



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Monday 3 October 2022

Session 6



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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

25th Meeting 2022, Session 6

CONVENER

*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

DEPUTY CONVENER

*Natalie Don (Renfrewshire North and West) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)
Miles Briggs (Lothian) (Con)
Foyso! Choudhury (Lothian) (Lab)
*Pam Duncan-Glancy (Glasgow) (Lab)
*Paul McLennan (East Lothian) (SNP)
*Emma Roddick (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)
Kirsty Ridd (Audit Scotland)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Monday 3 October 2022

[The Convener opened the meeting at 09:00]

Decisions on Taking Business in Private

The Convener (Elena Whitham): Good morning, and welcome to the 25th meeting in 2022 of the Social Justice and Social Security Committee, which we are running as a fully remote meeting—it feels like a long time since we have done that. I have my dog wrapped in a blanket beside me, so I hope that he stays quiet for the entire time.

We have received apologies from Miles Briggs and Foysol Choudhury. Our first item of business is a decision on taking business in private. Are we agreed to take item 5 in private?

Members *indicated agreement.*

The Convener: Our second agenda item is another decision on taking business in private. Are we agreed to discuss our work programme in private at future meetings?

Members *indicated agreement.*

Social Security Programme

09:01

The Convener: Agenda item 3 is our main item of business. On 15 September, we were due to hear from the Auditor General for Scotland about Audit Scotland's report on the implementation of the social security programme and its annual audit report on Social Security Scotland. That session was postponed, and we have rescheduled the session.

I welcome Stephen Boyle, the Auditor General for Scotland, and Kirsty Ridd, the audit manager at Audit Scotland. We will be discussing themes around transparency and accountability, agile approaches, workforce, implementation costs, the remaining work and the key risks ahead of us.

Stephen and Kirsty, please wait a few seconds for broadcasting to turn on your microphones before answering questions. I ask members to direct their questions to Stephen, who will bring in Kirsty as needed.

Jeremy Balfour (Lothian) (Con): Good morning, and thank you, both, for coming to a meeting on a Monday morning.

I have a couple of questions just to establish where we are at the moment. I think that the last contact that the audit team had with Social Security Scotland and the social security programme team before the report was published was in February of this year. Can you give us an update on what contacts you have had with them since then? Is there anything to update us on around that?

Stephen Boyle (Auditor General for Scotland): Good morning. I am delighted to be with the committee and I thank you for your question. I will start, and then I will bring in Kirsty Ridd.

As the committee knows, we published our report "Social security: Progress on implementing the devolved benefits" in the spring, and it was based on our work up to the end of February 2022. Clearly, as we set out in the report, there is an evolving picture and a fast-moving programme of activity.

I am sure that the committee will want to know a bit more detail as we progress. At a high level, our annual audit is continuing and we expect to conclude that later this month. Some of the issues that we touch on in the report around financial management and workforce planning and some of the performance information will also feature in the annual audit report.

In addition, some medium-term milestones have been reached since the publication of our report, notably around the launch of the adult disability payment. Our interest in social security is live. As ever, at the conclusion of the annual audit, the auditors and I will discuss progress and take stock of the findings, and we will factor that into our future work programme.

As is set out in the report, there is welcome progress but there is still a lot of work to do. From an audit perspective, we recognise the need to continue reporting publicly on that.

I will hand over to Kirsty now, in case there is anything that she wishes to add to what I have mentioned.

Kirsty Ridd (Audit Scotland): I have nothing significant to add. As the Auditor General mentioned, we are continuing our work on the annual audit of Social Security Scotland, with our aim being to conclude that later in the autumn. As part of that, we continue our routine engagement with Social Security Scotland and colleagues involved in the implementation programme.

Jeremy Balfour: Over the past year, there has clearly been an increase in the number of people who are employed by the agency, and costs have spiralled upwards. Are you concerned by that? Are issues relating to whether Social Security Scotland is able to keep control of its budget and have the staffing that is required being raised with the agency?

Stephen Boyle: Your signal or my signal cut out for a moment or two, but I think that your question is about the overall cost envelope under which Social Security Scotland has to operate, particularly in relation to the workforce.

Jeremy Balfour: Yes.

