

Mydex CIC would like to thank the Social Security Committee and the Chair for the opportunity to respond to the questions, and to provide evidence.

1. The Bill aims to provide a framework for the creation of the Scottish social security system. In addition the Scottish Government has chosen to put most of the rules about the new benefits in Regulations. It believes that putting the rules in Regulations will make things clearer and less confusing. Parliament cannot change Regulations, only approve or reject them. The Scottish Government intends to develop Regulations with external help.

## Q. Do you have any views on this approach?

This Bill is a real opportunity - it is the most significant Bill to come to the Scottish Parliament since 1999. 1.5 million citizens will be directly impacted, and the design and delivery of the new Scottish Social Security System (SSSS) will affect every walk of life across Scotland. Devolution and implementation of new powers, and Brexit, will dominate this Scottish Parliament.

How Scotland works with its citizens will define Scotland's image as a modern, progressive, fair society and economy. The new SSSS project is a significant opportunity to rebuild the contract between the citizen, third sector and the public services of the State. It is a project that could also facilitate and enable a distinct [Scottish Approach](#) which academics in Scotland describe is [emergent](#).

Regulations are not a sufficient method. The external help contracted by the Scottish Government to date has all been from the private sector, and under a veil of procurement and contractual secrecy with proprietary private organisations (see below). What is needed for such a significant project must be transparent, subject to open dialogue in Holyrood and elsewhere with citizens, carers, families and the third sector. Only then will citizens have trust and confidence in the Scottish Government's approach.

This new SSSS will define the digital future of Scotland, and the way citizens live for generations. We believe the Bill by Regulation is a flawed approach.

A Bill by Regulation is very high risk as the Scottish Parliament and Scottish Government do not have a good track record in turning legislative policies into delivery and making ICT projects succeed for citizens and Scotland. Projects such as Self Directed Support; integration of Health and Care; CAP Farmers Payments; Police Scotland — these have all been managed in an old-world, traditional ICT Procurement with a private sector approach, and these methods have largely failed to deliver. See [The Herald article](#).

The external help, Governance and Accountability needs to come from citizens, carers and third sector organisations. This is very complex — as the Scottish Government [says](#), *"Transferring the [devolved benefits](#) to Scotland requires a large programme of transition, of a scale unseen since devolution."*

2. The Bill proposes that the Scottish social security system will be based on the following seven principles:

- Social security is an investment in the people of Scotland.
- Social security is a human right. It is essential to accessing other human rights.
- Respect for the dignity of individuals is at the heart of the Scottish social security system.
- The Scottish Government has a role in making sure that people are given the social security assistance they are eligible for.
- The Scottish social security system will be designed with the people of Scotland, and based on evidence.
- The Scottish social security system should always be trying to improve. Any changes should put the needs of those who require social security first.
- The Scottish social security system is efficient and delivers value for money.

**Q. What are your views on these principles and this approach? Please explain the reason for your answer.**

The principles as stated are a start, but fall short for a few key reasons.

They have no legislative or statutory effects and therefore exists as such no promise of their enforcement or implementation. Principles on their own lack any substance, and are merely words until followed up with actions to build trust.

Social Security is a key potential component in eradicating poverty. If done right, it will help citizens prove entitlements, prove identity, improve their lives, improve equality and universal access. It will save money, deliver an efficient, cost effective, agile, adaptable and scalable core part of Scottish Government digital public services for the next generation and beyond.

In its current form, there is no distinctive, new Scottish approach expressed to empower citizens. This **person-centred approach**, [as recommended by the Welfare Reform Committee in December 2015](#) (quotation below), is missing or has been omitted for reasons that are unclear.

*14. The other major principle which we advise the Scottish Government to adopt is to make the new system **person-centred**. The current social security system often appears to be designed for bureaucratic convenience. The fact that a whole advocacy industry has grown up to support claimants through the process is an indication of how the system is not currently person-centred. Ultimately we would like to see a system where the need for advocacy and support disappears for the vast majority of claimants.*

**Q. Are there other principles you would like to see included?**

We feel there are four vital principles that are missing. They are vital to the success of Scotland as a thought-leader and standout example of digital innovation around welfare

and social security:

**Person-centred services** — certified proofs of information are given back to the citizen for them to re-use and prove things about their lives when accessing government services. Citizens manage consent they have given for access to data. This reduces friction, delays and effort in applying for and deriving benefits from services they qualify for. This also enables available benefits to be signaled to citizens who would otherwise be unaware of these or find it difficult to apply for them.

