



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Public Audit Committee

**Wednesday 1 October 2025**

**Session 6**



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## **PUBLIC AUDIT COMMITTEE** **26<sup>th</sup> Meeting 2025, Session 6**

### **CONVENER**

\*Richard Leonard (Central Scotland) (Lab)

### **DEPUTY CONVENER**

Jamie Greene (West Scotland) (LD)

### **COMMITTEE MEMBERS**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

\*Joe FitzPatrick (Dundee City West) (SNP)

\*Graham Simpson (Central Scotland) (Reform)

\*attended

### **THE FOLLOWING ALSO PARTICIPATED:**

Stephen Boyle (Auditor General for Scotland)

Erin McGinley (Audit Scotland)

Richard Robinson (Audit Scotland)

### **CLERK TO THE COMMITTEE**

Katrina Venters

### **LOCATION**

The Sir Alexander Fleming Room (CR3)



# Scottish Parliament

## Public Audit Committee

Wednesday 1 October 2025

*[The Convener opened the meeting at 09:30]*

### Decision on Taking Business in Private

**The Convener (Richard Leonard):** Good morning. I welcome everyone to the 26th meeting in 2025 of the Public Audit Committee. The first item for the committee to consider is whether to take agenda items 3 and 4 in private. Are we agreed to take those items in private?

**Members** indicated agreement.

### “Adult Disability Payment”

**The Convener:** Agenda item 2 is consideration of the Auditor General for Scotland’s report, “Adult Disability Payment”. I am very pleased to welcome to the committee the Auditor General, Stephen Boyle. Alongside him are Richard Robinson, who is a senior manager at Audit Scotland, and Erin McGinley, who is a senior auditor at Audit Scotland. We have some questions on the report to put to you, but, before we get to those, I invite the Auditor General to make a short opening statement.

**Stephen Boyle (Auditor General for Scotland):** Many thanks, convener, and good morning to the committee. I am presenting my report on the Scottish Government’s approach to delivering the adult disability payment. The adult disability payment is now the largest of all benefits in Scotland, and it replaced what remains the United Kingdom equivalent, which is the personal independence payment.

In previous evidence to the committee, I highlighted that the Scottish Government has made progress on delivering new and complex social security benefits, but I also noted that the scale of activity was expected to increase substantially, especially with the roll-out of the adult disability payment.

Nearly half a million people in Scotland now receive the adult disability payment. Early feedback from Social Security Scotland’s clients is broadly positive and governance arrangements supporting the transition have been well developed. The Scottish Government and its agency have taken a different approach to the delivery of the adult disability payment compared with that of the personal independence payment: the approach is focused on the culture and ethos of dignity, fairness and respect. In particular, the application and subsequent review processes are less onerous on the agency’s clients than the equivalent under PIP. Efforts to increase the take-up of adult disability benefits compared with that in other parts of the UK have been noted, too.

That approach also leads to increased costs. A relatively higher proportion of the working-age population in Scotland is applying for the adult disability payment and relatively fewer people are leaving what is known as the case load through a change of circumstances or review processes. In 2023-24, the spend on the adult disability payment was £141 million more than the equivalent funding received. The latest Scottish Fiscal Commission forecasts are that that gap could grow to £770 million by 2029-30. That situation would contribute to a wider funding gap, which is forecast to be £2 billion for devolved social security spending over

that period. That is a significant financial challenge into the medium term.

That leads me to my final point. The Scottish Government has not yet set out a detailed strategy for managing the funding gap or for assessing the impact of the adult disability payment and the wider outcomes for disabled people to which it contributes. Performance data remains largely limited and based on general client experiences, which can make it more difficult to evaluate aspects of the different approaches in Scotland—such as their effectiveness and value for money—compared with those elsewhere in the UK.