Stephen Boyle: I am happy to answer that. You are right that both those themes are really important. In our report, we sought to track from what is set out in the financial memorandum through to the circumstances at the end of 2021 and the beginning of 2022. We note a couple of things. The first is the scale of change in the programme and the agency in relation to workforce numbers, but we are content that workforce planning is progressing.

I should say that we have not formed an adverse judgment about the position with either the workforce or finances relative to the financial memorandum. Primarily, we set out that, when the financial memorandum was published and subject to scrutiny by Parliament, it showed what was anticipated, but matters have evolved at pace. The updated numbers reflect understanding of the implementation costs and the number of people who will be required to deliver the benefits.

In the report, we sought to make the point that there is still a lot to do. There are still financial risks for the agency and for the Government. I am sure that the committee will be familiar with the updated forecasts that the Scottish Fiscal Commission has made. When we reported, we noted that, by 2026, benefits spending was forecast to be £760 million higher than the equivalent block grant. That number was then updated to £1.3 billion by Social Security Scotland. That brings challenges relating to management and fiscal sustainability. It requires the Government to consider options and manage the opportunity costs when setting the budget, and the Parliament will need to scrutinise that.

Careful management of workforce numbers is also required. A workforce plan is in place. Kirsty Ridd might want to say a bit more about how the plan is operating and give some background as to why the situation has evolved.

Kirsty Ridd: On workforce planning, there are the two aspects that we have touched on. The first relates to staffing for the programme and the second relates to staffing for Social Security Scotland. At the time of reporting, the number of staff in Social Security Scotland that we referenced was about 1,800. More up-to-date figures have now been published. The Scottish Government most recently published workforce figures in September, which reported the position up until June 2022. At that point, about 3,000 staff were in place. That is the sort of trajectory that Social Security Scotland set out when we reported. I think that we reference a figure of about 3,500 staff by the spring of next year. That gives a sense of the progress that has been made and the scale of the increase in staffing.

In the report, we say that Social Security Scotland is developing its workforce planning, but there are inherent uncertainties about the staffing that will be required, and that situation will need to be managed as the agency introduces new benefits and adapts to how those benefits are processed once they are fully embedded.

On the programme staffing, as the Auditor General mentioned, we set a reference point based on what was in the financial memorandum, and we have provided in the report some updated figures on where things are now. We have commented on looking for on-going reporting from the Scottish Government on the overall implementation costs. The workforce would absolutely feed into what we would hope to see in the updated reporting.

Jeremy Balfour: My final question in the area is about the benefits that are being delivered. For example, we saw over the summer that there was a fairly major delay in people getting the best start grant money that they were expecting. Have you

looked at whether there are enough people working on the appropriate benefits? Have you come to a conclusion on why those delays took place over the summer?

Stephen Boyle: I am happy to start on that question. I will ask Kirsty Ridd to come in on the specifics of the best start grant and the circumstances that we are aware of.

Overall, we look at the operational effectiveness of the agency and public bodies in the discharge of their management of public funds through our annual audit process. Public bodies are accountable for that. The accountable officer of each public body is personally responsible for the effective management of their funds, and they set that out in their annual report and accounts.

We look at the overall effectiveness closely. That builds on the work that we set out in the report that is in front of the committee. We are taking stock of where we will go next as part of our own forward work programme.

Kirsty Ridd mentioned some of the detail of the scale of change in respect of people employed by the agency. We also noted that Covid has been a real factor in the pace of the roll-out and the implementation of the benefits and some of the changes in working practices in the agency. We are keeping a close eye on that as part of our forward work.

I will hand over to Kirsty Ridd, if she wants to add anything further.

Kirsty Ridd: In the audit, we did not look specifically at issues around the best start grant, which you raised, given the timing. As the Auditor General has mentioned, we will look to comment further on the performance management arrangements and what that information tells Social Security Scotland when we report on the annual audit later in the autumn.

There has been a range of issues with the significant scale of the delivery of the adult disability payment over the summer period. Social Security Scotland has been quite clear that there will be bedding-in issues around the delivery of new benefits and that that will need to balance out over time once benefits come on stream and their operation becomes more business as usual. There may be such issues, but we did not look at those issues in detail as part of the audit.

Pam Duncan-Glancy (Glasgow) (Lab): Good morning. Thank you for answering the questions so far and for the really helpful briefing that you sent in advance of the meeting.

I want to talk a little about transparency. In your report, you said that you would expect to see more detail on the updated business case. What more

detail would you look to see? How frequently would you expect costings to be published?

