

INDEPENDENT ASSURANCE

PROGRAMME: Social Security Programme

**Gateway Review 0
(Strategic Assessment - Wave 1 delivery and Wave 2 planning)**

Report Status:	Final
Date/s of Review	14.11.17 to 16.11.17
Senior Responsible Owner (SRO):	Stephen Kerr
Draft report issued to SRO	16.11.17
Final report issued to SRO and copied to PPM-CoE:	21.11.17
Delivery Confidence Assessment (DCA):	[redacted under s30(b)(i)]
Accountable Officer:	Sarah Davidson
Scottish Government's (SG) Portfolio Accountable Officer:	Sarah Davidson

This report is an evidence-based snapshot of the programme's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

Gateway Review Conclusion

<u>Delivery Confidence Assessment:</u>	[redacted under s30(b)(i)]
<p>The Review Team finds that the Social Security Programme (the Programme) is very well led and managed. Managers and staff are energised and motivated to deliver what is a transformational programme to deliver far-reaching changes in social policy in Scotland.</p> <p>The Programme has benefitted from major restructuring following the lessons learned during the discovery Programme. The most important steps taken include: a revised governance structure; enhanced capability (especially at senior management level); the introduction of best practice risk management; detailed planning with dependencies and key milestones clearly defined; and strong financial control. The Review Team note three areas of best practice, namely:</p> <ol style="list-style-type: none">1. Governance structures and processes that give appropriate weight to the strategic importance of the Programme;2. Risk management processes and treatment where accountability is clearly defined and monitored; and3. Considered integration and management of ‘waterfall’ and AGILE project methodologies to ensure flexibility where needed and control where essential. <p>Looking forward, the Programme is designing and delivering a range of Low Income benefits in Wave 1 and, at the same time, creating an Agency to manage the future delivery of all the social security benefits to be devolved. The Review Team assesses this phase of the Programme to be [redacted under s30(b)(i)].</p> <p>Wave 2 will involve a substantial increase in work activity in a relatively compressed timeframe. There is still further work to do to complete plans for Wave 2, hence the above Delivery Confidence Assessment (DCA) of [redacted under s30(b)(i)] for the Programme. We note that this work is in hand and will be completed by the end of 2017. [redacted under s30(b)(i)]. This situation drives a DCA of [redacted under s30(b)(i)]. However, we only have two recommendations to make at this stage.</p> <p>The Programme DCA (and the supplementary DCA for Wave 1) is predicated on the satisfactory implementation of the two recommendations in the report and the existing programme momentum being maintained as additional products and services are designed and delivered.</p>	

The Delivery Confidence Assessment RAG status should use the definitions below.

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
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 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 establish whether resolution is feasible.
Red	Successful delivery of the programme appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme/project may need re-baselining and/or overall viability re-assessed.

Summary of Report Recommendations

A summary of the report recommendations are as follows :-

Ref. No.	Report Section	Recommendation	Status (C.E.R.)	Aligns with SG PPM Principle No
1.	3	Develop a Benefits Realisation Plan to demonstrate how Programme Outcomes will be delivered.	Essential	4
2.	6	Review the frequency of Board (Including PB) meetings to ensure timely decision-making and adequate coverage of the business agenda.	Essential by the following PB meeting in the New Year	1

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

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme should take action immediately.

Essential (Do By) – To increase the likelihood of a successful outcome the programme should take action in the near future.

Recommended – The programme should benefit from the uptake of this recommendation.

Each recommendation has been aligned with one of the SG's PPM Principles.

Annex A lists the principles.

ACTION PLAN - You must within three weeks of the final report provide your intended actions for addressing each recommendation. You should then share it with the relevant SG's Accountable Officer and copy it to the SG's Programme and Project Management Centre of Expertise (PPM-CoE). Thereafter, you are responsible for implementing the actions in response to the recommendations. If the review has identified serious deficiencies or difficulties (including probable failure to meet the planned budget) within the project the Accountable Officer should inform the relevant Minister/s.

Purpose of the Gateway Review

Annex B gives the full purposes statement for a Gateway Review 0.