**Component-based architecture** — a simpler, scalable, adaptable and resilient component-based architecture that will be sustainable in the longer term using open source components and solutions available on, for example, the G-Cloud Framework. This flexibility enables organic growth and offers the capacity to deal with Scottish Government, DWP and local rules, entitlements and changes.

**Transparency** — building trust and confidence between citizens, organisations and the public services. Using closed procurement methods and closed proprietary ICT systems that shut down options does not engender this. The Scottish Government must facilitate a culture and behaviours that are genuinely transparent and accountable. It is an opportunity for civil servants and Ministers to earn the trust of citizens, Scottish Parliament and third sector organisations.

**Accountability** — Citizens and the Third Sector should form part of the Project Board for the new Scottish Social Security System. The Scottish Government must respect these groups by empowering them to make decisions and hold the civil service accountable for design and delivery of a person-centred, transparent, new Scottish Social Security System.

### **Practical but vital reasons behind these recommendations:**

The new Agency for Social Security in Scotland should not be designing a new system that is in any way constrained to align with a DWP system that was developed in the 1970s. When the UK's existing DWP systems were created in the 1970s, they were built on expensive mainframes because the demands of the system were at a scale that was far bigger than most demands outside of the public sector.

**In terms of the scale of the data, users and frequency of use, this system is no longer a big project in computing terms.** It doesn't require complex and expensive hardware or database systems. **It will contain many parts that are common to many systems:** parts that are often available as open-source technologies with no licensing costs despite being the **tried and tested building blocks of some of the world's largest company's systems including the banking industry.**

**When systems, departments and authorities are required to communicate data between each other, then they can do so without having to handle data internally that requires the alignment previously compulsory in the early DWP systems.** This

is the core advantage of a person-centred approach: the individual—as the point of integration for their personal data—can provide certified proofs about themselves to any government service or authority, without these services needing to transfer personal data between each other. **This lowers risk, ensures compliance with regulation such as the new GDPR or its equivalent and allows present and future development of services to be less costly** as a result of not having to overhaul an entire, centralised system to make small updates.

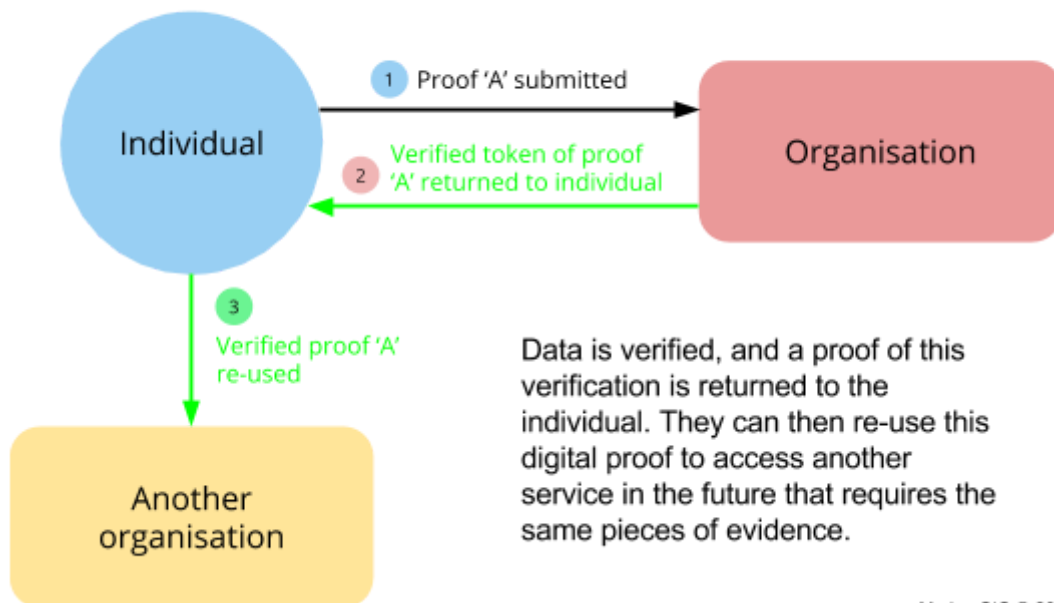
If the systems are built to internally align then they will be designed so that changes to one system will require changes to the other. This will introduce complexity at the technology level but it will also introduce all sorts of levels of inter-agency bureaucracy at a management level.

As Scotland now seeks to build a new Social Security System, it can lay the foundations for the whole country and **simulate and demonstrate the relations with UK and EU by adopting a person-centred, transparent approach** to design and delivery.