Stephen Boyle: Good morning. One of the key recommendations in our report is to note that

“Implementation costs have not been routinely reported on publicly”.

As I mentioned in response to Mr Balfour, we are not drawing a critical judgment per se on the scale of change in costs, given that the scale of responsibilities has changed and the roll-out of benefits has been interrupted by Covid. There were quite high-level assumptions in the original financial memorandum that have changed and evolved as the programme has been developed. However, one thing that we have not seen is the regular updating of costs. We recommend that that needs to be a much clearer feature of the implementation programme as it moves forward.

On the timing and frequency of that, it is probably for the agency, perhaps together with the committee and the Government, to take a view as to what would best suit parliamentary scrutiny and public understanding. There is a call to be made on whether it is done annually or more frequently than that. Our overall point is that, given the scale of public spending in the programme, it requires clearer and more frequent public reporting than we have seen thus far.

09:15

Pam Duncan-Glancy: I am slightly concerned about some of the concerns that the Scottish Fiscal Commission has raised about data gaps—in particular, the difference between the data that the commission has been able to collect in Scotland from Social Security Scotland and the data that was previously given through the Department for Work and Pensions. Can you comment on that? In your report, you say that it is not clear what impact the Government expects from benefits, and that, although it can report on qualitative measures, there are not so many quantitative measures of the impact. Why is that important and what do you expect to see?

Stephen Boyle: I will start, and I will bring in Kirsty Ridd on both of the points that you have raised. Unfortunately, data gaps are not a unique feature of this report. For the committee's interest, I point out that Audit Scotland regularly comments on the need for better data. The Public Audit Committee, and its predecessor, the Public Audit and Post-legislative Scrutiny Committee, have also commented on the need for better and higher-quality data to support transparency, scrutiny and more effective implementation of public spending programmes.

That is a feature with regard to social security, and we recognise the Fiscal Commission's

concerns. The issue would be concerning at any stage but, given the scale of public spending that we are talking about in the roll-out of the devolved benefits programme and given the commission's analysis of a potential £1.3 billion gap, we require high-quality data and reliable forecasts. I guess that that does not relate only to the social security programme in itself, as there are really significant fiscal consequences. We all want to see reliable forecasts and an indication of how the situation will evolve.

We have not necessarily done any detailed work on what the data gap means for the roll-out of the devolved benefits. We are keeping a close eye on the matter, but it is important for the agency and the programme to be clear about the Fiscal Commission's expectations in relation to the future roll-out of devolved benefits.

I will pause and bring in Kirsty, who can say a bit more.

Kirsty Ridd: As the Auditor General has mentioned, the Scottish Fiscal Commission has reported clearly on its concerns about the data gaps and what they mean for its work. That links to our comment in the report about thinking about systems at this stage, when they are in development and there is an opportunity to build in features from the start. Thought needs to be given to how to work with data users such as the Scottish Fiscal Commission to understand what is needed. That must be considered appropriately when choices are made about what digital systems features to build in, and consideration must be given to the implications for the future and the ability to access data from the system. We touch on that in the latter part of the report, where we talk about the need to have the information so that it can be evaluated and assessed as part of understanding the longer-term value for money and impact of the benefits that are being rolled out.

As we have done previously, we comment on the wide-ranging work that is being done by Social Security Scotland and its partners, and the people who use the system. There is a large package of work on building up the charter measurement framework and a positive approach to that. However, it is about moving beyond those qualitative measures, which are important, and balancing those with other measures that allow, as the Auditor General mentioned, a robust and routine understanding of the impact of the benefits as we move forward.

Pam Duncan-Glancy: Thank you, both, for your answers. Do you think that the data, and therefore the forecasts, are reliable?

Stephen Boyle: Given the scale of the programme and the scale of the change, it is hard to be definitive on that point.

I draw the committee's attention to exhibit 5 in our report, where we set out the scale of the change that has taken place since the financial memorandum was published in 2017. At that point, the anticipated costs over the life of the programme were £308 million; at the time of the programme business case in 2020, the costs were £651 million; and they have now risen to £685 million. The scale of the change has reduced between 2020 and 2021.

We have no reason to doubt the latest forecasts but, given the complexity of the programme and its scale—to go back to your original point—the data need to be set out clearly and be subject to public scrutiny, with appropriate regularity.