Acknowledgement

The Review Team would like to thank the SRO, the Social Security Programme Team and all interviewees for their support and candour, which contributed to the Review Team's understanding of the programme and the outcome of this review.

Annex C lists the people who were interviewed during the review.

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 Act 2016 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 Act, the UK and Scottish Government have agreed a fiscal framework, to support implementation and administration.

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

The Social Security Programme was established in January 2017 when its Board met for the first time. This Programme succeeds a previous discovery Programme that underwent two Gateway 0 assurance reviews.

Procurement/delivery status:

A Procurement Wave Plan is in place. The latest procurement is for the Low Income Benefits requirement, let to IBM in October 2017 for two years at a cost of £8.28m.

Current position regarding assurance reviews:

This is the first Gateway Review 0: Strategic Assessment of the Programme that has been undertaken since the new Social Security Programme was established in January 2017. Two Gateway 0 Reviews were carried out on the previous discovery Programme that took place on 30/09/15 to 02/10/15 and 02/03/16 to 04/03/16.

Review Team findings and recommendations

1. Policy and business context

The Social Security Bill was introduced to Parliament on 20 June 2017, and is currently going through the Parliamentary process. The Act will follow through on the recommendations of the Smith Commission and will see a range of new responsibilities, including tax raising powers and social security powers, devolved to the Scottish Government.

The legislation is supported by a fiscal framework that outlines the funding arrangements to support the new devolved responsibilities. The fiscal framework provides for a transfer from the UK government to the Scottish Government of a one-off £200m to support implementation of the new powers and a recurring £66m per annum to support administration costs. Social Security is expected to be the largest draw on these transfers. There is a financial memorandum that supports the Bill within which describes estimated implementation costs of £308m for Social Security. The Scottish Government will meet any shortfall between funding required for Social Security and funding available through the fiscal framework.

To support the transfer of responsibilities from UK Government (in the form of DWP) to the Scottish Government a Joint Ministerial Working Group on Welfare has been established supported by a Joint Senior Officials Group. The membership and terms of reference for these groups is well defined. These arrangements provide a forum for discussion and decision making to ensure the implementation of the Smith Commission recommendations.

The transition from the old discovery programme to the new Programme launched in January 2017 has been truly transformational. There has been a considerable focus on the governance and programme management arrangements. A new chair has been appointed for the Programme Board (PB) chaired by the Director General, Organisational Development and Operations and new PB members have been brought in including new non-executives and stakeholders. Supporting the PB a new Programme Delivery Board (PDB) has been set up and a new Programme Director appointed. Other new appointments have been made to lead key areas of activity. The new programme structure while still bedding in is clearly defined and capacity across the Programme overall has increased to meet demands.

The ethos of the Programme is the safe and secure delivery of the new devolved benefits as part of a wider Scottish Government programme of change and transformation of public services with the customer at the heart. This is clearly evident in the philosophy espoused by those leading and working in the Programme. There is a clear ambition and enthusiasm to deliver the best for Scotland while taking a pragmatic approach to programme delivery by adopting the best of the AGILE and 'waterfall' approaches in what is a large and complex programme.

The management of risk is a good example of the improved approach the PDB is taking to gain ownership of key risks and expose the Programme Board to regular deep dives into high-level risks. The risk awareness within the Programme appears high, and the risk management process coupled with the lessons learnt process is highly commended. This is discussed further in Section 4.

No recommendations

2. Business case and stakeholders

The Programme Business Case (PBC) (August 2017) utilises the 5 case model and acts as an 'umbrella' business case. It is noted that the PBC does not follow the SOC-OBC-FBC process due to its complexity. The PBC is supported by a number of project level business cases; the Agency Outline Business Case being an example.

The AOBC was approved in April 2017, and includes a comprehensive options appraisal for the location of the agency against a number of criteria. This is amongst the best examples of such work which the RT has encountered. As a result the necessary approvals have now been given to the location of the main Agency offices in Dundee and Glasgow, and together with the appointment of the Chief Executive and core management team, the Agency is now able to plan more effectively for the full establishment of the Agency and operational duties.

The Programme is clearly scoped with key deliverables identified within appropriate timelines, and outcomes and outline benefits clearly stated. This is supported by the appointment of a Measurable Improvements Manager and dedicated analytical support. Production of a Benefits Realisation Plan is a key next step as this will support the detailed planning work for Wave 2.