As ever, my report makes recommendations. It recommends that the Scottish Government enhances its performance reporting, collects better data on client satisfaction and cost effectiveness and publishes a disability strategy next year, which should primarily show how the adult disability payment is working alongside other measures to support disabled people in Scotland.

As ever, Richard Robinson, Erin McGinley and I will do our utmost to answer the committee's questions.

**The Convener:** Thank you very much indeed. I am quite sure that we will get to the funding gap during the course of the next hour or so, but I will begin with some of the first principles. In exhibit 1 in the report, you reflect on the founding principles of the social security system as defined by the Social Security (Scotland) Act 2018, which spoke about social security as being about making an investment in people, the dignity of people, about it being a public service, a method of reducing poverty and so on.

To what extent have the eight substantial and important underpinning principles that are set out in the act been followed by the Government?

**Stephen Boyle:** There are clear examples of where those principles have directly contributed to the roll-out and implementation of the adult disability payment. That is borne out by evidence, because the feedback that the Government and the agency have received from their clients is largely positive. My colleagues can keep me right on the percentage, but about three quarters of people talk about having positive experiences of either transferring from PIP to ADP or of being a new applicant. However, the application of some of the principles is harder to measure. Part 3 of the report talks about the use of data and what comes next.

Before I bring in my colleagues to develop those points, I will say that the purpose of the adult disability payment—as with the personal independence payment—is to support people with the cost of living with a disability. It is absolutely clear in the legislation that that is the intention

regarding the payment. Having said that, as I said in my opening remarks, we do not know what that means with regard to a strategy. Are there wider outcomes that are intended to be achieved?

We reference data in the report. Data and analysis need to be better in order to make a more rounded assessment of whether all the principles can be met and, more widely, whether success and value for money can be demonstrated. We know that the Department for Work and Pensions is starting to make more inroads into collecting a wider suite of data. The question is whether there are options for the Scottish Government and its agency to do likewise. However, we are seeing progress.

We assess that this has been a successful project. The adult disability payment has been implemented in Scotland, half a million people are now in receipt of the benefit and people are largely satisfied. Yes, there are financial risks to be managed in the future, but the question is about the wider suite of data and evidence that the Scottish Government and its agency want in order to make an assessment of the principles and to manage the impact of those risks, together with considerations of value for money, into the future.

If you are content, convener, I will pass to Richard Robinson to say a word or two.

**Richard Robinson (Audit Scotland):** I will just add briefly that, as we say in part 1 of the report, co-design, including with disabled people's organisations, was built into the approach. It is encouraging to see that the survey responses and feedback that were received are in line with the principles that the Government and Social Security Scotland set out—that is what they were trying to seek feedback on.

Applying the principles is an on-going process as opposed to something that gets done and finished. In particular, to look at the seventh and eighth principles, which are to constantly seek opportunities to improve and to seek "value for money", some of our recommendations relate to what might help Social Security Scotland and the Scottish Government to better understand what is making a difference to people. The recommendations might also help them to understand how that relates to costs and the broader strategy for disabled people in Scotland.

**The Convener:** You mentioned the DWP increasing its data collection, or improving the quality of its data. To what extent is there an interdependency between Social Security Scotland and the DWP? For example, in the context of income tax, there have been extensive evidence sessions at this committee about the contract on revenue collection with His Majesty's Revenue and Customs on behalf of the Scottish

Government and the data that it gets out of that arrangement. Is there something equivalent going on in this case, or is Social Security Scotland very much standing alone in charge of the devolved benefits?

**Stephen Boyle:** I will bring in Richard Robinson, who might be able to say a bit more about where we are on the timeline. The process was always intended to be one of movement from one provider to another.

This is not to caveat my earlier comment, but the project has delivered as intended, albeit the timescale got slightly interrupted. In previous evidence sessions we have said that Covid inevitably had a disruptive impact on the roll-out of benefits and case transfer.

