction in detail for medium term and long-term horizons.

The Planning and Dependency Management Strategy and its supporting Standards documentation also set out the required quality assurance check arrangements that each individual delivery schedule is subject to. The three levels of quality assurance approval are:

- The PMO Planning Function will approve schedules for quality standards and schedule integrity.
- The relevant delivery team will approve schedules on technical content and schedule robustness.
- The Delivery Integration Ratification Board will approve schedules overall considering all elements.

6.12   Dependency Management

Due to the scale and complexity of the Social Security Programme, the identification, agreement and management of (both internal and external) dependencies and their related products and outputs are critical in ensuring the delivery of Programme objectives.

These dependencies typically fall into the following categories:

- External dependencies between the Programme and the DWP as well as other UK Government departments (eg, HMRC).
- Dependencies between the Programme, Social Security Scotland and other areas of the Scottish Government.
- Internal dependencies between one service or product area of the Programme and another.

Dependencies are managed in line with the Planning and Dependency Management Strategy that sets out the approach to coordinating and managing internal and external dependencies including how dependency related products or outputs are represented in individual delivery schedules.

This approach to dependency management in the Social Security Programme including its critical link to formal planning is framed in detail against three key steps:

1) Dependency Assessment, Agreement & Capture
2) Dependency Monitoring
3) Dependency Escalation

Due to the criticality of our dependencies on the DWP additional arrangements are in place to further support their oversight and management. These include a dedicated strategic escalation forum known as the Joint Design and Planning Forum (JDPF) which is provided with bespoke delivery schedule planning information from each department to inform decision making. This JDPF meets every two weeks and is chaired in rotation by the Social Security Programme Director and the Director of DWP's Scottish Devolution Programme.

The formal Planning and Dependency Management arrangements of the Programme (**Section 6.11 -** Planning and **Section 6.12 - Dependency** Management) are strengthened overall by the implementation and adaptation of the key Scaled Agile Framework (SAFe®) concepts which help ensure alignment, collaboration, and delivery across the large number of Agile teams operating in the Programme (see **Section 6.4 - Delivery** Approach**)**

6.13   Reporting, Monitoring and Control

The Programme employs a monitoring and reporting framework which is designed to feed directly into its formal governance structure (see **Section 6.3 - Programme** Governance). This framework is focused on providing accurate and timely information from the component areas of the Programme to the appropriate forums within our governance arrangements to ultimately facilitate effective decision making and enable successful delivery.

To do this the Programme utilises a number of key industry standard Project and Programme Management indicators which track performance against the agreed baseline. This consistent and standardised approach enables Senior Leaders to monitor the overall progress of a Programme of this scale and complexity and understand clearly where their intervention may be required.

Reporting dashboards are the vehicle developed to convey this information to our Delivery and Programme Boards. These dashboards are pitched to provide the appropriate level of information in line with each forums position in the overall governance structure and their specific roles and responsibilities (see **Section 6.3: Programme** Governance).

The key Programme and Project Management indicators included as part of these dashboards are:

- Delivery Schedule Performance (strategic supported by component service area assessments)
- Cost Profile (actual expenditure and forecast - strategic supported by component service area assessments)
- Risk and Issue Profiles (strategic supported by component service area assessments)
- Resourcing Profile (strategic supported by component service area assessments)
- Release Management (specific tracking of activity to release Programme outputs and capabilities into Social Security Scotland)

These formal monitoring and reporting arrangements are bolstered further by the Programmes implementation and adaptation of the key Scaled Agile Framework (SAFe®) concepts of Delivery Trains (an adaptation of SAFe®'s Agile Release Train concept) which help ensure alignment, collaboration, and delivery across the large number of Agile teams operating in the Programme **(See Section 6.4 - Delivery** Approach**)**.

When changes to formal Programme baselines are required, the Programme employs a Change Control Management Strategy to ensure they are appropriately captured, evaluated and decided upon by governance authorities within its wider governance structure. This approach is in recognition of the particular importance of effective change control in a Programme of the size and intricacy of the Social Security Programme and the far-reaching consequential effects that unmanaged change can have.

Programme Change Control Management Strategy documentation is owned and maintained by the PMO's dedicated Change Control Team who are well-placed to ensure this strategy and its supporting processes are implemented effectively. This strategy document and its various supporting tools are stored in eRDM (Scottish Government's Electronic Records and Document Management system - see **Section 6.17 - Information** Management) and also easily accessible to all Programme staff via the interactive PMO Handbook (see **Section 6.8 - Programme Management Office (PMO)**).

6.14   Charter Measurement Framework and Measurable Improvements

In 2018, Our Charter[47] was co-designed with people with lived experience and relevant external stakeholders by the Social Security Directorate and social researchers from Communities Analysis Division. Our Charter communicates in clear terms what people are entitled to expect from the new social security system.

A Charter Measurement Framework[48] was then co-designed in a similar way and published to ensure there is clear monitoring of how well Social Security Scotland and the Scottish Government are delivering the commitments laid out in the Charter, and, secondly, to help Social Security Scotland and the Scottish Government to continuously improve their service in relation to Social Security. The Framework requires data and research with clients, staff and stakeholders as well as drawing on some statistical publications.

---

[47] Social Security Charter: measurement framework
[48] Social Security Scotland has developed a Charter Measurement Framework in order to capture the intended outputs, outcomes and impacts associated with Social Security Scotland

Additionally, the Social Security Directorate will also undertake formal Policy Evaluation activities to better understand the impact of desired Social Security policy outcomes. A related strategy for this evaluation has also been published.[49] This 'Policy Evaluation' strategy explores the impact of the benefit system in achieving the Government's objectives, particularly whether Social Security has been an investment in people, reduced poverty, and brought value for money.

Measurement and analysis work relating to the Social Security Charter Measurement Framework are led by Analysis and Insights in Social Security Scotland. The Policy Evaluations are led by Social Security Directorate, Communities Analysis and Policy Divisions.

Whilst the Measurable Improvement Management activities of the Social Security Programme (an element of the overall Programme Management methodology) are separate to Social Security Charter and Policy Evaluation measurement work there will naturally be some overlap as all have in some way been derived by the principles laid out in the Social Security Act (Scotland) 1998. Opportunities to utilise measures, metrics and expertise across these various streams of activity will be continually explored and exploited throughout the lifecycle of the Programme.

Refer to **Section 6.18 - Measurable Improvements** Management for further information on Measurable Improvements Management with the Social Security Programme.

6.15   Stakeholder Management & Communication

The Programme draws on stakeholder insights capacity across the wider Directorate, as well as having access and input to the strategic communications planning led by Social Security Scotland communications. The Ministerial Briefing & Engagement team, within the Social Security Directorate Parliamentary Unit, engages regularly with communications, relationship management and stakeholder engagement functions across the Directorate and Social Security Scotland to drive forward Programme priorities.

Stakeholder engagement also includes taking a people-centric approach to the design and development of Scotland's Social Security system. The Scottish Government is committed to delivering a Social Security system that puts dignity, respect and fairness at its heart, and is designed with the people of Scotland. To do this, and to ensure that people with direct, personal experience have a voice, an extensive consultation was undertaken in summer 2016, with subsequent consultations since on particular benefits or aspects of the design of Scotland's Social Security service.