The Programme is supported by a strong change control process with a dedicated Change Control Board (CCB) and a strong financial control processes also in place.

Communications with external stakeholders appear sound (over 2,400 contacts made with potential users) and there are good working relationships with DWP at both policy and operational level.

No Recommendations

3. Management of intended outcomes

The PBC describes a compelling and persuasive case for change in the social security benefits landscape.

The PBC identifies four desired outcomes, namely:

- Dignity and Respect Outcomes;
- Equality and Poverty Outcomes;
- Efficiency and Alignment Outcomes; and
- Economic, Society and Environment Outcomes.

These outcomes are initially enabled by the delivery of twelve social security benefits, namely:

Attendance Allowance
Carers Allowance
Young Carer's Grant
Disability Living Allowance
Personal Independence Payment
Industrial Injuries Disablement Allowance
Severe Disablement Allowance
Winter Fuel Payment
Cold Weather Payment
Funeral Expense Assistance
Best Start Grant
Discretionary Housing Payment

The Programme will need to show how the intended outcomes will be achieved through the delivery of existing social security benefits and those that follow.

There is a need to select baseline data in each of the desired outcome areas and over time measure changes in that data to:

- a) Identify what progress is being made in each area;
- b) To enable the Agency to decide what additional benefits should be introduced or adjustments made to existing benefits; and
- c) Assess the future financial impact of the Programme.

Throughout the review the RT noted a high level of confidence from stakeholders that the stated outcomes will be achieved over time.

The RT are aware that some key policy areas still need development to inform the detailed planning of Wave 2. This will also require close partnership working with DWP for the design and delivery of benefits. The RT is aware that the Programme is considering introducing a Joint Design and Delivery Authority with DWP. This will need to be integrated into the Programme governance map.

Recommendation 1: Develop a Benefits Realisation Plan to demonstrate how Programme Outcomes will be delivered. Essential

4. Risk Management

The Programme has a best practice approach to risk management. The treatment of risks is a major feature of discussions at every level in the governance chain. Accountability for risk is clearly assigned.

The Risk Register is a living document with the PB regularly reviewing risk and periodically focusing on the top ten risks undertaking a 'deep dive' assessment on a selection of 3.

The PB records decisions and actions, with a robust follow through to completion and/or closure. The Risk Manager monitors risks at all levels and ensures actions are followed through.

A Risk Trend Analysis is undertaken to further understand the effectiveness of risk treatment and programme exposure.

The PB is provided with a Dashboard, which includes risk, as part of each briefing.

The Programme Director chairs a regular Risk Review Board (RRB), which is the first major level of risk governance. The RRB provides risk reports/updates to the Board, as appropriate.

The PDB also focuses on risks and escalates key risks to the RRB and PB when necessary.

The Programme undertakes regular Lesson Learned sessions with up to 25 projects reviewed for their lessons. There is substantial evidence that lessons are being learned and applied to the Programme.

The Programme would gain additional benefit for risk management by introducing and documenting a contingency planning process as part of the forward planning activity.

The Programme relies on a number of key, specialist consultants. Consideration needs to be given to succession planning to ensure key capability cover. Although some shadowing is taking place, for example, risk management and Agile coaching, this needs to spread to all key capabilities.

No recommendations

5. Review of current outcomes

This Programme has undertaken a number of substantial enabling actions, based on the assurance reviews of the previous discovery Programme, that have transformed the programme landscape and environment. These include but are not limited to:

- A comprehensive review of the seven Assurance Review Recommendations;
- Identifying six additional report comments (implied recommendations); and
- Building and implementing an action plan to address all points.

The detailed action plan and current status can be seen at ANNEX D.

The Review Team commends this approach and considers it meets best practice principles.

It is evident from this review that the Programme has benefitted from:

- **[redacted under s30(b)(i)];**
- A re-assessment of Board working including briefings, dashboard, the recording and follow through of actions, focusing on risk management and training board members;
- The introduction of a strong command and control structure – including change control and financial control processes;
- The recruitment of ‘top flight’ skilled and experienced management and specialist staff;
- Establishing robust programme-wide PPM disciplines for both ‘waterfall’ and AGILE methodologies; and
- Ensuring the pace of the Programme is maintained to achieve required schedules and milestones.

