

Programme and Project Management Centre of Expertise



The Scottish
Government

Healthcheck Review

PROJECT: Social Security Agency Set-up

Report Status:	Final
Date/s of Review:	Section 30(b)(i)
Draft Report Issued to SRO:	Section 30(b)(i)
Final Report Issued to SRO & Copied to PPM-CoE:	Section 30(b)(i)
Delivery Confidence Assessment:	Section 30(b)(ii)
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Scottish Government's Accountable Officer:	Sarah Davidson
Organisation's Accountable Officer:	Stephen Kerr

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1. **Programme/Project Background**

Aims of the programme:

Under the Scotland Act 2016, a range of social security powers will be devolved to the Scottish Parliament.

Although the legislation sets out the areas on which certain social security benefits are paid, and where powers will be devolved to make payments in these areas, these extend beyond the Social Security Directorate (SSD) in Scottish Government (SG) and span several ministerial portfolios.

Driving force for the programme:

On 27 November 2014 the Smith Commission published a report that proposed the devolution of some welfare powers to the Scottish Parliament, to supplement the existing discretionary powers.

The Scotland Bill was published on 28 May 2015. The Bill provides for the devolution to the Scottish Parliament and Scottish Government of a range of new powers, including new tax raising powers, social security powers and powers over Scottish Parliament and local government elections in Scotland. Alongside the Bill, the UK and Scottish Government have agreed a new fiscal framework for Scotland, to support implementation.

To oversee the work on social security, a Joint Ministerial Working Group on Welfare (JMWGW) between the two Governments was established. The JMWGW provided a forum for discussion and decision-making to ensure the implementation of the welfare-related aspects of the Smith Commission Report.

Since the last IAR in November 2017 the Chief Executive of Social Security Scotland has been appointed and the Social Security Bill was successfully passed in the Scottish Parliament.

2. **Purpose of Healthcheck**

This Healthcheck Review (Review) focuses on the 'soft launch' of Scotland's new social security agency, Social Security Scotland ("the Agency"), Section 29(1)(a)

Section 30(b)(i)

The Review Team members and people interviewed are listed in **Appendix B**.

Current position regarding previous assurance reviews:

Section 30(b)(i)

Procurement/delivery status:

Two interim locations have been identified, the HQ in Dundee and a second office in Glasgow. Section 29(1)(a)

3. Healthcheck Conclusion

3.1 Section 30(b)(ii)

3.1.1 Section 30(b)(ii)

3.1.2 Section 30(b)(ii) .

3.1.3 Section 30(b)(ii)

3.1.4 Section 30(b)(ii)

3.1.5 The recommendations made in this report will further assure the successful launch of the Agency and prepare it for the higher challenges that lie ahead.

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
Amber/Green	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The Project/Programme may need re-baselining and/or overall viability re-assessed

3.2 A summary of the Report Recommendations and a definition of the CER categorisation is available at **Appendix A**. The Scottish Government is committed to learning lessons from programme and project delivery. To facilitate this the recommendations from this report have been categorised to align with the Scottish Governments Programme and Project Management (PPM) Principles. The SG's PPM Principles are listed at Appendix C. This allows the SG's PPM-CoE (Centre of Expertise) to analyse lessons across various reviews and present them in non-attributable reports.

4. **Findings & Recommendations**

4.1 **Policy and Organisational Context**

4.1.1 The Scotland Act (2016) devolves responsibility from UK Government to Scotland to deliver a range of low income and disability benefits to citizens, totalling an annual spend of circa £2.9bn. Successful implementation of these new powers is a critical priority for Scottish Government Ministers and represents a large scale and highly complex endeavour.

4.1.2 A fiscal framework has been agreed by both UK and Scottish Governments to establish the development, set up and delivery of the new devolved responsibilities. This includes a one off contribution by UK Government for implementation (circa £200m) and circa £66m per year to support administration costs. The Scottish Government has committed to meet any shortfall in funding to ensure a successful outcome.

4.1.3 The Scottish Government has established a programme of activity to develop client services (products/benefits), and to set up and launch a new Scottish Government Executive Agency (the Agency) to deliver these devolved benefits to the people of Scotland, based on underpinning values that ensure respect and dignity for all.

4.1.4 Section 29(1)(a)

4.1.5 Section 30(b)(ii)

4.1.6 Key roles have been identified in the Programme and Agency teams. Section 30(b)(ii)

4.1.7 A comprehensive Governance framework is in place to manage the development of new products and the structure and operations of the Agency. This includes the involvement of the Department for Work and Pensions (DWP) as a key stakeholder and dependency.