Forgive me for repeating myself, but the scale of the difference is really important, with the Fiscal Commission suggesting that spending in this area will come to £1.3 billion. The programme itself is not the only element to bear in mind, because it will influence choices that will lead to public spending across the piece and there will be an element of opportunity cost. It is, therefore, important that the data are as reliable as possible.

The Fiscal Commission might be better placed to give you a detailed answer to that question.

Paul McLennan (East Lothian) (SNP): The focus has been on systems that matter most to the client. What is the state of functionality in systems that have not been prioritised?

Following on from that, about a month ago, the Scottish Fiscal Commission spoke to us about data gaps. Do you share the concerns about that? Do you think that the systems have been designed in a way that takes account of various elements? The key thing that came out of our meeting with the Fiscal Commission was the need to produce data from the budget. How accurate was that data?

Stephen Boyle: I will try to cover as much of the issue as possible but, as ever, I will bring in Kirsty Ridd to supplement my answer.

The phrase that we used in our report in relation to the agile approach and data was "trade-offs". That is a feature of the agile project management implementation choices. Generally, we felt that that was an appropriate choice to make, given the scale of the programme for the implementation of devolved benefits.

As we set out in the report, it was deemed appropriate to focus on those components of the system that will have the most impact on the experiences of service users. Some of that is borne out well in our report, where we note that,

among service users, customer satisfaction levels are high—more than 80 per cent of those who were surveyed found it easy or very easy to use and 94 per cent say that they were treated with kindness. That mirrors the overall tenets of the approach, which involve dignity, fairness and respect.

On the other hand, there is a trade-off and, in the interests of the integrity and long-term functionality of the system, there is a need for the elements to be subject to a process that, for want of a better expression, goes back and secures them by doing the work that is needed. That will come at a cost, which will need to be factored into future budget setting and so on.

On the question about data gaps and whether they impact on the forecast, that is not something that we have seen yet, but it is important that the agency and the Government programme team are alert to what they will mean. That does not detract from the overall concerns of the Fiscal Commission about the quality of data and what that will mean for the reliability of forecasts.

There has been positive progress thus far, but a lot of work still needs to be done to conclude the successful roll-out and to ensure that the data is reliable and supports the longer-term forecasts, and that the integrity of the system can be secured for the future.

I will pause to bring Kirsty in, as I have probably missed a couple of points.

Kirsty Ridd: We comment in the report that, with the move of the chief digital officer and his team of staff from the implementation programme into Social Security Scotland, there has been a strengthening in the agency of the focus on and understanding of the technical aspects of the systems that are being developed and of the operational voice within the decision-making processes around what systems need to be developed and what aspects are prioritised or potentially traded off. There has been a strengthening of that, and we will be keen to keep an eye on how that develops and what impact that has as we do our annual audit work.

Paul McLennan: I have a supplementary on that, as I would like to get a bit more detail. We do not want to find, when we get to the next audit, that there are still issues with a data gap. What work will be done on that between now and the next audit? We know from what the Scottish Fiscal Commission said that it has had an issue with that, and we do not want it to be raised again at the next audit. How will you continue to monitor progress, especially on the data gap? The data informs the budget, and it is a particularly difficult time to track demand.

Stephen Boyle: I am happy to start. Kirsty Ridd will be able to say more about what steps we understand the agency is taking to resolve matters.

You are right: we do not want to repeat audit recommendations from one report to the next; we want them to have an impact. As you mentioned, it is not just Audit Scotland that has focused on the data gap. The Fiscal Commission has highlighted it, too. Therefore, we would expect management to focus primarily on engagement with the Fiscal Commission, so that they are clear about what information it needs to support its forecasts.

We know that the agency has good relationships with the DWP—there is routine engagement and they share services and resources. The Fiscal Commission has compared the quality of data from the DWP with the quality of data from Social Security Scotland. I do not want to oversimplify things, but given that there is a level of contentment with the DWP, we would expect it to be possible for the relationship between the two agencies to be used to better understand what the Fiscal Commission's requirements are.

My overall point is that we are keen for our work to have an impact; we do not want to have to repeat audit recommendations a number of years down the line.