Richard Robinson can say a bit more about this but, as you might expect from us, in our role as public auditors, we carefully consider fraud and error risks. We note in our report that that is an area where things are still lagging when it comes to Social Security Scotland's ability to inform its review process. We recognise that the approach was deliberately made less onerous, and that Social Security Scotland is still going through a process, through legislation and the Parliament, so as to equip it with all the levers that are available to meet its responsibilities. How it might use them is of course up to it.

The process has been largely successful, but I will bring in Richard to set out a bit more detail.

**Richard Robinson:** I might also bring in Erin McGinley for any further details. As we set out in our report, a programme has been set up where the Scottish Government and Social Security Scotland have been working together to complete the case-transfer work. That is due to finish in May 2026. Although the eligibility criteria are the same, the process is obviously different, and we highlight some of the differences. There is a difference in statistics, which makes comparisons between how the DWP is doing and how Social Security Scotland is doing in certain situations less granular.

In part 3 of the report, we highlight where there are potential opportunities to think about how the DWP uses information on its end-to-end client journeys and its family surveys to link disability information across to other things such as pathways into employment.

I wonder whether Erin McGinley has anything to add.

**Erin McGinley (Audit Scotland):** As the Auditor General said, the timeline for implementing devolved benefits in Scotland was delayed slightly by Covid, but it is all still on track in the revised timeline. Social Security Scotland currently

delivers 15 benefits, and three more are in the process of being handed over, so there is still some joint responsibility with the DWP for those.

The adult disability payment is now Social Security Scotland's. The case-transfer process has been completed as of September 2025. As part of that, almost 350,000 cases have been transferred from the DWP system to the Social Security Scotland system, and that was done with a high level of satisfaction for the clients who went through.

There is an interrelation between some benefits, which is called passporting. We do not go into that in the report, but there will have to be continuing communication between the two agencies on that.

**Stephen Boyle:** I can give some context on scale, if that is helpful. The most recently audited figures go to the end of March 2024. The Scottish Government spent £5.3 billion on social security costs; £2.6 billion of that was on a combination of the adult disability payment and the personal independence payment. The next largest of the 15 or so devolved benefits was the Scottish child payment, at £463 million, and then there is a range of other benefits. For me, that illustrates the scale of the payments. The adult disability payment was always going to be the largest of the devolved benefits, and that is primarily why we wanted to examine it and give the committee and the Parliament an audit view.

**The Convener:** Erin, I think you said that the transfer has now been completed, so 347,000 people have transferred across. Over and above that, some people have now applied to Social Security Scotland directly for the adult disability payment, so the total number is around 500,000.

**Stephen Boyle:** Yes—I think it is just under that number. The next set of figures will be released this month, so we will have a clearer picture very soon as to how that number might level out or what trend and trajectory there will be.

09:45

**The Convener:** You mentioned fraud and error risk, and the committee has considered the extent of that in previous evidence sessions. I suppose that, potentially, there is a tension between a draconian anti-fraud approach that comes down tough and a system that is designed on the principles of dignity and giving people a helping hand. How is that potential dilemma reconciled?

**Stephen Boyle:** That is one of the issues at the heart of the report—namely that, through deliberate policy choice in legislation, the Scottish Government and the Parliament sought to apply a supportive approach to people who interact with this benefit in the first place. I will not go into detail

on exhibit 2, but it sets out how the agency can support people to claim the benefit in the first instance, in some cases gathering evidence on their behalf in order to make the process feel less confrontational than might otherwise have been the case. Alongside that, there is what we describe—we have used our language quite carefully on this—as something of a “light touch” review process, which is deliberately less onerous.

I will bring Erin McGinley in—because I think that we have more up-to-date statistics than those that were available at the time of publication—to talk about how that is translating into review statistics on whether people remain on the case load.

There is a tension. As I alluded to, there is still work to be done to equip Social Security Scotland with the necessary legislation to do some of the fraud and error assessment and evaluation, and that is still working its way through Parliament. For the record, we refer to that in paragraph 86 of our report.