---

[49] Devolved benefits: evaluating the policy impact

Co-design is an integral part of Social Security in Scotland, enabled, in part, by the Social Security Experience Panels, a group of over 2000 volunteers with direct lived experience of the current benefits systems, who will work with the Scottish Government over the life of the Programme. The Experience Panels:

- Help fulfil the Scottish Government's commitment to design, build and refine the Social Security System with those who will use it
- Helps understand opinions and views through the transition to the new Social Security system over the life of the Programme
- Contribute to our organisational commitment which takes a distinctly Scottish approach to tackling economic, environmental and social issues in Scotland

Experience Panels, in conjunction with people-centric ways of building the new system (eg, the use of Agile, which emphasises the importance of putting the client at the heart of service design), draw on insights and observations from people who have applied for the devolved benefits, their families, and the organisations that support and represent them. This approach helps ensure the Programme creates services that meet people's needs, while at the same time building support and confidence among people who will potentially be managing and using the service.

In addition to involving people with direct lived experience of the benefits system, the Programme draws on the knowledge and experience of the many expert individuals and organisations who have knowledge and experience of the current Social Security system, including those who have responded to our consultations. A number of reference groups have been established in order to help channel expert advice and recommendations into the Directorate. These groups comprise representatives from organisations with knowledge and expertise of the current system, either directly through supporting individual applicants or through a wider understanding or responsibility for related services in the health, local government and third sectors.

The Programme (working in partnership with stakeholder engagement functions across the Directorate) will consider opportunities for creating new groups where any gaps are identified or where additional expert advice is needed. Each of these groups plays a significant role in supporting the Scottish Government to consider in detail and respond to the findings of the 2016 consultation.

The Ministerial Briefing & Engagement team within the Social Security Directorate Parliamentary Unit alongside colleagues in PMO & BMU will help facilitate Programme-specific stakeholder events, including acting as a point of contact with other relevant teams across the Directorate. It also acts as a resource for the Programme's ministerial and Parliamentary engagement, offering support on briefing, submissions, ministerial meetings and Parliamentary business such as statements and Committee hearings, where these are Programme-led, working in conjunction with key Policy leads.

The Programme works with Scottish Government Communications and with Social Security Scotland Communications, including their News and Marketing teams, to identify the high profile Programme milestones that will provide headline news angles for Ministers and their priorities.

Communications activity and supporting stakeholder engagement is jointly planned on a quarterly basis by the relevant Directorate and Social Security Scotland leads and evaluated and adjusted as necessary.

The Programme has access to Directorate stakeholder networks, which provide intelligence from formal and informal engagement and activity and associated supporting material on the wider landscape. The Programme actively contributes to Directorate-wide updates provided for Ministers on key activity. Acknowledging the need for close working with the DWP and in accordance with the joint Memorandum of Understanding between DWP and the Scottish Government, Social Security Policy Division facilitates twice-yearly Joint Ministerial Working Groups on Welfare (JMWGW) with the relevant ministers and Joint Senior Officials Groups at senior official level which set the JMWGW agenda. The Formal Agreements team within the Programme leads on the establishment of formal agreements and agency agreements with DWP to enable a smooth transition of benefits to Social Security Scotland as powers transfer. The Programme Director and Deputy Director also engage regularly with their counterparts at DWP.

6.16   Risk and Issue Management

The Programme has well defined and matured methodologies for both the management of risk and issues, and these are fully articulated in the Programmes respective Risk and Issue Management Strategies. The approaches outlined in these strategies are drawn from the Scottish Government Risk Management Guide and AXELOS Management of Risk and Managing Successful Programmes (MSP) literature then suitably tailored to Programme requirements. This key Programme management documentation and its various supporting tools are owned and maintained by the Programmes dedicated Risk and Issue Management Function and stored in their area in eRDM (Scottish Government's Electronic Records and Document Management system - see **Section 6.17 - Information** Management). It is also easily accessible to all Programme staff via the interactive PMO Handbook see **Section 6.8 - Programme Management Office (PMO)**).

These respective Programme Risk and Issue Management Strategies articulate in detail the management principles, concepts, structures, processes, tools and associated roles and responsibilities implemented to ensure that risks and issues affecting the achievement of Programme objectives are effectively managed.

Risks and issues in the Social Security Programme are managed at either a Product, Service or Programme Level depending on their related potential or current impact on objectives. The Programme Risk and Issue Management Strategies fully define the adopted risk and issue management structures of the Programme and the reporting and escalation processes employed that enable risks and issues to flow through them.

They also make clear how these arrangements link into the wider corporate risk management arrangements of the Scottish Government. Fundamentally this ensures that risks and issues are managed effectively and efficiently as monitoring and response activity is conducted at the appropriate level until they are resolved or appropriately mitigated.

Strategic Social Security Programme Level Risks and Strategic Programme Level Issues are captured on the Programme Level Risk or Issue Registers which are stored within the PMO, Risk and Issue Management Function area on eRDM. The Programme Manager is the owner of the Programme Level Risk Register and the Programme Level Issue Register, and the Programme Risk and Issue Management Function is responsible for their maintenance.

Management of the Programme Level Risk Profile has been delegated by the Social Security Programme Board to the Social Security Programme Risk Review Panel. A separate Programme Risk Review Panel Terms of Reference has been developed to confirm their specific roles and responsibilities, and the Board's operating arrangements.

Management of the Programme Level Issue Profile has been delegated by the Social Security Programme Board to the Social Security Programme Delivery Board. A separate Programme Delivery Board Terms of Reference is also in place to confirm their specific roles, responsibilities and operating arrangements.

As our key delivery partners, mechanisms are also well established with Social Security Scotland and the DWP Scottish Devolution Programme to share appropriate strategic risk and issue profile management information to ensure the timely transfer or mirroring of strategic risks or issues as required.

6.17   Information Management

The Programme uses the Scottish Government's Information Asset Register (IAR) to record and list information assets that are critical and provide value. The IAR helps the Programme team to make official information as widely and easily available as possible and facilitates and encourages the re-use of public sector information.

The PMO is responsible for the maintenance of the IAR in order to ensure that the directorate and Programme comply with the regulatory framework for each information asset. The IAR records the type, format and value to the organisation of the Information Asset alongside who uses it. The majority of Programme, Service Area and project level information assets are stored on eRDM.

In addition, the Programme Information Strategy sets out the approach to ensuring that the Programme operates measures, systems and techniques to maintain and control Programme information, and that each area within and across the Programme implements the requirements and recommendations which it contains.

The information to be managed includes Programme documentation, service/project artefacts, and internal and external stakeholder communications. The strategy provides a framework by which the Programme can manage its information assets.

The aim is to make sure that the information is:

- useable - information must be up to date and fit for purpose;
- stored in the correct organised location, following naming conventions and available consistently;
- appropriately security marked, where relevant, with sufficient safeguards in place to protect the information;
- shared in a way that is consistent with Scottish Government policies; and
- aligned with the five critical success factors in PRINCE2 and Managing Successful Programmes: Compliance, Integrity, Availability, Confidentiality, and Currency.

6.18   Measurable Improvements Management

In the Social Security Programme, the term 'Measurable Improvements Management' is used in place of the Project and Programme Management industry standard term 'Benefits Management'. This is to avoid confusion with the Programmes delivery of Social Security Benefits.

'Measurable Improvements' are defined as the positive impacts resulting from an outcome perceived as an advantage (by one or more stakeholders) which contributes towards one or more Programme objectives. Programmes are primarily driven by the need to deliver these measurable improvements.