Kirsty Ridd: I have nothing much to add other than to mention that we say in the report that we would like to see the early establishment of dedicated digital teams to support more routine capacity building in the system and understanding of where data might need to flow out of the system and how that can be worked into digital updates to systems, as opposed to the work that is on-going on the major benefit launches and major benefit design. We are keen to find out how that is being done and to make sure that the capacity to support that work is being maintained in Social Security Scotland.

The Convener: Pam, did you want to come back in on this theme?

Pam Duncan-Glancy: All my questions in this area have now been answered, so I am okay.

The Convener: I thought that that would be the case.

We will move on to our next theme—workforce—which Jeremy Balfour will ask about.

Jeremy Balfour: I think that we dealt with some aspects of the issue under a previous theme, so I hope that we can move on quickly.

There has always been a slightly strange relationship between the design of the system, which has been done by the Scottish Government,

and its implementation, which is being done by the new—I do not know how long we can keep calling it “new”—agency. Do you know how many people from the Scottish Government are still working on the design and the practical putting together of the scheme? If so, do you know what the cost of that is? Obviously, the agency does not carry that cost, but it is a cost that is related to social security.

09:30

Stephen Boyle: I am happy to start on that, and I will bring in Kirsty Ridd in a moment or two. At a high level, your analysis is right, Mr Balfour. There was a split between the new agency and the programme team in terms of progress. We recognise—I think that we say this in our report—that relationships, roles and responsibilities have generally worked well and have supported the overall implementation of the programme. At various points, we noted that the agency might have been more closely involved, but we have not seen that theme continue—that is not the current state of affairs.

You asked about costs and what those will mean for the future. At a high level, we have looked at the budget for indicative spending. The spending review talks about level 2 spend of around £0.4 billion, and we think that around three quarters of that relates to Social Security Scotland. As such, a significant amount of public money is being spent on the completion of the roll-out of the programme.

We note that the overall estimated cost to deliver the programme is £685 million. That figure takes us up to the end of 2025. Clearly, much of that will be staff costs. There is also some reliance on consultants, which we have reported on previously, to deliver the technical expertise, given the complexity of the system.

I will hand over to Kirsty for her to respond to your question about the work split and to add anything else that she wishes to say to supplement my response.

Kirsty Ridd: At paragraph 61 of our report, we set out the staffing levels of the implementation programme as at February 2022. At that point, there were about 650 full-time equivalent staff. The intention was for that figure to increase to about 780. From the information that was included in the previous programme business case, we anticipate that the 2022-23 period will be the peak of the programme, with things tailing off as more of the activity is delivered and the focus shifts to the on-going operation of the benefits under Social Security Scotland.

At exhibit 5, we set out the breakdown of the implementation costings. At that point, the programme was estimating that the expected

staffing costs would represent about £349 million of the total implementation costs. We expect that figure to be updated in the revised programme business case and updated estimates. The Scottish Government has indicated that it plans to publish those by the end of the year. That should give an updated position on where it sees staffing levels going and what its share of the overall implementation costs will be.

Jeremy Balfour: Thank you. That is really helpful. I have a quick follow-up question that is related to that, which is about good practice for the future. Is it acceptable to have, almost, two separate teams working on the programme? From an auditor’s perspective, would it be better practice for those who are working in the Scottish Government to plot a course so that there is only one team? I appreciate that things have worked okay, but, as the service continues, would it be better practice to have just one team dealing with Social Security Scotland, as is the case with the DWP, instead of there being two teams with almost separate identities?

Stephen Boyle: We understand the rationale for having two separate teams, given the complexity of the system development and policy development on the one side and the policy implementation through the agency on the other side. Inevitably, as the programme reaches maturity, the level of employees on the programme development side will ebb and it will become about the delivery and the implementation in the agency, with a much smaller team.

I do not have a particularly strong view on whether that was the right model or whether it should have been done entirely through the agency. Agencies elsewhere are much closer to the centre of Government than non-departmental public bodies or non-ministerial offices are, so there will always be a close relationship. From our perspective, it is the quality of the relationship that matters most. It is important that there is clarity on roles, responsibilities and relationships, and that is something that we have seen, with a couple of tweaks here and there, over the course of the programme.

I am keen to make the point that we have had really excellent engagement from the agency and the Government team in our work on benefits over many years. We have had strong engagement and a real clarity of message and understanding, which has really helped our audit approach. I hope that that is helpful.

Jeremy Balfour: It is. Thank you.