That tension inevitably leads to higher expenditure on the adult disability payment in Scotland, relative to the personal independence payment. I do not think that any of this was necessarily unexpected, but the numbers are significant. There is a difference in expenditure of £141 million in the most recent financial year, and, as I mentioned in my opening remarks, that is going to grow. That is the most recent forecast, and, again, it is subject to change, depending on some of the decisions that the UK Government takes or does not take in relation to the associated funding that would come from the personal independence payment and how that would flow through the financial framework between the Scottish and UK Governments. There is a tension, but there is a policy of having a less onerous and more supportive approach first to claiming and then to the review process. It might be helpful to illustrate that, if Erin has the most up-to-date stats.

**Erin McGinley:** Award reviews in Social Security Scotland are a very nuanced picture. The broad facts are that, between March 2022 and July 2025, 3 per cent of awards in Scotland were reduced or ended at the award review stage, with roughly 42 per cent of people who receive the adult disability payment having been through a review. That is in line with the child disability payment, which also has a 3 per cent reduction rate. However, the reduction rate for the personal independence payment has a 20 per cent reduction rate over the same period. There is quite a difference between 3 per cent and 20 per cent.

However, as I said, the picture is very nuanced and it depends on how you look at the data. Between January and April this year, in Scotland, 5 per cent rate of people had their awards for ADP

reduced or ended, and the rate for PIP was 16 per cent, so it is coming more in line, but it also depends on who you are looking at in the statistics. Currently, in Scotland, case-transfer applicants are included in the review statistics. As you can imagine, if someone has been receiving PIP under the DWP system and they are being migrated across to ADP, you would expect them to be successful because they are already receiving the equivalent benefit. When we look at solely new applicants in Scotland, we see that, between January and April, 11 per cent of award reviews resulted in the award being reduced or ended, which compares with 20 per cent for PIP. Depending on how you look at the data, things are getting closer together, statistically.

**The Convener:** One of the other paragraphs in the report that struck me is paragraph 82, in which you reflect on the fact that the rate of award for ADP in Scotland has often been lower than the rate of award for PIP in England and Wales. What does that tell us? Could there have been instances in which people were underpaid and the award was not as it should have been? Could people have been in receipt of less than they were entitled to?

**Stephen Boyle:** All that I can say in response to that is, “Potentially.” That is an important question for the Scottish Government and Social Security Scotland. However, at the risk of stating the obvious, I point out that a review need not always be about reducing somebody’s benefit or depriving them of it. It might be that a case assessment says that somebody’s circumstances have changed and they are entitled to more.

I return to our recommendation that better use of data is required in order to understand how the differences in process between the DWP and Social Security Scotland are making a difference, and which bits of those processes are working well and which are delivering value for money.

I will pause there in case my colleagues have anything to add.

**Richard Robinson:** The paragraphs above paragraph 82—paragraphs 80 and 81—are also relevant to the question, because the issue is partly about understanding the reasons for the difference and to what extent it is because of the different approach that is in place in Scotland and to what extent it is because there is a different demographic here. Currently, that is less clear. We are asking for more clarity on Social Security Scotland’s understanding of the extent to which the situation is simply to do with the nature of the population of Scotland being different and the extent to which it is due to particular efforts being made to encourage applications from people who would not normally apply. That might mean that, in Scotland, a higher number of people have applied

but relatively more of them have been awarded a lower rate rather than a higher one.

The issue is what Social Security Scotland and the Scottish Government can do to get under the statistic to understand whether it is telling them that people are being awarded the lower amounts legitimately, to what extent it is to do with demographics and to what extent it is a result of successfully getting the message about eligibility for ADP out to people who might not otherwise claim it.