The measurable improvement management activities of the Social Security Programme are separate to Social Security Charter and Policy Evaluation measurement work. Opportunities to utilise existing measures, metrics and expertise across these various work streams is continually explored and leveraged. Refer to **Section 6.14 - Charter Measurement Framework and Measurable** Improvements for further information on the Charter Measurement Framework.

The Programmes approach to measurable improvements management is outlined in its Measurable Improvements Management Strategy. The key principles and concepts outlined in this strategy are drawn from AXELOS Managing Successful Programme (MSP) and APMG Managing Benefits literature. These principles and concepts have been appropriately tailored to the requirements of the Programme.
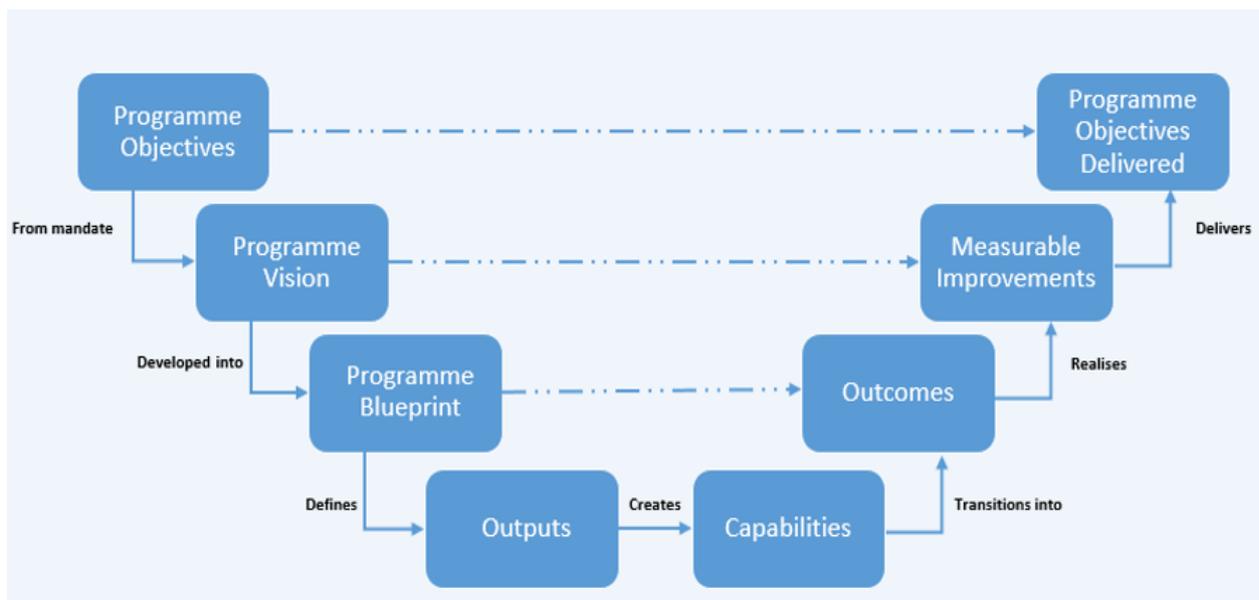
The Programme Measurable Improvements Management Strategy is owned by the PMO's Measurable Improvements Function and stored in their area in eRDM (Scottish Government's Electronic Records and Document Management system (see **Section 6.17 - Information** Management)**.**

This Strategy is framed against the iterative 'Measurable Improvements Management Cycle' prescribed in MSP literature (Identify, Plan, Deliver and Review) and includes the articulation of the management concepts, structures, processes, tools and associated roles and responsibilities implemented to ensure there is a framework within which measurable improvements realisation will be achieved.

The fundamental concept underpinning our approach to measurable improvement management (also fully outlined in this strategy) is that of 'Measurable Improvement Alignment', which sets out the there is a clear relationship between the Outputs, Capabilities and Outcomes delivered by the component areas of the Programme, Programme Measurable Improvements and Programme Objectives

This is achieved by component areas of the Programme creating outputs, which build capabilities, which transition into outcomes that then serve the purpose of realising measurable improvements and delivering programme objectives. This is a single system flowing through the structure of the Programme and is outlined in the visual below:

6.18.1   Figure 6.9: Measurable Improvements Mapping

The Programme utilises 'Measurable Improvements Mapping' (another industry standard best practice technique) to confirm Programme Measurable Improvements and model their relationship to the outputs, capabilities and outcomes delivered by its component areas. These 'Measurable Improvement Maps' enable the efficient and effective communication and understanding of the overall 'picture of change' via 'measurable improvement chains' which are the links and interdependencies between tangible outputs, measurable improvements and strategic objectives.

6.19   Assurance

The Programme's Integrated Assurance and Approvals Strategy (IAAS) sets out the purpose and goals of the assurance and approvals regime required of the component service areas of the Social Security Programme. This strategy provides appropriate internal assurance and approval guidance to the Programme to ensure the application of a consistent, standardised approach which is in line with the wider assurance protocols of the Scottish Government.

The Programme IAAS has been developed with reference to Cabinet Office Major Projects Authority guidelines, AXELOS Managing Successful Programmes (MSP) literature and the Scottish Government's Technology Assurance Framework and Digital First Scotland guidance.

The PMO Assurance Function is responsible for the maintenance of the Programme IAAS and it is stored in their eRDM (Scottish Government's Electronic Records and Document Management system - see **Section 6.17 - Information** Management) area. This document is also easily accessible to all Programme staff via the interactive PMO Handbook (See **Section 6.8 - Programme Management Office (PMO)**).

As outlined in this IAAS, the Programme is subject to the Technology Assurance Framework (TAF) which applies to central government organisations in Scotland. The framework is managed by the Digital Assurance Office (DAO) in the Scottish Government and is fundamentally designed to improve delivery and ensure that the lessons learned from previous experience are reflected and embedded in future practice. The TAF has two main components which the Programme must adhere to, and these are 'major project reviews' and compliance with the Digital Scotland Service Standard.

The Programme also proactively undertakes Gateway Reviews (specifically Gateway Review 0 Strategic Assessments) in accordance with the Scottish Government Gateway Review Process administered by its Portfolio, Programme and Project Assurance Function. These short, focused, repeatable strategic assurance reviews are scheduled to occur at key points in the lifecycle of the Programme and are conducted on behalf of the Senior Responsible Owner (SRO) by a team of independent, experienced practitioners.

In addition, Audit Scotland (AS) have to date provided independent external assurance and reported publicly on the Scottish Government's progress in managing the delivery of the devolved Social Security Powers with their latest report published in May 2022. Senior Leaders from the Social Security Directorate (Social Security Programme and Social Security Scotland) meet regularly with AS Officials to discuss delivery progress and understand AS future plans for auditing the Programme.

The Social Security Programme's Assurance Team, situated within the Programme Management Office, leads on the coordination of assurance activity, prepares the Programme Integrated Assurance and Approval Plan (which maps out when and how assurance activities will happen) in partnership with relevant internal and external stakeholders and, acts as single point of contact with our independent assurance providers.

This includes utilising the established and regular collaborative interfaces with the Corporate Risk and Assurance Function of Social Security Scotland to ensure there is appropriate alignment of assurance activities across the two organisations.