Emma Roddick (Highlands and Islands) (SNP): A lot of employers are really struggling to recruit staff, particularly for fixed-term or temporary contracts. Is it a good sign that Social Security

Scotland is managing to recruit staff at pace despite that?

Stephen Boyle: Yes. There are challenges in the employment market, as you rightly point out. Some people will want a temporary or fixed-term job as it will suit their circumstances, but for more people it is about security of employment. It is a positive sign that the agency has been able to recruit, particularly given the scale of change in the numbers who are working for the agency, so I think that that is a fair assessment.

Emma Roddick: Going back to what you said about the engagement being really good, I note that part of the reason why we can sit here and scrutinise the changes in staffing forecasts is that we have been given the figures. Do you feel that the agency has an overall commitment to transparency?

Stephen Boyle: We have had really strong engagement from both the agency and the Government team. We welcome the planned publication later in the year of future spending plans, but we think that there is a little more to do, particularly in relation to the scale of change in spending that is set out in the report. It has not been a routine feature over the course of the programme to note the change in spending profile.

As Kirsty Ridd mentioned a few minutes ago, we are also keen to see a closer connection to the Government's national performance framework as the programme moves forward, looking at a broader range of measures and bringing in more quantitative values. Up to now, the values in the assessment have been largely qualitative.

I have not had a chance to read it yet, but, this morning, the Finance and Public Administration Committee published its latest report on the national performance framework. It is important for the programme and the agency to take stock of that and to ensure that they are appropriately connected so that the outcomes are delivered. Ultimately, public money is spent to deliver outcomes; it is about people's experiences and what the significant amounts of public spending are delivering for the users of devolved benefits.

Emma Roddick: Thank you. That is really clear. I have a final question on the subject. It is worth noting that a significant portion of the changes to staffing and costs over time has been due to things such as reprioritisation within the DWP and data-sharing issues that took longer than expected for that Government to resolve. In terms of responsible spending and governance, is it therefore justified that the Scottish Government and Social Security Scotland prioritised safe case transfer for users?

Stephen Boyle: Safe case transfer is really important. Perhaps some of that is borne out by

the experience that people have had in dealing with Social Security Scotland. I mentioned to Mr McLennan the evidence of people's satisfaction levels.

There is always a connection between cost and delivery, but the scale of changes in the rolling out of the adult disability payments in August and of those to come have all had a bearing on costs, too. We have not made a critical judgment about the scale of changes to costs in the rolling out of the programme, as some might have expected us to and as we have done elsewhere when public spending has been significantly higher than was originally budgeted for. That is because of the amount of variables that were at play when the financial memorandum was published: the scale of change, the relationship with the DWP and the uptake by users. Those are all significant components that have led to the numbers that we have now. That reinforces the point about the need for regular reporting to support transparency and scrutiny going forward.

The Convener: Pam, do you have any further questions? Members and the Auditor General have helpfully discussed quite a few questions that were coming down the line, so I want to check whether you want to come back in.

Pam Duncan-Glancy: I have a specific question. My signal quality has not been 100 per cent, so you should feel free to say that the question has already been answered. Do you have any concerns about an impact on Social Security Scotland's workforce planning and on the programme on the back of the Deputy First Minister's announcement on cuts in that area?

Stephen Boyle: [*Inaudible.*]
—to manage their budget with the resources that they have. It is clear to see that there will be some real fiscal challenges for the next Scottish budget and the years beyond. That is clearly set out in the resource spending review and the medium-term financial strategy. I add to that the point that we have discussed about the Scottish Fiscal Commission's concerns about not just data quality but the divergence between the cost of Scotland-specific choices and the block grant. The SFC's forecast of £1.3 billion was published after we had completed our report.

Inevitably, that will lead to difficult choices. Those will not be limited to Social Security Scotland; they will affect all of the Scottish budget. However, such choices are for any Government to manage within the financial resources that are at its disposal. Clearly, our role is not to comment on policy choices; rather, it is to note that those choices must remain within the confines of the fiscal environment in which Scotland operates.

Pam Duncan-Glancy: The other questions that I had have already been answered.

The Convener: Before I bring in Paul McLennan, who has another question, I will pick up on something that you said, Auditor General. I take you back to the Scottish Fiscal Commission's comments on data gaps, which we have touched on. The issue is how we will understand whether policy implementation has realised the intended outcome. Our committee's concern is about the missing pieces of data. How will we know whether the policy has achieved its objective if we do not have robust data, which is what we are being told? I am sorry to bring us back to that topic, but we are quite focused on it.