**Stephen Boyle:** The statistics are important. Around 8 per cent of the working-age population in Scotland are now in receipt of adult disability payment, compared with a figure of just over 5 per cent for PIP in England and Wales. As Richard Robinson rightly said, some of that could be down simply to demographics and eligibility. It is also the case that Social Security Scotland and the Government have been very proactive in engaging with disabled people's organisations to promote—successfully, it could be argued—awareness and understanding of the benefit. As has been touched on, that has been accompanied by a supportive application process and a lighter-touch review process.

The differences matter—they are important. Understanding the costs and why there are differences and what bits of the system are working well relative to others feels like an important next step.

**The Convener:** Thank you very much. I will move us on by inviting Colin Beattie to put some questions to you.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** Auditor General, I will continue with questions on the projected deficit. At the moment, the deficit is £141 million, and it is forecast to rise to £770 million by 2029-30. In your opening remarks, I think that you said that it "could grow" to £770 million. The forecast must be based on some existing factors that could be varied by external influence or the decisions of the Scottish Government. Will you run through what factors are driving that increase and what could be done to mitigate it?

**Stephen Boyle:** Good morning, Mr Beattie—I am happy to start the response to your question, and then I will bring in Richard Robinson to say a bit more about how the forecasting works and some of the variables around it.

You mentioned that decisions by the Scottish Government and its agency will undoubtedly influence the forecast. As we touched on with the convener, the analysis of the different parts that make up the £141 million includes which bits are working well and which are not, and how we can

get a better suite of data to inform the decisions and then the forecasts.

The forecasts are from the Scottish Fiscal Commission, which has looked at the area in detail; again, Richard can set some of that out for the committee. The other significant variable is the decisions that the UK Government takes around the processes for the award of the personal independence payment and how those could flow, through the Barnett consequentials, to the relationships across the fiscal framework between the Scottish and UK Governments—

**Colin Beattie:** But surely that variable could be applied to almost any part of the Scottish budget, and not just the part that we are discussing. We have no control over the changes that happen at Westminster and the impact on our budget. We cannot make contingencies for every single possible potential change.

**Stephen Boyle:** I accept that. In the report, we have tried to set out the most recent available forecasts to illustrate the position. On whether the figure will remain at £770 million, I would say probably not—it is a forecast, and in time, it could go up or down.

In the financial year in question, £141 million is a significant number to be managed. We absolutely accept that there will be variability, and one of the recommendations that we make in the report is, in effect, about scenario planning. The Government needs to have a clear, transparent plan for how it will deal with the impact of those variables as they change.

Helpfully, the Scottish Government's fiscal sustainability delivery plan, which was published over the summer, recognises that one of the steps that it intends to take is to carry out a more detailed analysis of adult disability benefit review processes and how that aspect is influencing the in-year divergence between what the Scottish Government is spending on the adult disability payment relative to the amounts that it receives.

If the committee is content, I am keen to bring in Richard Robinson to set out some of that in a bit more detail.

**Richard Robinson:** As you know, the forecasts are—as with the Scottish income tax forecasts—subject to change over a five-year period. The figures are based on two sets of forecasts. There is the SFC forecast of what the cost of the Scottish approach will be, and there is the Office for Budget Responsibility's assessment of what that would be at a UK level.

We set out some of the detail around the volatility that there has been in paragraph 41 of the report. Currently, the figure of £770 million for 2029-30 is the latest forecast figure. It is the figure

that is used in the Scottish Government's recent "Fiscal Framework Outturn Report", which was published a few weeks ago. As would be expected, any divergences in approach would have a financial impact, and that is what we are seeing coming through here.

The Auditor General made a point about the need for the Government to do scenario planning on how it will deal with those divergences. That is similar to what we have talked about with regard to taxes and the overall budget in the past. It is very important. There could be changes to that figure as a result of the UK Government's approach over the next year or two that would reduce that gap. I am also conscious that there has been an independent inquiry into ADP, which made various recommendations that could increase costs if some of them are taken on. There will be a host of other factors around demographics and changes in forecasts that could help or hinder that position.