### Examples of person-centred data flow:

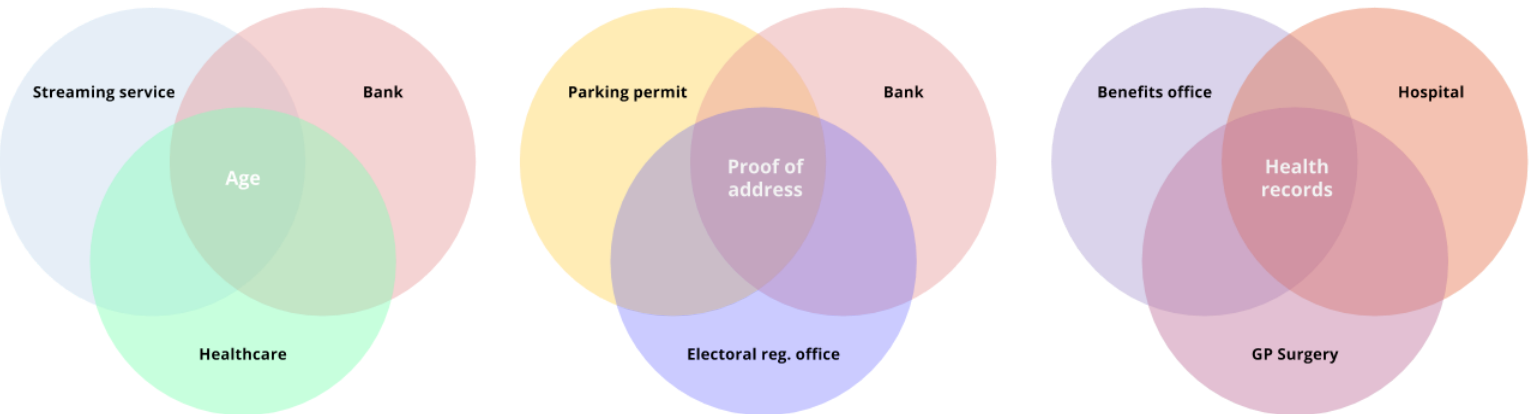
As we depict in our [recent white paper](#), the benefits of the citizen being able to re-use certified proofs are straightforward:

### The 'multiple use' model



And in government, many of the proofs needed to authenticate or provide services to citizens overlap:

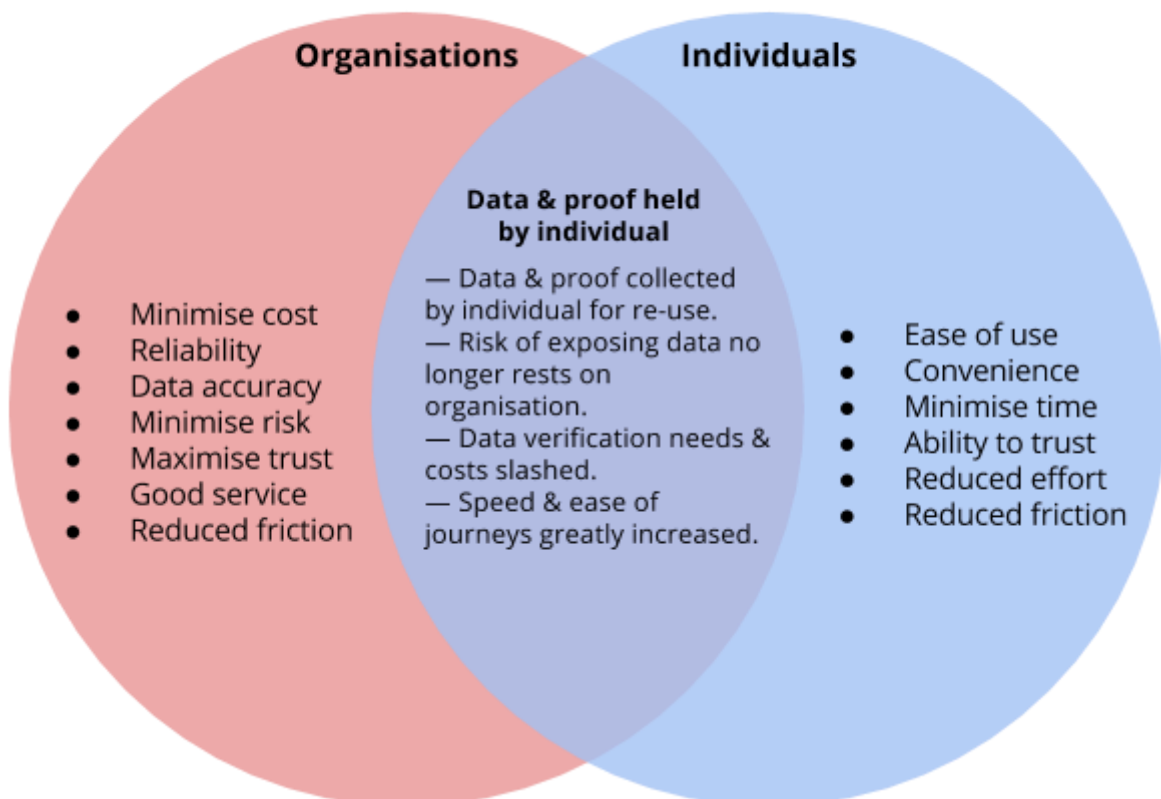
## Examples of overlapping proofs



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Indeed, motivations for a person-centred approach are also shared between government organisations and individuals:

## Overlapping motivators



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## Learning from the past:

**Sarah Davidson, Director General** recognised the risks of the new SSSS in [an interview](#) in November 2016, when she suggested that the Farmers CAP Futures Project near £200 million overspend could repeat itself:

*“Anyone you speak to in social security says that the last thing they want to do is to become the next CAP Futures programme, so there is a real sense that lessons are being learned and embedded in that.”*

The new Scottish Social Security System is currently following exactly the same path as the [much-criticised Farmers CAP Futures](#), and Police Scotland ICT projects. These ICT projects have seen Scottish Government overspend by nearly £ 250 million according to [The Herald articles](#) and [Audit Scotland](#). The new Scottish Social Security System is repeating these mistakes by currently being a series of closed, framework procurements that prevent genuine co-production ; with [private equity](#) and [private sector](#) companies leading the design and strategy ; and without genuine democratic dialogue, decision making, accountability or governance.

3. The Bill proposes that there will be a publicly available social security ‘charter’. This will say how the Scottish Government will put the seven principles above into practice. It will also say what is expected from people claiming benefits. A report on the charter will be produced by the Scottish Government each year.

**Q. Do you agree with the idea of the charter? Please explain the reason for your answer.**

Yes, but there are risks. The risks with a charter such as this it it has no legal force, and will not therefore necessarily serve the needs of citizens, families, carers or Third Sector organisations. It would be better for all the participants to work together and design the person-centred approach, principles and rules of the new SSSS.

[Mydex CIC has a charter](#) at its core but we have enshrined that charter into the [Mydex Trust Framework](#) that is at the heart of our digital public services trust platform—this means the charter is legally and technologically enforceable, and not a manifesto without accountability. This charter would need to ensure that the new SSSS achieves the same accountability.

**Q. Is there anything specific you would like to see in this charter?**

We recommend the Social Security Committee review the forthcoming [MyData Declaration](#), the [ten FairData principles](#) and the [Mydex Charter](#) to get a sense of how personal data and empowerment of citizens can be designed, and systems architecture can be correctly shaped for Scotland and a person-centred ecosystem and economy.

4. The Bill proposes rules for social security which say:

- how decisions are made and when they can be changed
- how to apply and what information people have to provide
- how decisions can be challenged
- when overpayments must be repaid
- what criminal offences will be created relating to benefits.

## Q. Do you have any comments on these rules?

They are very short on detail. All the Operations of the new SSSS should be based on **the principles suggested in section 2**. It should be very simple for the citizens of Scotland to interact with the services.

The [Digital Strategy for Scotland](#) contains some of the answers to problems that, if addressed well, can create great opportunities for Scotland:

The vision is of a country which:

*Shares and opens up non-personal data as a source of innovation and efficiency  
(page 4)*

By adhering to the concept of modular, shared components and person-centred data flow, Scotland can benefit from the spin-off opportunities that are the at the heart of initiatives like CivTech and which enable collaboration with the Third Sector and citizens to the benefit of us all:

*The open sharing of digital capabilities between our agencies will allow an ever-increasing number of businesses to benefit from the support they offer. (page 11)*

In order for the systems to adapt to change, they need to be broken down into small parts that can be built in an agile way that reduces risk:

*Our digital first standard and the widespread use of value chain mapping will allow us to identify commodity services that can be procured from the market and those which require innovative digital solutions where a more agile approach is needed in order to minimise risk. (page 19)*

By reducing the size of these parts and reducing the need for alignment between them, we can open the door to the vast majority of the IT sector in Scotland.