Stephen Boyle: I am glad that you have mentioned that topic again, convener, because it is hugely important and it has been a feature of some of our other audit reporting. Robust data is needed not only to support the implementation of policies, but to support evaluation over the course of implementation and many years from now.

If we consider the complexity of the social security programme, it is no surprise that it will take different turns during its course. Policy makers and officials who implement policy need high-quality data in order to make that assessment. There is now an opportunity to get that right, given the Fiscal Commission's recommendations, and to get the right relationships with the DWP.

The views of service users are another key factor. It is welcome that service users are reporting that they are getting a positive experience. As I mentioned a moment ago, one of the findings in our report is on the need to have more high-quality quantitative data. There should also be a wider evaluation strategy as part of considering how the Government will assess the success of this programme of public spending. We are keen to see progress on that.

09:45

Inevitably, there are risks if that does not happen. In our work, we will want to form a value-for-money judgment in due course, and we are not yet quite able to do that. Of course, the committee will want to be satisfied about how well the programme is being implemented and to make assessments using high-quality data. I would say that there is some work to do.

Paul McLennan: I have two questions, one of which is general and one of which is kind of specific. I will start with the specific one. In the light of what remains to be done in the programme, do you have any comments on the social security administration indicative budget that is set out in the spending review?

On the more general point, what are the key risks in developing the remaining aspects of the programme?

Stephen Boyle: On the indicative budget, I think that I mentioned a figure of £400 million, but I will check with Kirsty Ridd whether I have got that right, and then I will come back in on the key risks.

Kirsty Ridd: As far as I am aware, £400 million is the figure that we are looking at—I think that the figure set out in the spending review is £401 million.

Paul McLennan: Are there any comments on whether that indicative budget is enough?

Stephen Boyle: Ultimately, it will be for the agency and the Government to decide whether it is appropriate. I said to the convener a second or two ago that it is a complex programme. To see that, we need only look at the scale of the benefits that are still to be implemented, which I might come back to in a second in answering your second question, and the number of people who are employed, which Kirsty Ridd mentioned and which is yet to peak. There are workforce challenges to be overcome, and the scale of what is yet to be delivered is significant.

For me, that is the biggest risk. As we set out in exhibit 1 in the report, there are still a number of large and complex benefits to be implemented. The agency's track record so far is strong, and it has done well in implementing benefits in Scotland. However, there is work to do, and inevitably some high-quality data will be required to assess the implementation.

It is appropriate to mention the scale of some of the fiscal risks that are relevant to the roll-out of the programme. There are expectations among service users of what will be delivered and when, which the agency will clearly have to manage. As the Fiscal Commission has clearly set out, delivering the entire programme within the confines of Scotland's budget, as it diverges further from the block grant that supports the benefits, will lead to policy choices from the Government, and all of those will have to be managed in the round.

Paul McLennan: Thank you.

The Convener: I will go back to Jeremy Balfour, who has questions on remaining work and key risks. If any other members have questions to round us off, they should please say so in the chat bar. We have covered the questions as we have gone along.

Jeremy Balfour: As you said, convener, many of my points have been covered in previous questions.

Auditor General, you talked about the risk with regard to staffing and implementation of the larger benefits. My question is very general. Are there any other things that the committee should look at and monitor in the next couple of years?

Stephen Boyle: I would just repeat the point about the fiscal risk. The staffing, the programme roll-out and the fiscal position feel like the most significant components of risk. That has been well managed thus far, but it will inevitably require further attention.

A point that we have touched on in passing—apologies to Kirsty Ridd if she has already mentioned this—is about the risk around system implementation. Being agile is the right approach, but there are trade-offs, and there will be a need for the agency to satisfy itself, its users and the Parliament that it is dealing with all the aspects of system development that have moved at a different pace from the roll-out of the programme. That will be important.

It is a risk as well as an opportunity for the Government and the agency to set out their evaluation of the impact of the implementation of the programme and whether the significant sums of public spending are delivering what was intended. We hope to see the data gaps in the strategy set out as soon as possible. I will pause there, because I am sure that Kirsty will want to make a few points.