6.19.1   Figure 6.10 – Assurance Framework
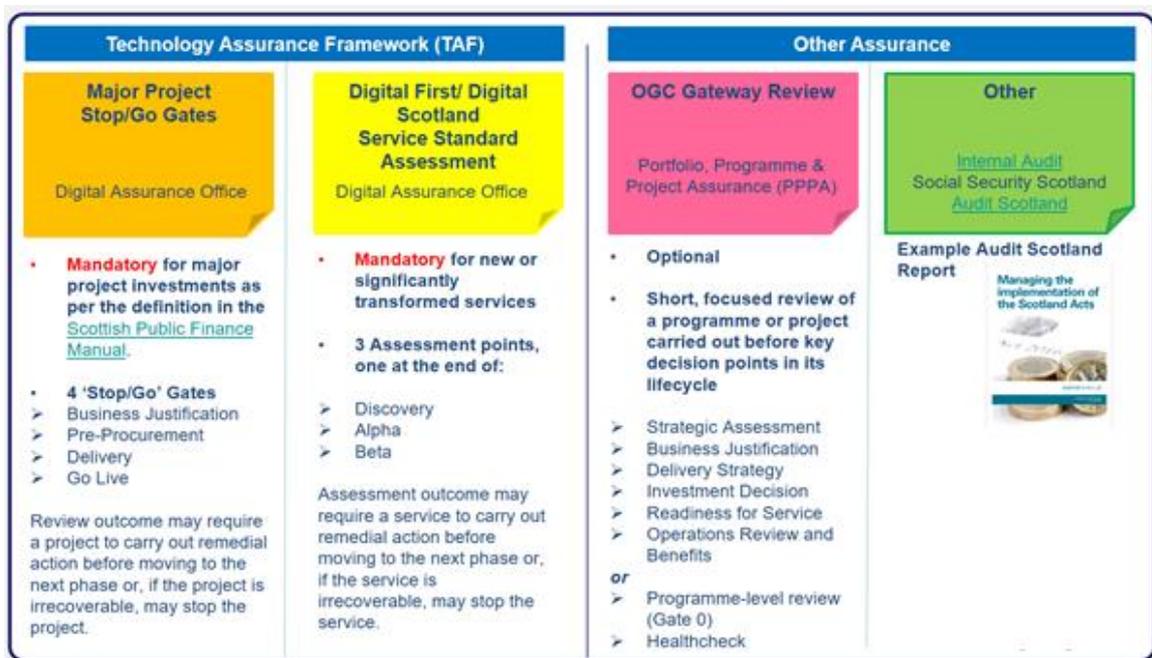
Annex A – Table of Abbreviations

ARB	Architecture Review Board
AS	Audit Scotland
BCR	Benefit Cost Ratio
BSG	Best Start Grant
BMU	Business Management Unit
CAD	Scottish Government's Communities Analysis Division
CCB	Change Control Board
CDO	Chief Digital Office
COSLA	Convention of Scottish Local Authorities
CSF	Critical Success Factors
CWP	Cold Weather Payments
DAO	Digital Assurance Office
DDaT	Digital, Data and Technology
DHPs	Discretionary Housing Payments
DLA	Disability Living Allowance
DPA	Delegated Purchasing Authority
DWP	Department for Work and Pensions
eRDM	Electronic Records and Document Management
FBC	Full Business Case
FB	Finance Board
FR	Funding Requests
HMRC	His Majesty's Revenue and Customs
HMT	HM Treasury
IAAS	Integrated Assurance and Approvals Strategy
IAR	Information Asset Register
JDPF	Joint Design and Planning Forum
JMWGW	Joint Ministerial Working Group on Welfare
LPMO	Local Programme Management Office Team
MPIP	More Powers Implementation Procurement
MSP	Managing Successful Programmes
NSET	National Strategy for Economic Transformation
NPSV	Net Present Social Value
OBC	Outline Business Case
ODoc	Overview Documents
OGC	Office of Government Commerce

PAWHP	Pension Age Winter Heating Payment
PBC	Programme Business Case
PIP	Personal Independence Payment
PI Planning	Programme Increment Planning
PMO	Social Security Programme - Programme Management Office
PMD	Programme Management & Delivery
PPPA	Portfolio, Programme & Project Assurance
SABC	Service Area Business Cases
SAFe	Scaled Agile Frameworks
CSP	Carer Support Payment
SD	Strategy Documents
SFC	Scottish Fiscal Commission
SG	Scottish Government
SLA	Service Level Agreement
SM	Supplier Management
SOC	Strategic Outline Case
SPPD	Scottish Procurement and Property Directorate
SPFM	Scottish Public Finance Manual
SRO	Senior Responsible Owner
SSD	Social Security Directorate
SSPBC	Social Security Programme Business Case
SPPPT	Sustainable Public Procurement Prioritisation Tool
TAF	Technology Assurance Framework
UC	Universal Credit
VAT	Value Added Tax

Annex B – Scottish Government's Existing Public Assistance Activities

The Scottish Welfare Fund: Since April 2013, the Scottish Welfare Fund has provided a safety net for those most in need, as of 31 March 2022, 470,000 individual households have received awards totalling £341.4 million. It is a National Grant Scheme, delivered by all 32 Local Authorities. Developed in partnership with the Convention of Scottish Local Authorities (COSLA), and in consultation with the third sector, the Fund is made possible by the Welfare Funds (Scotland) Act 2015.

This is the first substantive example of Social Security-related legislation to pass through the Scottish Parliament. At the core of the Fund is a requirement that Local Authorities ensure applicants are treated with respect and dignity. This is important not only to the day-to-day operation of the scheme, but also in setting a precedent for the type of Social Security this Government seeks to create - one which is centred on the individual.

Discretionary Housing Payments: Discretionary Housing Payments (DHPs) are the mechanism used to fully mitigate the impact of the removal of the spare room subsidy, or bedroom tax as it is commonly known in Scotland, which impacts over 91,000 households in Scotland. Since 2013 the Scottish Government has provided funding to local authorities to fully mitigate the cost of the bedroom tax with DHPs being fully devolved in 2017. Since then, this funding has risen from £47.6 million in 2017/18 to £68.1 million in 2022/23 with a total of £348.8 million being invested over this period.

DHP funding also assists with the cost of living and mitigates against the damaging impact of other UK Government welfare cuts including mitigating the benefit cap, as far as we are able within our powers, and the ongoing freeze to Local Housing Allowance rates. In 2022/23 the Scottish Government will be investing up to £20.1 million for these purposes, bringing the total invested since 2017 to £82.6 million. This is an investment in an important tool used by councils to safeguard tenancies and prevent homelessness."

Advice and Advocacy Service: In 2022-23 the Scottish Government has allocated around £12.5 million to support the provision of free income maximisation and welfare and debt advice, this includes funding for the Money Talk Team service which provides free, holistic income maximisation advice. Since the service began in 2018 it has supported almost 57,000 clients across Scotland and has helped to put just over £47 m into the pockets of those seeking advice from the service. As part of a commitment to increase advice provision in places where people already go, Ministers have also committed over £3.4 m for Welfare Advice and Health Partnerships which will be delivered in 180 GP surgeries in deprived, remote and rural communities.

The Scottish Government successfully launched the Social Security Advocacy Service in January 2022. The service is free and supports people who self-identify as disabled to access and apply for Social Security Scotland assistance. The Scottish Government has committed to investing £20.4m in the service over the next four years.

The service is independent of Scottish Government and is delivered by VoiceAbility, a charity with 40 years' experience of delivering independent advocacy services. The service is available throughout the whole of the process for seeking support from Social Security Scotland; from the point of application, through to any request for redetermination and appeals.