4.1.8 Section 29(1)(a)

4.1.9 Section 29(1)(a)

4.1.10 Section 30(b)(ii)

Section 30(b)(i)

4.2 **The Business Case: Scope and Stakeholders**

4.2.1 Section 30(b)(ii)

4.2.2 The scope of this Review is to provide assurance on the set up and launch of the Agency Summer 2018 and the first wave of benefits to be delivered (Wave 1).
Section 29(1)(a)

4.2.3 Section 30(b)(ii) The combination of benefits in this phase has been chosen specifically as they are low volume, one-off payments or individual runs, don't require assessment or reassessment and are relatively low risk. Section 30(b)(ii)

4.2.4 Section 30(b)(ii)

4.2.5 Stakeholder consultation has been a recurring theme for the programme and Agency staff. Client experience panels have been undertaken, involving circa 2,400 individuals. Section 29(1)(a)

4.2.6 Section 30(b)(i).

4.2.7 Section 30(b)(i)

Section 30(b)(i)

Section 30(b)(i)

4.3 Management of Intended Outcomes

4.3.1 The establishment of the Agency sets out a fresh approach to social security, which both aims to deliver positive outcomes for the people of Scotland and does so with dignity and respect. This Agency has been developed through the Social Security Programme.

4.3.2 The Social Security Programme seeks to deliver in the short to medium term:

- Development and launch of the new government Agency, September 2018;
- Wave 1 benefits of Carer's Allowance Supplement (CAS), from summer 2018; Best Start Grant 1 (BSG 1), by summer 2019; Best Start Grant 2 (BSG 2), by summer 2019; and Funeral Expense Assistance (FEA), by summer 2019;

Section 29(1)(a)

4.3.3 Section 30(b)(ii)

4.3.4 Section 29(1)(a) . The Programme leads the development of the infrastructure for the range of social security benefits and with the responsibility handed over to the Agency for benefits delivery. Currently the policy development is being undertaken within the Programme. Section 29(1)(a)

4.3.5 Section 30(b)(ii)

4.3.6 Section 29(1)(a) .

4.3.7 The new Agency launch will take place in September 2018 in line with the launch of the first product (CAS).

4.3.8 Core to the delivery of the Agency is:

- Establishing the brand;
- Establishing governance arrangements;
- Developing technical infrastructure to deliver the new benefits including information technology;
- Recruiting staff to a total of at least 1,900; and
- Providing accommodation for both the headquarters in Dundee and equally sized accommodation in Glasgow as well as local delivery outlets across the country.

4.3.9 Section 30(b)(ii)

4.3.10 Section 30(b)(ii)

4.3.11 Section 30(b)(ii)

4.3.12 Section 30(b)(ii)

4.3.13 Section 30(b)(ii)

4.3.14 Interim accommodation in Dundee and Glasgow is identified for staff with final numbers currently being clarified. It is understood that both locations will be available to move into in June 2018. This will provide the opportunity to test out the Agency's preferred operational model.

4.3.15 Section 30(b)(ii)

4.3.16 Section 29(1)(a)

4.3.17 Section 29(1)(a)

4.4 Risk Management

4.4.1 The Programme Risk Register identifies higher graded risks all of which are receiving appropriate attention. Section 29(1)(a)

4.4.2 The recent consideration of the Social Security Bill without significant change has lessened this risk.

4.4.3 Section 30(b)(ii)

4.4.4 Section 30(b)(ii)

4.4.5 Section 30(b)(ii)

4.4.6 Section 30(b)(i)

4.4.7 Section 30(b)(i)

Section 30(b)(i)

4.5 **Readiness for Next Phase**

4.5.1 As detailed above, the Agency Set-up Project is broadly on track and on schedule. With three months to go before the launch of CAS, substantial work is in train to ensure Day 1 is managed successfully. Section 30(b)(ii)

4.5.2 Section 30(b)(ii)

4.5.3 Section 30(b)(ii)

4.5.4 Section 30(b)(ii)

4.5.5 Both buildings in the required locations have been identified. Dundee House, Dundee is at the fit-out stage. 220 High Street, Glasgow is in the final stages of clarifying lease arrangements, with completion imminent. Section 30(b)(ii)

4.5.6 A number of key activities need completion before Day 1, specifically:
Section 30(b)(ii)

4.5.7 Section 30(b)(ii)

4.5.8 Section 30(b)(ii)

4.5.9 Section 30(b)(ii)

Section 30(b)(i)

5. **Next Healthcheck/Gateway Review**

5.1 Section 30(b)(i)

6. **Distribution of the Healthcheck Report**

6.1 The contents of this report are confidential to the SRO and their representative/s. It is for the SRO to consider when and to whom they wish to make the report (or part thereof) available, and whether they would wish to be consulted before recipients of the report share its contents (or part thereof) with others.