Kirsty Ridd: I have nothing substantial to add to that. As the Auditor General said, we will be keen to keep an eye on the delivery of the digital systems as they progress, with the mindset that we are now into the large-scale day-to-day administration of benefits, which will continue over the next few years alongside the on-going implementation of new benefits. That is a change in scale for Social Security Scotland now that it is into the delivery and case transfer of adult disability payment. The ability to focus on and pay attention to both aspects of the organisation's business in its digital systems delivery will be important.

In the report, we have noted a few areas in which decisions will need to be made about long-term digital solutions. For example, the payment platform, which was highlighted in the report, and other such things will need to be delivered and given time and space alongside the on-going administration of the large-scale benefits.

Jeremy Balfour: I have one final question, which goes back to staffing. My colleague Emma Roddick pointed out that there has been a positive pick-up. Do you have any information on where those individuals are coming from? Are they local people from Dundee? There used to be the story that everyone was moving from the DWP to Social

Security Scotland—I suspect that we will never know whether that was true. Do you look at where people have come from geographically or with regard to their previous job?

Stephen Boyle: I am not sure that I have that information to hand. I can check with Kirsty as to whether she has any more detail on it. The agency will certainly closely monitor that through its workplace planning, and we will take a view on it through the annual audit. However, I am not sure whether we have the detail now. We can come back to the committee in writing if we do, but I will check with Kirsty first.

Kirsty Ridd: We do not have any detail about where employees come from, including detail on their previous employment. Alongside the workforce statistics that the Scottish Government publishes on Social Security Scotland, it publishes a breakdown of the location of staff once they are in the agency. That data on where staff are based shows the split between staffing in the Glasgow offices and the Dundee head offices. The most up-to-date data, which was published in September and reflects the position up to June 2022, shows that around 55 per cent of Social Security Scotland staff are based in Glasgow and around 33 per cent are based across the various offices in Dundee, with the remainder in various other local or regional areas. That information is published, but there is no information on where staff have come into the agency from.

Jeremy Balfour: That is helpful and it leads on to another quick question. We have had the pleasure, as a committee, of visiting the offices in Dundee on a number of occasions. It is a fairly large building. As we come out of Covid and people go back to the office, will you look at whether the Dundee building is good value for Social Security Scotland when it comes to whether it is being used and how many people are working there?

Stephen Boyle: I will start on that, and then Kirsty Ridd can comment if she wishes. The agency will need to do that. All public bodies will need to take a view on their estate in the round, whether that is to do with occupancy levels, their costs, their respective roles and responsibilities or public access to buildings.

We note from the medium-term financial strategy and the resource spending review that the Government set out in the spring that use of the public sector estate is expected to be a key feature of spending plans and associated efficiencies over the years ahead.

It is obviously the case that the presence of the programme in Dundee and Glasgow, which Kirsty rightly mentioned, was a key part of bringing opportunities and secure, well-paid jobs to those

cities. It is probably too early to tell what that will mean in terms of the delivery of services for the public or what hybrid working might yet look like. Our view is clear, though. If the estate is to be changed and used differently, that will have to be done through longer-term planning and public consultation, as is set out in the financial plans. It is something that we will keep a close eye on.

Jeremy Balfour: Thank you. I have no more questions today.

The Convener: Thank you, Auditor General. I thank you both for attending quite early on a Monday morning and helping us to facilitate this rescheduled meeting. That was very helpful. If there is anything that you need to follow up in writing, please do so. You can leave the meeting by pressing the wee red telephone button up in the corner of the screen when you are ready to do so.

Subordinate Legislation

Council Tax Reduction and Council Tax (Discounts) (Miscellaneous Amendment) (No 2) (Scotland) Regulations 2022 (SSI 2022/264)

09:56

The Convener: Agenda item 4 is consideration of a negative instrument. The background information is outlined in paper 3. The instrument was laid under the negative procedure, which means that its provisions will come into force unless the Parliament agrees to a motion to annul it. No motion to annul has been lodged. Do members have any comments on the regulations?

Members: No.

The Convener: As there are no comments, I invite the committee to agree that it does not wish to make any further recommendation in relation to the regulations.

Members *indicated agreement.*

The Convener: I will close the public part of the meeting. I invite committee members to move into private session. Members are invited to join the private meeting via the link provided.

09:57

Meeting continued in private until 10:07.

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