Food - Insecurity: In October 2021, the Scottish Government published a consultation on a draft plan to end the need for food banks as a primary response to hardship. This sets out a human rights approach to the issue, which prioritises action to prevent poverty through fair work, social security and reducing the cost of living. Where financial hardship occurs, our cash-first approach through the Scottish Welfare Fund and other discretionary support seeks to ensure that households have emergency income to choose food that meets their needs and preferences, and that they are offered income maximisation advice to help prevent future hardship. We will continue to work urgently with partners to strengthen cash-first supports so that people are able to access food with dignity and choice.

In response to the Pandemic, over £140 million was invested between March 2020 and March 2021 to support people experiencing food insecurity. This included the provision of payments, vouchers and meals during all school holidays and periods of remote learning for those eligible for free school meals on the basis of low income. This support was continued in 2021-22 and 2022-23 as part of our phased expansion of free school meals.

In March 2021, the Scottish Government announced a £20 million *Get in to Summer* programme, which provided children and young people with opportunities to socialise and reconnect over the holidays, with meals and wider support integrated where needed. Building on this success, a further £10 million was invested in a further iteration of the programme in 2022-23, linked to our Covid Recovery Strategy and school age childcare expansion commitments.

The Scottish Government announced a £41 million Winter Support Fund in October 2021, and £25 million of this was provided to local authorities as flexible funding to support wellbeing and respond to financial insecurity based on local needs. National guidance provided a strong steer in favour of cash-first approaches and the integration of money advice and holistic support services to prevent future need. Analysis of monitoring returns indicates that over 70% of reported spend supported cash-first activities.

Since 2014 the Scottish Government has provided over £18.5 million to support dignified responses to food insecurity, working with community organisations to move away from emergency food assistance as the primary response. This work has built on recommendations from the 2016 report of the Independent Working Group on Food Poverty - Dignity: Ending Hunger Together. Our £1 million a year Fair Food Fund increased to £1.5 million in 2018-19, and to £3.5 million in 2019-20. In 2019-20 - this included £2 million to drive forward action on tackling food insecurity during school holidays, supporting third sector and Local Authority activities, pilot projects and research to help inform policy development in this area.

In 2019-20, the former Fair Food Transformation Fund was brought together with four other funds to create the Investing in Communities Fund, this reflects the Scottish Government's commitment to investing in communities so that they can develop the resources and resilience to decide their own aspirations, priorities and solutions in response. Round 2 of the Investing in Communities Fund, closed for applications on Tuesday 28th June.

Independent Living Fund: Scotland has a range of progressive approaches and systems for people that require support from the state, which are increasingly characterised by principles of choice, flexibility, control and empowerment. This creates a strong platform upon which to build. The UK Government closed and disbanded the UK Independent Living Fund (ILF) on 30 June 2015 and responsibility for the Fund was devolved to Scotland. Scottish Ministers committed to a new national Scottish ILF, to safeguard the rights of some of society's most severely disabled people to live independent lives and to ensure the fund's long-term future. In setting up ILF in Scotland, the Scottish Government undertook a truly collaborative approach, developing the work with strong engagement with people with disabilities through representative organisations. The new scheme went live on 1 July 2015, with the establishment of ILF Scotland, and all 2,900 Scottish clients at that time transferred on this date. In December 2017 ILF Scotland launched the Transition Fund, a new scheme designed in collaboration with disabled peoples' organisations to support young disabled people as they transition from childhood to adulthood. Single year grants are available to enable active participation in the community and to develop independence. ILF Scotland has an annual budget of £53.3 million.

Passported Benefits: The Scottish Government controls a number of disability related and income based passported benefits, which people can qualify for if they receive one or more UK Social Security Benefits. The Scottish Government believes that the passported benefits, such as exemptions from optical and dental charges are valued by citizens and we will continue to support these, including where the passporting benefit remains reserved to the UK Government.

Annex C – Supporting Material for Developing CSFs

To facilitate the selection of appropriate and relevant CSFs for each individual project/ outcome-specific Business Case, included below are the following tables:

- Table C.1 provides the set of criteria used in Social Security Scotland Outline Business Case (OBC)[50] to compare the delivery options. Social Security Scotland OBC criteria were largely based on the Creating a Fairer Scotland paper and were adapted to facilitate the evaluation of the delivery system options. As a result, some of the outcomes stated in the priorities of the Fairer Scotland paper that only related to policy were not considered.
- Table C.2 denotes the outcomes associated with each of the criteria grouping as set by Social Security Scotland OBC, which forms the basis of the evaluation criteria.
- Table C.3 contains a summary of the Social Security Scotland Our Charter, which applies the principles in the Social Security (Scotland) Act 2018. It identifies what the principles will translate to in practice and details what the people in Scotland can expect from the Scottish Government and Social Security Scotland.
- Table C.4 integrates the set of criteria used in Social Security Scotland OBC, the practices / expectations described in the Charter and the principles noted in the Social Security (Scotland) Act 2018 to identify the collective aims of the Social Security Programme that will ultimately form the basis for formulating the CSFs for each project / outcome-specific Business Case.

---

[50] : Supporting documents - Social security agency in Scotland: outline business case - gov.scot (www.gov.scot)

Table C.1: Framework of Criteria from the Social Security Scotland OBC

Dignity and Respect

1. Flexibility, choice and communication	2. Simplicity and support alignment	3. Assessments	4. Governance and accountability	5. Organisational culture	6. Public perception of claimants
This criterion looks at the users' experience of interaction with the social security system and how well each option would allow the system to be tailored to each individual client. This includes the availability of information about entitlement that is clear and consistent, application channels that are suited to users' preferences and needs at different stages of the process, including pre-claim, processing and post-award stages.	This criterion measures the extent to which the new Scottish social security system can help people understand their entitlement to devolved benefits and how these fits into their existing interaction with the reserved social security provision and public services.	This options appraisal assumes that the assessments policy (the process by which eligibility for each of the benefits is determined) is the same under all options.	This criterion refers to the extent to which the governance of the social security system is made inclusive, accountable and responsive to change. This refers to the ease with which groups affected by the payments administered by the system could be involved in its decision-making processes, including the ease of ensuring that these groups are represented in the governance structures. It also refers to the ease and speed with which any system failures could be traced back through the system's processes and the time it takes to change these processes in response.	This refers to the ease and the likelihood of success of incorporating a specific type of culture into the system of delivery for social security in Scotland. Although this refers to the process of establishing any culture, the desired culture is currently assumed to be in line with the principles set out in Creating a Fairer Scotland, A New Future for Social Security in Scotland. More specifically these are: Principle 1: Social security is an investment in the people of Scotland and Principle 2: Respect for the dignity of individuals is at the heart of everything we do	This criterion assesses how well the options perform on changing public attitudes toward social security payment recipients.

Equality and Poverty

7. Interaction with various groups	8. Take-up	9. Income and poverty	10. Consistency and fairness
This criterion looks at how well the social security system under each option would interact with groups who have specific needs as well as equality groups.	This criterion looks at the ability of each option to increase the take up of devolved benefits, as set out in the outcomes for social security in Creating a Fairer Scotland. Take up of benefits is influenced by a number of factors, including stigma, ease of claiming, awareness of entitlement and the level of benefit. It is important to note that since this analysis is about the delivery of social security, the criterion is measuring how the take up would be influenced by the system itself, assuming that policy, such as the level of benefit paid, is the same under all options.	Although the majority of the caseload and expenditure on the devolved benefits is on non-means tested benefits, there are several reasons why different ways in which the benefits are delivered could have an impact on those on low incomes and in poverty. Each are discussed in this criterion in turn.	This criterion measures the extent to which each option can ensure that people in the same situation can achieve the same outcomes. This includes consistency of advice, support, decision making and ability to challenge decisions made.