It is important for the Scottish Government to be clear in its own spending reviews and in its annual reporting about how comfortable it is that it can manage that gap. Part of that will involve—as the Auditor General said—looking at its understanding of its costs and where those costs can be reduced or changed. The Auditor General has highlighted the way that the Government manages the reviews of client awards and how comfortable it is with those costs. Another aspect might be where, in the rest of the budget, the Government may want to reduce costs to ensure that it has a balanced budget.

That probably takes us to where we are in part 3 of the report, which is about how well the Government understands the variety of services that disabled people in Scotland use and access, to ensure that, when it applies measures, it does so holistically in a way that best supports people as a whole, with ADP as part of that.

10:00

**Colin Beattie:** That takes me on to a daft-laddie question about the actual amount of the increase. You have given an indication that the increase is driven, for example, by higher take-up of benefits and so on, but that would not account for everything, because a lot of the higher take-up has already been factored in. What is the maths behind the calculation that gets you to £770 million? I suppose that you make an assumption about inflation and the amount by which the payments might be increased. What other variables do you take into account?

**Stephen Boyle:** I am happy to start; Erin McGinley may want to help me out with some of the detail.

All those variables contribute to the in-year divergence of £141 million. As I hope that I said earlier—I will happily repeat it—the amounts are largely the same; well, they are the same. What someone will receive will be the same whether they are in receipt of the personal independence payment or the adult disability payment.

We then need to look at some of the variables. One is that there are two rates: there is a standard rate and an enhanced rate. That will vary in different parts of the country. We have also spoken about a factor that feels quite significant, which is the difference in uptake rates. Again, a deliberate approach has been taken—I go back to the convener's reference to exhibit 1—whereby social security is seen as a human right and the view is that, if someone is entitled to that, they should be in receipt of it. We are seeing 8 per cent of the working-age population receiving the adult disability payment, in comparison with 5.3 per cent on PIP in England and Wales.

Uptake will, of course, be influenced by the application process, with the agency playing a supportive role in enabling people to receive the benefit. Another factor is to do with what happens to people once they are in receipt of the benefit, and the review process. There is quite a significant divergence in numbers, notwithstanding the case transfer issues, with regard to whether people are subject to review because their circumstances change and the amount of benefit that they are getting is too high or too low. That will be influencing the situation.

The last point concerns considerations of fraud and error, and how well embedded the approaches are where it is clear that people are not due to be receiving the benefit.

Those are the multiple variables that the Scottish Fiscal Commission will consider, among others. It is also for the agency and the Scottish Government to be thinking about what that means for them in order to manage the overall implementation successfully and to ensure longer-term sustainability.

I will bring in Erin McGinley, if she wants to add anything.

**Erin McGinley:** As was alluded to in the question, how much of the cost is about better take-up, with the Scottish Government intentionally co-designing an approach that is focused on fairness, dignity and respect, and social security being a human right? The Government wants citizens of Scotland who are eligible for the benefit to get the benefit. As the Auditor General said, 8 per cent of the Scottish working-age population are receiving ADP. That is actually the percentage of people who are applying for the benefit in Scotland.

When we look at the picture in 2021, before ADP was established in Scotland and everyone was brought across, we see that 8 per cent of the working-age population in Scotland got PIP through the English system. In January 2025, 13.6 per cent of the Scots working-age population were getting ADP, so there is a significant difference there.

As we have talked about previously, demographics could play a part in that. Exhibit 11 in the report shows that the rate of Scots who identify as having a long-term illness or condition has risen from 18.7 per cent in 2011 to 21.4 per cent, so that is also playing a role. However, as the Auditor General alluded to, there are also the intentional choices that have been made by the Scottish Government and its co-design partners in the system.

The system is designed to be less onerous, and it has more varied ways for people to apply, in comparison with the personal independence payment system down south. People can apply online or over the phone, and there are local delivery partners who will assist people in making an application; they can come to someone's house, help them to get through the application and provide advice.