6.2 The Healthcheck Team Members will not retain copies of the report nor discuss its content or conclusions with others.

6.3 A copy of the report is lodged with the Scottish Government's Programme and Project Management Centre of Expertise (PPM-CoE) so that it can identify and share the generic lessons learned from Healthchecks/Gateway Reviews.

6.4 The PPM-CoE will copy a summary of the report recommendations to the organisation's Accountable Officer (and to the appropriate Accountable Officer within the Scottish Government where the review has been conducted on behalf of one of the Scottish Government's Agencies or NDPBs).

6.5 The PPM-CoE will provide a copy of the report to Healthcheck/Gateway Review Team Members involved in any subsequent review as part of the preparatory documentation needed for Planning Meetings.

6.6 Any other request for copies of the Healthcheck Report will be directed to the SRO.

Appendix A - Summary of Recommendations

Ref No.	Report Section	Recommendation	Status (C.E.R.)	Aligns with SG PPM Principle No.(s)
R1	Section 30(b)(i)	Section 30(b)(i)	Section 30(b)(ii)	1
R2	Section 30(b)(i)	Section 30(b)(i)	Section 30(b)(ii)	4
R3	Section 30(b)(i)	Section 30(b)(i)	Section 30(b)(ii)	4
R4	Section 30(b)(i)	Section 30(b)(i)	Section 30(b)(ii)	6
R5	Section 30(b)(i)	Section 30(b)(i)	Section 30(b)(ii)	7

Each recommendation has been given a Critical, Essential or Recommended status. The definition of each status is as follows:

CRITICAL - Critical for immediate action, i.e. to achieve success the project should take action immediately to address the following recommendations:

ESSENTIAL - Critical before next Healthcheck/Review, i.e. the project should go forward with actions on the following recommendations to be carried out before the next Healthcheck/Gateway Review of the project:

RECOMMENDED - Potential Improvements, i.e. the project is on target to succeed but may benefit from uptake of the following recommendations.

Each recommendation has been aligned with one (or more) of the Scottish Government's PPM Principles (Appendix C lists the principles)

Appendix B - Review Team and Interviewees

Review Team:

Healthcheck Team Leader:	Section 38(1)(b)
Healthcheck Team Member(s):	Section 38(1)(b)
	Section 38(1)(b)

List of Interviewees:

Name	Organisation/Role
David Wallace	Chief Executive, Social Security Agency Implementation
Section 38(1)(b)	Head of Local Delivery (Social Security Agency Implementation)
Section 38(1)(b)	Non-Executive Board Member (Chief Executive, Revenue Scotland)
Section 38(1)(b)	Social Security Service Design Manager, Social Security Programme
Section 38(1)(b)	Service Manager for Carers, Disabilities and Universal Credit (Scottish Choices), Social Security Programme
Section 38(1)(b)	Head of Corporate Services (Social Security Agency Implementation)
Section 38(1)(b)	Service Manager for Local Delivery and Operational Support, Social Security Programme
Section 38(1)(b)	Head of Governance (Social Security Agency Implementation)
Section 38(1)(b)	Digital Operations Manager, Chief Digital Office
Section 38(1)(b)	Head of Operations (Social Security Agency Implementation)
Section 38(1)(b)	Operational Finance Lead (Social Security Agency Implementation)
Section 38(1)(b)	Chief Surveyor (Scottish Procurement and Commercial Directorate)
Section 38(1)(b)	Non-Executive Board Member

Appendix C - Scottish Government - Programme and Project Management Principles

1. *Governance.*

- Our approach to managing programmes and projects is proportionate, effective and consistent with recognised good practice.

2. *Business case.*

- We secure a mandate for our work; identify, record and evaluate our objectives and options for meeting them; and ensure that we secure and maintain management commitment to our selected approach.

3. *Roles and responsibilities.*

- We assign clear roles and responsibilities to appropriately skilled and experienced people and ensure their levels of delegated authority are clearly defined.

4. *Benefits.*

- We record the benefits we seek, draw up a plan to deliver them and evaluate our success.

5. *Risk.*

- We identify, understand, record and manage risks that could affect the delivery of benefits.

6. *Planning.*

- We develop a plan showing when our objectives will be met and the steps towards achieving them, including appropriate assurance and review activities, and re-plan as necessary.

7. *Resource management.*

- We identify the financial and other resources, inside and outside the organisation, required to meet our objectives.

8. *Stakeholders.*

- We identify those affected by our work and engage them throughout the process from planning to delivery.

9. *Closure.*

- We ensure that the transition to business as usual maximises benefits and that operational delivery is efficient and effective.

10. *Lessons learned.*

- We record lessons from our programmes and projects and share them with others so they may learn from our experience.