Efficiency and Alignment

11. System efficiency and flexibility	12. Alignment with reserved benefit system	13. Alignment with local & devolved public services	14. Control	15. Transparency
This criterion comprises several components, which define the efficiency and flexibility of the social security system. These include; the speed and simplicity of processing a claim, the effectiveness of identity checking, the error and fraud prevention processes and the ability of the system to respond quickly to	This criterion looks at how easy it would be to achieve alignment with the reserved benefit system currently delivered by DWP and HMRC. Means-tested benefits, such as Jobseekers Allowance, Employment and Support Allowance and Income Support will continue to be the responsibility of DWP. Working Tax Credit and Child Tax Credits remain the responsibility of HMRC. Housing Benefit	This criterion considers several different dimensions in terms of alignment – with respect to assessments, Local Authority services and employability services devolved in the Scotland Act 2016.	This criterion refers to the level of Ministerial control over the social security system, facilitating the ability to implement policy changes quickly. Regardless of the exact set-up of Social Security Scotland structure, Ministers will play a role in setting out the remit for Social Security Scotland and it is expected that this will be an	This criterion evaluates each option in terms of how easy systems of monitoring, evaluation, reporting and parliamentary / independent scrutiny can be delivered alongside the main functions of the social security system.

challenges and changes in priorities and direction.	policy is the responsibility of DWP, but the administration of payments sits with Local Authorities. With the rollout of Universal Credit, these six main means-tested benefits, will be rolled into a single benefit and become the sole responsibility of DWP.		ongoing process where the remit is subject to change in response to evolving priorities. It is expected that any changes in administration could lead to changes in remit.

Implementability and Risk

16. Scale of change and timescales	17. IT system risks	18. Assessment system risk	19. Public perception
This criterion is related to the complexity of each option and the relative extent of change that its implementation would entail in terms of new systems and infrastructure.	This criterion is related to the likely timescales required to implement each option. The ranking of the options under this criterion aligns with the scale of change criterion 16, however there are some key differences.	This criterion refers to the likelihood that Social Security Scotland systems, such as IT, assessments and administrative systems, will fail or not deliver to specification. Failures under any option would cause significant disruption to users and reputational damage to the Scottish government.	Whilst Criterion 6 assessed which option was best placed to shift public perceptions of social security users, this criterion assesses public perceptions of the Scottish Government's delivery of a social security system. Specifically, this criterion will assess each option against the likelihood that the public view of the delivery system and its efficiency positively or otherwise, across the six options.

Economy, Society and Environment

20. Employee job satisfaction - assessments	21. Employee job satisfaction – non assessments	22. Regeneration	23. Business development	24. Third sector organisations	25. Public sector organisations	26. Resource consumption	27. Travel and transportation
The 'employee – assessments' criteria refers to the level of job satisfaction amongst employees carrying out face-to-face assessments under each option. This includes aspects such as responsibilities, caseload per employee, quality of premises, morale and engagement.	This criteria refers to the level of job satisfaction of social security system employees, excluding those that carry out face-to-face assessments as discussed in criterion 20.	This criterion refers to the potential regeneration impact under each option. Regeneration refers to the holistic process of reversing the economic, physical and social decline of places where market forces alone won't suffice. The Scottish Government's vision, as set out in the Regeneration Strategy 31, is of a Scotland where Scotland's most disadvantaged communities are supported and where all places are sustainable and promote well-being. In a strategic context, regeneration also supports sustainable economic growth though promoting cohesion (reducing the disparity between regions of Scotland) and solidarity (reducing the inequalities across all individuals).	This criterion measures the impact on employment and business activity in wider economy under each option.	This criterion refers to the extent to which demand on third sector organisations in areas such as advice, information provision and application assistance, can be mitigated under each option. Broadly, options which have the potential to reduce demand on the third sector are ranked highly.	As reflected in the consultation, there are benefits to delivering social security through existing public sector services and organisations from clients' perspectives and social security delivery. However, these benefits are captured under other criteria. Under the Public Sector Organisations criterion, the impact on organisations such as the NHS, schools, colleges and local authorities of alignment with the social security system under each option is considered. Therefore, this criteria will rank each option on the best outcome from the perspective of existing public sector organisations, which implies minimising change and disruption to existing organisations.	This criterion examines the extent to which the Scottish Government will have to procure new resources to deliver social security in terms of new capital requirements such as new premises (office space), specialist equipment, human resources and other resources required to run the social security system. Therefore, options which score strongly will require less in terms of procuring these resources.	This criteria assesses the number of travel hours (for staff and clients) and associated costs of travelling (such as carbon emissions) associated with each option at a high level. At this stage, we are using staff numbers as a proxy for the number of journeys required under each option.

Table C.2: Outcomes and their alignment with the Social Security Scotland OBC Criteria

Criteria Grouping	Outcomes	Criteria from the Social Security Scotland OBC
Dignity and respect	People applying for or in receipt of Scottish benefits are: – treated with dignity and respect – can access help and advice to claim the benefits they are entitled to – supported throughout the application assessment process – given a reasonable choice about how their benefits are administered – have positive experience of the Scottish social security system People resident in Scotland: – have an awareness of benefits and who and what they are for – view the benefit and those who receive them positively	1) Flexibility, choice and communication 2) Simplicity and support alignment 3) Assessments 4) Governance and accountability 5) Organisational culture 6) Public perception of claimants
Equality and poverty	Scottish benefits: – target the right people and seek to impact on poverty and inequality – make a positive difference to recipients – are paid to as many of those who are entitled to them as possible whilst minimising fraud and errors People in receipt of Scottish benefits and their families are enabled to have: – an increased sense of control and empowerment over their lives – an increased sense of confidence and security	7) Interaction with various groups 8) Take-up 9) Income and Poverty 10) Consistency and fairness
Efficiency and alignment	The Scottish social security system is: – administered in a swift and streamlined manner which meets the needs of recipients – accessible, user friendly and simple to access – aligned as effectively as possible with the reserved benefit system – aligned as effectively as possible with other services to help ensure recipients get the support they need Scottish benefits: – target the right people and seek to impact on poverty and inequality	11) System efficiency and flexibility 12) Alignment with reserved benefit system 13) Alignment with local and devolved public services 14) Control 15) Transparency

Criteria Grouping	Outcomes	Criteria from the Social Security Scotland OBC
	– are paid to as many of those who are entitled to them as possible whilst minimising fraud and errors People resident in Scotland: – see Scottish benefits as providing value for money	
Implementability and risk	STAG Guidance – Feasibility – a preliminary assessment of the feasibility of construction or implementation and operation (if relevant) of an option as well as any cost, timescale or deliverability risks associated – Affordability – the scale of the financing burden on the promoting authority and other possible funding organisations and the risks associated with these should be considered together with the level of risk associated with an option's on-going operating or maintenance costs – Public Acceptability – the likely public response is of importance at this initial appraisal phase and reference to supporting evidence, for example results from a consultation exercise must be provided where appropriate	16) Scale of change and timescales 17) IT system risks 18) Assessment system risk 19) Public perception
Economy, Society and Environment	People resident in Scotland: – see Scottish benefits as providing value for money Other public and third sector services: – function better and experience less pressure due to the changes to social security in Scotland Communities, local assets and housing – We are acting to catalyse local level investment including regeneration in our most disadvantaged communities, bringing empty town centre properties Business Investment – Infrastructure investment attracts business investment, stimulates economic activity and deepens access to the labour market	20) Employee job satisfaction – assessments 21) Employee job satisfaction – non assessments 22) Regeneration 23) Business development 24) Third sector organisations 25) Public sector organisations 26) Resource consumption 27) Travel and transportation

Table C.3: Summary of the Social Security Scotland Our Charter[51]
Note that the Charter's overall practices are aligned with the Social Security Scotland OBC's criteria grouping as designated by the colour. For example, the Charter's "A people's service" is grouped with the Social Security Scotland OBC's "Dignity and respect" criteria grouping.