### **Risk reduction for innovation:**

As mentioned above in section 2, a person-centred approach reduces and removes the highly contentious pressures for public organisations to share personal data between

themselves. As well as solving a political problem, this genuinely opens the doors to better services and sustainable economic growth.

*Summary of actions ... Engage with the public to build an understanding of how their data is being used for the public benefit, and of the arrangements in place to guarantee the security of their data (page 6)*

We recommend to spread the risk in such a way as described above. This will enable Scotland to begin to innovate around a person-centred approach to public services that can design equality and social justice for the citizens of Scotland in the new Social Security System and beyond.

5. The Scottish Government will take over responsibility for some current benefits. The Bill does not explain how they will work in detail. This will be set out in Regulations at a later date. The current benefits which will be run by the Scottish Government are:

- disability assistance (including disability living allowance, personal independence payment, attendance allowance and severe disablement allowance)
- carer's allowance
- winter fuel payments
- industrial injuries disablement benefit
- cold weather payments
- funeral payments
- sure start maternity grants

## Q. What are your thoughts on the schedules in the bill in regard to these benefits?

More consideration needs to be given to how a citizen would share their proofs of claim, entitlement and information with third parties in order to receive these benefits, e.g.

- carers,
- those potentially holding lasting guardianship / powers of attorney and
- those acting as their agents in support of making such claims e.g. third sector and support workers across Scotland.

This sharing and service delivery would be far more easily enabled using a person-centred data sharing architecture described above ( a Scottish approach ).

6. The Bill proposes that a new type of short-term assistance will be introduced. This will be for someone who is challenging a decision to stop or reduce a Scottish benefit.

## Q. What are your views on this proposal?

No comment.

7. The Bill includes the power for the Scottish Government to be able to top up



'reserved' benefits (ones controlled by the UK Government), but does not say how these will be used. The Scottish Government also has the power to create new benefits. This is not included in the bill.

## Q. Do you agree with these proposals?

Yes, as this degree of flexibility will enable a Scottish system to plan for changes. But it will be essential for the Scottish Government to take a person-centred approach to their implementation, as described above, or they will not work in practice.

The old processes, as described in section 2, are very complex, and very expensive. To have an effective approach for a new Scottish Social Security System, it is critical to enable citizens' data to flow between departments and authorities without regulatory or technological barriers presented by the previous and currently proposed systems. This design structure would allow for interoperability between UK systems, Scottish systems, EU systems and local systems, whilst being less expensive and more sustainable.

8. The Bill proposes that carer's allowance should be increased as soon as possible to the level of jobseeker's allowance (from £62.10 to £73.10 a week).

## Q. What are your thoughts on this proposal?

No comment.

9. The Bill proposes that discretionary housing payments continue as they are. They will still be paid by local authorities. The Bill does not require any local authority to have a discretionary housing payments scheme but if they do, they must follow Scottish Government guidance on running it.

## Q. Do you agree that discretionary housing payments should continue largely as they are?

We believe it is essential that proof of entitlement to these benefits should be portable (as described and depicted in section 2) so that citizens may use this as evidence in other transactions across a variety of services.

## Q. Do you have any other views on the proposals for discretionary housing payments?

See above previous question

## 10. Q. Is there anything else you want to tell us about this Bill?

In designing the new SSSS, this Bill is a significant opportunity to create a new Scotland. It could define and enable Scotland's values, principles and behaviours that build trust and relationships between citizens and organisations. This Bill does not create trust and confidence in its current form.

Mydex CIC has made core recommendations to restore trust and confidence. At the heart of this is:

- An approach to the design of the Scottish Social Security Service that is person-centred, distributed, secure, flexible and allowing the flow of data to empower citizens to benefit. This also makes present and future development of Social Security, Health & Care integration and other services beyond 2017 easier, lower risk, and more effective. It is a national asset for the people of Scotland.
- Transparency and accountability in the process of procurement and implementation to rebuild trust, allow collaboration between the stakeholders who will use the Service, and avoid costly past mistakes being repeated.

This Bill and the new Scottish Social Security System is critical for Scotland's citizens, third sector, public services and business and our successful, digital future as a person centred ecosystem and economy.

The person centred approach also applies to the delivery of other public services in Scotland, Scotland's fiscal changes, GDPR and preparing for Brexit, and the further devolution of powers to Scotland as well as the new Scottish Social Security System.