

Executive Summary: Social Security Business Case February 2023

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The Social Security Programme Business Case – Overview

The Scottish Government's Social Security Programme develops and implements the capability required by Social Security Scotland to deliver 16.5 million payments per year, worth £6 billion by 2024/25 to an estimated two million people.

This is the largest delivery programme and transfer of powers under devolution. Therefore, the Programme reflects the highly complex nature of social security delivery as well as the scale of work required to establish the infrastructure necessary for a brand new public service, co-designed with people who will use it and firmly based on the principles of dignity, fairness and respect. Since the Social Security Programme Business Case (PBC) was last published in February 2020, the Social Security Programme has continued to design, build and implement planned benefits, as well as incorporating new benefits and policy development, and of course managing the significant impact caused by the pandemic and lockdowns. As Audit Scotland acknowledged in May 2022: *"The Scottish Government has continued to successfully deliver new and complex social security benefits in challenging circumstances."*¹

This overview of the updated PBC details the work and actions already carried out to date, as well as laying out the next stages of work to be taken to meet the original Programme objectives, and new asks of the Programme including delivering Scottish Child Payment.

Delivery Successes

We have introduced twelve benefits, seven of which are entirely new forms of financial support available only in Scotland. From February 2023 we will begin paying people our thirteenth benefit, Winter Heating Payment.

This follows the delivery of our most complex benefits – Adult Disability Payment and Child Disability Payment – the first application-based benefits in Scotland and the first time anywhere in the UK that people have been able to apply for disability benefits online, as well as by phone, post or face-to-face.

The delays due to the pandemic did mean that additional services could be delivered early as part of the launch of both Child and Adult Disability Payment. In addition, further improvements and efficiencies to those benefits and related services will be and are being delivered.

We successfully delivered an additional benefit with Scottish Child Payment for eligible under 6s beginning in 2021 and then extended it to under 16s in 2022. This important new benefit was added into the scope of the Programme to support our national mission to tackle child poverty.

¹ [Social security: Progress on implementing the devolved benefits \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/social-security-progress-on-implementing-the-devolved-benefits)

We have also invested in automating payments so that people who are entitled to support can receive some benefits without having to apply, thereby increasing the take-up of benefits for people to receive the support they are entitled to. This includes automatically awarding Child Winter Heating Assistance and Carer's Allowance Supplement, and now awarding Best Start Grant Early Learning Payment and School Age Payment automatically to eligible families in receipt of Scottish Child Payment. Crucially, it means that we deliver a more efficient service and greater value for money.

The capacity to provide this support to people in Scotland is only possible through the careful planning we have undertaken and the supporting infrastructure we have built. This includes a case management system operated by Social Security Scotland, our delivery agency for benefits - which from a standing start now provides over 3,500 full-time equivalent public sector jobs between its Dundee headquarters and Glasgow. Underpinning its systems is new capability on knowledge management, fraud, error and debt detection and recovery, telephony, data warehousing and appointment booking.

As Audit Scotland recognised: *“Despite the challenges of the pandemic, complex new benefits – including Scottish Child Payment and Child Disability Payment – have been delivered. This is a significant achievement.”*²

Investment of £20.4m over four years has delivered a ground-breaking Independent Social Security Advocacy Service which is supporting disabled people to have their voice heard, express their views, and feel understood. The service provides free and independent advocacy for disabled people looking to apply for devolved benefits and is available from pre-application through to appeal and support at tribunals where necessary.

Social Security Scotland, which was established in 2018, offers good quality job opportunities to people from diverse backgrounds, including people with lived experience of the benefits system. It established our Local Delivery Service, which now employs 400 staff across all 32 local authorities, providing face to face help and support to clients. The economic impact of Social Security Scotland is around £290m in terms of gross value added to the Scottish economy.

Continuing benefit delivery and completing Case Transfer

The safe and secure transfer of around 700,000 disability and carer benefit cases from the Department for Work and Pensions (DWP) to Social Security Scotland is a significant undertaking, equivalent in complexity to the launching of new benefits. We are well underway with this process and have already commenced the transfer of significant numbers of clients from the DWP benefits to Social Security Scotland.

In responding to what people have told us, we have always been clear on the fundamental importance of ensuring people continue to be paid the right amount and at the right time. This is an example of positive joint working with the DWP. It also highlights the complexity of having two parallel social security systems across

² [Social security: Progress on implementing the devolved benefits \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/publications/social-security-progress-on-implementing-the-devolved-benefits)

Great Britain, making delivery of social security in Scotland more complicated than if we were setting up our system entirely independently. The re-planned timetable set out in the updated PBC has accordingly been shaped by extensive discussion with the DWP and other delivery partners.

Our fourteenth benefit, Carer Support Payment, our replacement for Carer's Allowance, will commence with a pilot at the end of 2023 followed by national launch in Spring 2024. In Autumn 2024 we plan to introduce Pension Age Disability Payment, with a pilot and phased approach to national launch in early 2025. At the end of 2024, we plan on launching Pension Age Winter Heating Assistance.

Policy work continues on our approach to Industrial Injuries Benefit (IIDB) and how any new form of Scottish assistance can best meet Scotland's future needs. A public consultation on IIDB will follow in due course.

Investing in the people of Scotland

Overall, the Scottish Government is committing to £5.7 billion in benefit expenditure in 2023-24, which is forecast to rise to £7.3 billion in 2027-28, benefitting around two million people. This is a positive choice made by the Scottish Government to use its social security powers to help low-income families and carers with their living costs and to tackle poverty, support people to heat their homes in winter, and enable disabled people to live full and independent lives. This investment is substantial and it is deliberate – both in the benefits we are paying and in the development of a system that will serve Scotland now and in the future.

In this updated Business Case, total forecast implementation costs across the Programme and Social Security Scotland are currently estimated at £715 million. This is as a direct result of having to re-plan the delivery timetable up to 2026 due to the Covid-19 pandemic. As a result of this unforeseen circumstance, an additional year has been added to the Programme vis-à-vis the published PBC in February 2020. This was necessary for both the Scottish Government and DWP to ensure sufficient time for the implementation of the remaining devolved benefits, and the safe and secure transfer of around 700,000 clients from DWP to Social Security Scotland. The extension of Scottish Child Payment to under 16s in 2022 and payment automation have also been added to the Business Case for the first time. Our forecast implementation costs for 2018-2026, when including annual running costs for Social Security Scotland as well as one-off investment, have fallen by 0.5 per cent since 2020.

Conclusion

Publication of this update is an important further milestone for the Programme, indicating a level of maturity in terms of its aims and scope. We do not underestimate the scale of the work needing to be done next – and this PBC is a professionally costed plan which will help guide as through the challenges ahead, drawing on the Programme's specialist expertise and experience to date. It remains our intention to update the Business Case with any material changes throughout the Programme's remaining delivery life-cycle between now and 2026.

Ultimately, however, this Programme's value will be felt by the people of Scotland for generations, ensuring that in delivering social security in Scotland we have created a public service that supports the people of Scotland for decades to come.



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