A people's service	Processes that work
We are here to help you get everything you're entitled to.	We will design services with the people who use them.
1) be patient, kind and consider how you might feel	1) make communications, processes and systems as simple and clear as possible by testing them with the people who will use them
2) listen to you, trust you and treat you as an individual	2) recognise that your time is precious and handle your application and enquiries as quickly as we can
3) treat everyone equally, fairly and without discrimination	3) adapt processes and ways of communicating as much as we reasonably can to meet your needs and preferences, for example by providing interpreters
4) support you through your application, keeping you updated and explaining what will happen and why	4) support your wellbeing and make your contact with us as positive and stress-free as possible
5) ensure staff are knowledgeable about social security to help you get what you're entitled to	5) ensure that disabled people who need help with the application process can get independent advocacy
6) refer you to independent advice and support if you want extra help with your application or appeal. You are also entitled to ask someone that you know to support you.	6) deliver face-to-face services in local communities in places that are convenient and accessible. This includes home visits if appropriate
7) make decisions in a way that is consistent and accurate – and aim to get them right first time	7) look at your application again if you disagree with a decision. This is called a re-determination. When we do this someone different will look at it as if it was a completely new application
8) be honest, provide clear reasons for decisions and explain what to do if you disagree	8) explain how you can appeal if you still don't think the right decision has been made after a re-determination
9) pay you on time in the right amount	9) continue to pay you at the same level if you challenge a decision to reduce or stop your benefit
10) refer you to other organisations, services or forms of help where they could help improve your wellbeing or financial circumstances	10) only carry out a face-to-face assessment for disability benefits when we are not able to make a decision with information that is already available
11) tell you if we think you might be entitled to benefits not delivered by Social Security Scotland	11) ensure face-to-face assessments are carried out in a way that puts your wellbeing first
12) recruit people who care about delivering a service based on equality, respect, dignity and human rights	12) make sure that face-to-face assessments are carried out by qualified staff who understand your condition and the impact it is having on you.
13) involve people with diverse lived experiences of social security and the organisations that represent them in training staff.	

---

[51] Social Security Scotland - Our Charter

A learning system	A better future
We will encourage feedback and empower people to deliver the best service possible	We will invest in the people of Scotland—making a positive difference to all our lives.

A learning system	A better future
1. listen, learn and improve by owning up to mistakes and valuing feedback, complaints and appeal decisions	1. embed the social security principles and Our Charter in the policymaking process
2. encourage you to provide feedback, explain how you can complain and do everything we can to make things right	2. involve people with diverse lived experiences of social security in developing policy
3. involve people using the service in measuring how well it works - including the commitments in Our Charter	3. develop policy that seeks to advance equality, non-discrimination and the human right to social security as defined in laws, treaties and guidance
4. make sure staff are well trained, supported and well equipped to do their jobs	4. use social security powers to help ensure people can play a full and active part in society
5. ensure staff understand the needs of different people and the barriers they face - so that no-one experiences discrimination because of who they are	5. promote a positive view of social security, explaining it is a public service to be proud of – a human right there for all of us who need it
6. encourage staff to speak up when they feel we could provide a better service	6. publicly challenge the myths and stereotypes about social security to help reduce stigma and negativity
7. build a workforce that reflects the diversity of the people of Scotland	7. change the language on social security - introducing more positive words to describe the service and the people who use it
8. create a culture of trust by being open and transparent	8. look for ways to make eligibility rules fairer and consider creating new benefits to meet people's changing needs
9. work with other organisations to ensure services and policy are joined up to provide the best possible help and support	9. review the payment levels of Scottish benefits every year
10. encourage other organisations working in social security to adopt the approach described in Our Charter	10. increase the value of disability, employment-injury, carers and funeral expense benefits every year in line with inflation
11. base services in places that are accessible and welcoming for everyone.	11. work to improve take-up, ensuring as many people as possible get what they are entitled to, making a particular effort to reach people who are most likely to be excluded
	12. use social security powers to contribute towards tackling poverty
	13. work with other public services to support delivery of the National Outcomes. These define the Scottish Government's vision for a fairer, more prosperous Scotland
	14. allocate resources fairly and efficiently, delivering value for money in a way that puts people first
	15. develop ways of measuring how we are doing against the commitments in Our Charter.

Table C.4: Integrated Criteria of the Social Security Scotland OBC with the Charter and Social Security (Scotland) Act 2018 Principles

		Social Security (Scotland) Act 2018 – Eight Principles							
		One: social security is an investment in the people of Scotland	**Two:** social security is itself a human right and essential to the realisation of other human rights	**Three:** the delivery of social security is a public service	**Four:** respect for the dignity of individuals is to be at the heart of the Scottish social security system	**Five:** The Scottish social security system is to contribute to reducing poverty in Scotland	**Six:** The Scottish social security system is to be designed with the people of Scotland on the basis of evidence	**Seven:** opportunities are to be sought to continuously improve the Scottish social security system in ways which—(a) put the needs of those who require assistance first, and (b) advance equality and non-discrimination	**Eight:** The Scottish social security system is to be efficient and deliver value for money
Social Security Scotland Our Charter	**A people's service:** We are here to help you get everything you're entitled to.	(2) Simplicity and support alignment	(10) Consistency and fairness	(5) Organisational culture	(5) Organisational culture				
	Processes that work: We will design services with the people who use them.			(3) Assessments			(1) Flexibility, choice and communication (11) System efficiency and flexibility 16) Scale of change and timescales (17) IT system risks (18) Assessment system risk (19) Public perception	(7) Interaction with various groups	

A learning system: We will encourage feedback and empower people to deliver the best service possible								
(20) Employee job satisfaction – assessments (21) Employee job satisfaction – non assessments		(4) Governance and accountability			(4) Governance and accountability			(12) Alignment with reserved benefit system (13) Alignment with local and devolved public services (24) Third sector organisations (25) Public sector organisations
(22) Regeneration (23 Business development	(8) Take-up	(8) Take-up (14) Control	(6) Public perception of claimants	(9) Income and poverty	(14) Control			(12) Alignment with reserved benefit system (13) Alignment with local and devolved public services (15) Transparency (24) Third sector organisations (25) Public sector organisations (26) Resource consumption (27) Travel and transportation

Annex D – ONS Analysis on the Effects of Taxes and Benefits on UK Household Income: Financial Year Ending 2021

The Office of National Statistics (ONS) conducts yearly estimates of the distributional effect of taxation and of Government spending, including Social Security Benefits. The analysis set out below demonstrates at a high level the overarching Socio-Economic Case for Social Security provision, and some of the impacts that its provision has in terms of reducing inequalities.