Of particular note is that those involved in programme delivery are very aware of the need to use ‘waterfall’ and AGILE project methodologies appropriately. The RT believes that this ensures a low risk and cost effective approach to overall project management. This intelligent use of multiple methodologies is unusual and to be highly commended.

The Programme is also aware that the use of AGILE is dependent on clear definition of a Minimum Viable Product (MVP) and judicial management control of SPRINTS.

No recommendations

6. Readiness for next phase – delivery of outcomes

The Social Security Programme is a key political imperative of the Scottish Government. It is seen as the largest change programme in Scotland since devolution. It is clearly a high Ministerial priority and benefits from a prioritisation of resources, along with a substantial level of oversight and support.

The RT has seen the initial plans for future work to deliver Wave 2. The volume of work is substantial and not without major financial and reputational risk. Additional pressures include the establishment of an Executive Agency, with suitable accommodation of a substantial number of employees, and the need to deliver all this in a relatively short timeframe.

A number of strategies are being adopted to de-risk the delivery of the required number of benefits in that timeframe, including the ‘re-use before buy before build approach’.

The Programme has decided to adopt a process of “Re-use before buy before build” strategy that will ensure low risk delivery along with cost effective solutions. An example of this is the decision to procure a proven case management system – Social Program Management (SPM) (which supports the delivery of certain benefits by the UK Government and a number of government administrations overseas) rather than build its own. This choice will also ensure compatibility with DWP systems, including CPS interfaces (it is understood that SG will reuse DWP interface code where it can). The RT highly commends the decision of reuse. This offers SG a low risk and relatively quick and cost effective way of delivering social benefits in the compressed timeframe. However, at an appropriate point consideration will need to be given to the longer-term future sustainability of this approach.

A Pre-procurement Assurance review was undertaken in June 2017 and assesses as **[redacted under s30(b)(i)]**. A Procurement Wave Plan is in place. The latest procurement is for the Low Income Benefits requirement, let to IBM in October 2017 for two years at a cost of £8.28m. The Procurement function is well managed and has effective links with key areas of the Programme.

The governance and management structures have recently been refined to enable more delegation of decisions to the right level. The Programme would benefit from regular reviews of these structures as volume of work and the need for rapid decisions increases to meet the schedule for benefits product releases.

Recommendation 2: Review the frequency of Board (Including PB) meetings to ensure timely decision-making and adequate coverage of the business agenda. Essential by the following PB meeting in the New Year

Work on defining the requirements, resourcing levels and milestone plan for Wave 2 is underway. There is a realisation that Wave 2 will create considerable new work, putting the Programme under additional pressure as it moves to deliver multiple benefits products and services in a constrained timescale. There is a strong belief that the Programme and its staff will effectively rise to that challenge. The RT would expect all the component parts of Wave 2 (policy, capability, design, implementation plan) to be brought together quickly in order to provide the necessary long-term assurance for the successful implementation of this part of the Programme.

Previous Gateway Review Recommendations

A summary of recommendations, progress and status from the Gateway Review of the previous Programme can be found at **Annex D**. The Review Team commends the robust approach taken in implementing the recommendations.

Next Independent Assurance Review

The next Gateway 0 – Strategic Assessment could be taken mid-2018, immediately after the Agency ‘soft launch’ & before the Best Start Grant Launch. This would complement the range of other assurance activity that is being undertaken by the Programme. Equally it could be taken on or around the first anniversary of this Assessment once Wave 1 has been launched.

Distribution of the Gateway Review Report

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.

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

A copy of the report is lodged with the PPM-CoE so that it can identify and share the generic lessons from Independent Assurance Reviews. The PPM-CoE will copy a summary of the report recommendations to the SG’s Accountable Officer, and where appropriate, to the Organisation’s Accountable Officer where the review has been conducted on behalf of one of the SG’s Agencies, NDPBs or Health Sector organisations.