In 2022, the ONS found that the receipt of cash benefits (including welfare benefits) reduces income inequality between the poorest and the richest 20% of people[52]. This means that overall, Social Security programmes (along with taxes and other public assistance) leads to household income being shared more equally between populations (see Figure D.1).Figure D.1: Taxes and Benefits by Household Income in the UK (2019, £)
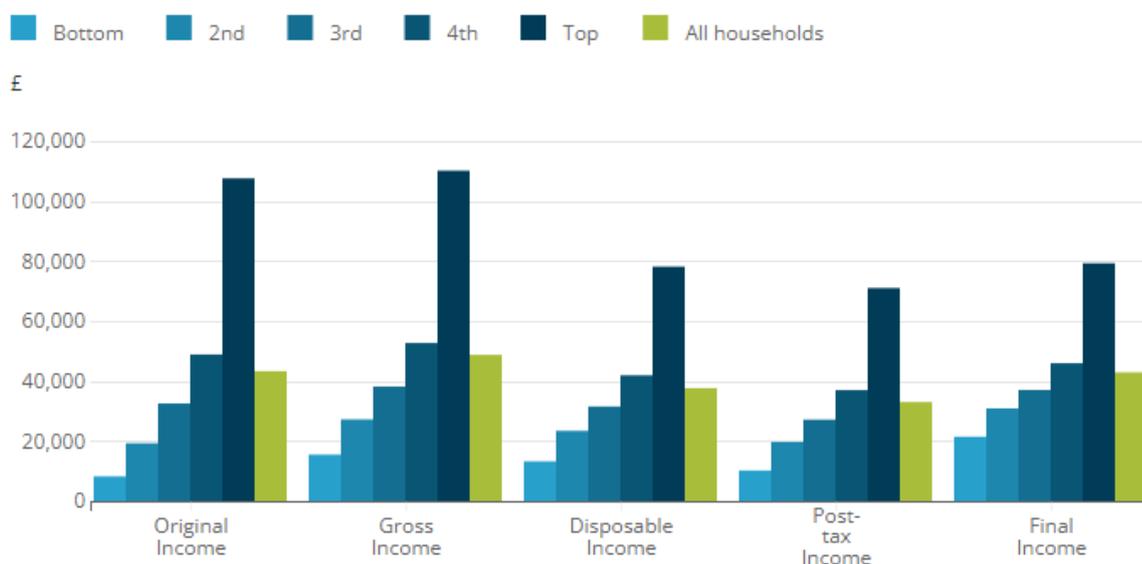
The figure above illustrates the original income and final income received from households in the UK by various income groups (eg, bottom and top earners in the UK). The final income takes into account the receipt of public assistance and payments, which increases the final income of the lower income groups (i.e., bottom, 2nd and 3rd income percentile groups) providing evidence that public assistance, like social security, has a positive effect on income redistribution.

---

[52] 1 Office of National Statistics (2022). Effects of taxes and benefits on UK household income: financial year ending 2021

Typical Outcomes Associated with Public Assistance Programmes

Figure D.2 further illustrates how taxes and public assistance reduces the income gap between high and low income groups. The figure displays the net positions, in terms of benefits received and taxes paid by households, of each income quintile group. It shows that the lowest income group (i.e., poorest households) receive large amounts of cash benefits compared to other income groups and were net recipients (i.e., public assistance received) minus taxes paid was positive. The figure also indicates that the richest income group received less public assistance and paid more in taxes, thus being considered a net contributor.

Figure D.2: Effects of Taxes and Benefits by Equivalised Household Disposable Income Quintile Groups in the UK (2021, £)
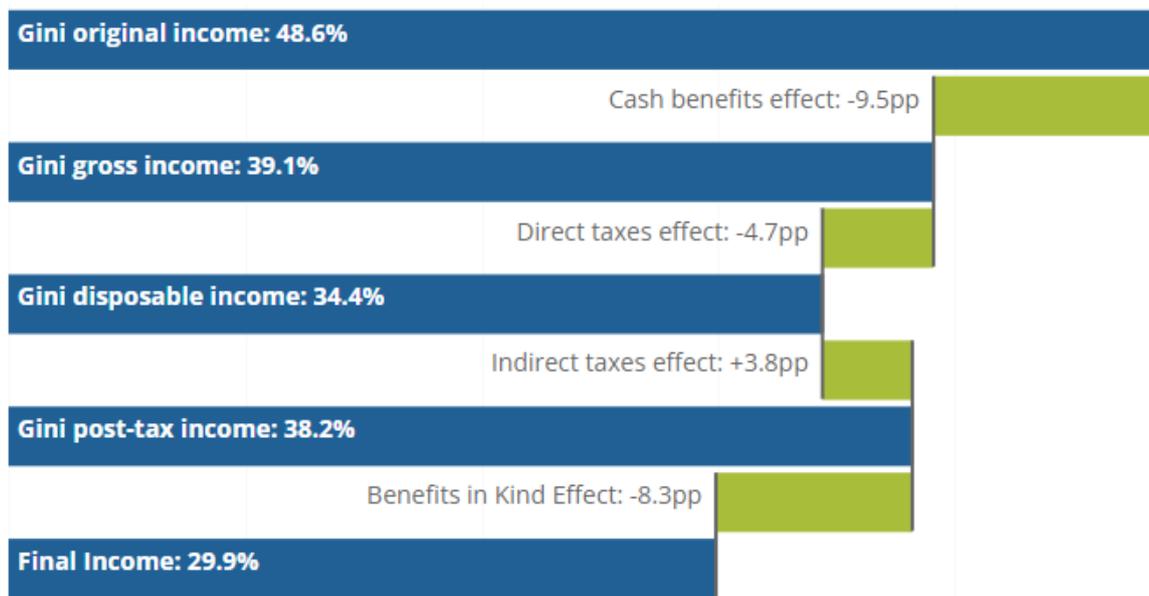

Source: ONS (2022)

In terms of measuring the impacts of Government provided benefits on the household incomes of various income groups, the figures above demonstrate that public assistance can make a difference by increasing the income of lower income groups through cash benefits and benefits in kind.

The Scottish Social Security Programme aims to create a fairer Scotland by reducing poverty and increasing overall equality. The Programme will use the devolved benefits as a form of public assistance to increase the overall income of lower income and disadvantaged groups of society. Another way to capture the impacts of public assistance is to calculate the Gini Coefficient,[53] which can be a value between 0% and 100%, with lower values indicating a more equally distributed household income across the population. Figure 2 indicates that in the UK the provision of cash benefits had the largest impact on reducing income inequality, reducing the Gini Coefficient from 49% to 30%.

Figure D.3: Impact of Taxes and Benefits on Gini Coefficient (2018) [54]

Gini original income: 48.6%
Cash benefits effect: -9.5pp
Gini gross income: 39.1%
Direct taxes effect: -4.7pp
Gini disposable income: 34.4%
Indirect taxes effect: +3.8pp
Gini post-tax income: 38.2%
Benefits in Kind Effect: -8.3pp
Final Income: 29.9%

Source: Office for National Statistics - Household Finances Survey

Source: ONS (2022)

END OF DOCUMENT

---

[53] The Gini Coefficient is a way to compare how the distribution of income in a country compares to a hypothetical scenario where everyone in the country earned the exact same income. Inequality is calculated between 0% where everyone is earning the same amount and 100%, where all the country's income is earned by a single individual.