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

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

ANNEX A

Scottish Government - Programme and Project Management Principles

1. Approach

- 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. Stakeholder Management

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

9. Transition

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

10. Lessons

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

ANNEX B

Gateway Review 0 Strategic Assessment is a programme-only Review that sets the programme in the wider policy or corporate context. This Review investigates the direction and planned outcomes of the programme, together with the progress of its constituent projects.

It can be applied to any type of programme, including policy and organisational change. The Review is repeated throughout the life of the programme from start-up to closure; an early Gateway Review 0 is particularly valuable in that it helps to confirm that the way forward is achievable, before plans have been finalised.

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the overall strategy of the organisation and its senior management
- Ensure that the programme is supported by key stakeholders
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (for example to any existing projects in the programme's portfolio)
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised
- After the initial Review, check progress against plans and the expected achievement of outcomes
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external
- Evaluation of actions taken to implement recommendations made in any earlier assessment of deliverability.

ANNEX C

Review Team:

[redacted under s38(1)(b)]	Review Team Leader
[redacted under s38(1)(b)]	Review Team Member

List of Interviewees:

The following stakeholders were interviewed during the review:

Name	Organisation/Role
Stephen Kerr	Programme SRO, Social Security Director
[redacted under s38(1)(b)]	Programme Manager
Lisa Baron-Broadhurst	Programme Director
[redacted under s38(1)(b)]	Service Design Manager
[redacted under s38(1)(b)]	Planning Manager
[redacted under s38(1)(b)]	Risk and Opportunities Manager
[redacted under s38(1)(b)]	Professional Services Manager
Ann McVie	Deputy Director Policy
[redacted under s38(1)(b)]	Head of Finance
Andy McClintock	Chief Digital Officer
[redacted under s38(1)(b)]	Programme Delivery Lead
[redacted under s38(1)(b)]	Senior Procurement Portfolio Manager
David Wallace	Chief Executive Agency
[redacted under s38(1)(b)]	Non-Executive Director
[redacted under s38(1)(b)]	DWP Work & Health programme

ANNEX D

**Progress against previous Gateway Review (02/03/16 to 04/03/16)
recommendations:**

Ref No.	Recommendation	Progress/Status
R1 4.1.9	Set up a development programme for the Board including one or more residential Away-Days to reinforce understanding of roles and responsibilities and build a team.	
R2 4.2.7	Develop an Outline Business Case for the Programme.	
R3 4.2.7	Establish an overall Programme Plan with key milestones, deadlines and dependencies to enable effective management and control.	
R4 4.2.7	Scope Tranche 2 to define deliverables, timeframes and ownership to ensure progress can be monitored, reviewed and managed.	
R5 4.2.13	Deliver detailed action plans to support stakeholder engagement and communications.	
R6 4.3.2	Create a benefits realisation plan and monitoring and evaluation framework to track and measure improvements and inform the Programme Business Case.	
R7 4.4.2	Conduct a series of workshops with programme board members, project managers and other stakeholders, to identify risks and ensure that the risks considered most serious are appropriately reflected in the RAID.	

The following six points were **not** formal recommendations, but text from the main body of the report. This Review Team commends this approach and considers it meets best practice principles.

R8 4.1.8	The governance of the Programme is being reviewed, and we welcome the suggestion that the Director General for Communities should in future chair the Programme Board, giving the Programme greater senior visibility and influence.	
R9 4.6.3	An early decision needs to be taken on IT strategy and the extent to which external procurement is required. This is a major risk to the deliverability of the Programme and is likely to be an extensive activity and will need considerable forward planning.	
R10 4.6.6	Reviewing the induction of new staff by including a Social Security element, that ensures staff are aligned to the necessary ways of working within the Programme.	
R11 4.6.6	Adopting Board Briefings that specify the purpose of the paper and actions required by the Board. This will enable Members to prioritise their work and attention as necessary.	
R12 4.6.6	Establishing a Delivery Group, comprising project managers, that meet regularly to share experiences, update each other on progress made and ensure coordination and uniformity of approach – where that adds value	
R13 4.6.6	Adopting tighter disciplines regarding Board Actions, including unique action identifiers, specified deadlines and individual, accountable, owners of actions	