Social Security Scotland will gather supporting information for the client, if the client wants the agency to do that. It will get doctors' notes and so on to help to support the person's application. Although that does not impact on the figure of £770 million, having an accessible system and encouraging people to apply contributes to the funding gap.

**Colin Beattie:** Can I assume that, at this point, there is no indication of the Scottish Government's plans for how it will deal with that potential gap?

**Stephen Boyle:** One of our fundamental recommendations in the report is that a clear plan for how the forecast funding gap will be managed is a very important next step.

Notwithstanding what we have spoken about with regard to the application and review processes, ADP is a benefit to support people with the cost of managing a disability. That suggests that there will be a demand-led element to the benefit, which inevitably brings prioritisation into the discussion. We have spoken to the committee many times about the challenges in changing a system, whether it is health and social care or social security, once the processes are embedded—that can take many years.

ADP is a relatively new benefit, and the Scottish Government and the agency find themselves in a relatively new set of circumstances. However, now that the benefit is up and running, it feels as

though it is a key part of decision making to inform ultimate fiscal sustainability in the years to come.

**Colin Beattie:** Have you formed any view on whether the different approach by the Scottish Government represents value for money, given the potential impact on public services?

**Stephen Boyle:** I think that we would have to say no, not yet. We did not set out to form such a view with this audit because, in many respects, the new approach is in its infancy. We would need to take a view on how well the benefit had been implemented; to form an assessment, as we would do, of the governance arrangements for the transfer; and then to look at how those differences are playing out into the future. That needs to happen, and it will be a key step, not only for us as public auditors but for ministers and the agency, too.

However, we think that there are some barriers to doing that. We talk in the report about the analysis that needs to be done with regard to which parts of the difference in approach are making the most or the least successful contributions. That will be the key driver in relation to value for money. We make recommendations throughout the report on how a more informed consideration of value for money could, and should, be taken forward in the months and years ahead.

**Colin Beattie:** You mentioned UK PIP changes and their potential impact on the Scottish budget. You also said that there was no clear Scottish Government strategy for responding to that. Do you have any information at all on how the Scottish Government intends to protect Scottish finances against reforms to UK policy?

**Stephen Boyle:** I probably do not have a great deal more to say than what is set out in the report. As we touched on in the report, we absolutely accept that that is challenging, and we recommend scenario planning for the impact of potential changes on the forecast, as they could involve significant and material sums of money. We saw that over the summer, when the UK Government set out its intention to change the arrangements for the personal independence payment and how that might flow through to the Barnett consequentials for the adult disability payment.

As I have mentioned, it is inevitable that a scenario might not be available for the situation that unfolds and the actual changes themselves, but it will provide a stronger starting point for making the informed decisions that might need to be taken through the Scottish budget. We hope that such an approach will be helpful; after all, we are all keen for the Scottish Government to avoid, if possible, some of the budgetary interventions

that it has had to make in recent years towards the end of the autumn, in order to deliver the financial balance that it has to under the fiscal framework within which it operates. It is hoped that doing that sort of thing on a more planned basis, with more scenarios at its disposal, will make the process with regard to budgetary management arrangements less onerous.

Richard Robinson might want to say more about the genesis of our recommendation.

**Richard Robinson:** Fundamentally, it comes down to a couple of questions. First, where is the flex in the Scottish budget to deal with volatility? Secondly, where is the flex in the social security system to deal with volatility?

On the first question, you will remember that, last year, we produced a report, "Fiscal sustainability and reform in Scotland", setting out that more is needed to understand where the flexes in the budget are. There has also been "The Scottish Government's Fiscal Sustainability Delivery Plan 2025", which we reference in the report and which provides more broad commentary on reform within systems, including reform within Social Security Scotland, and things that could help in that regard, such as digitisation or automation.

However, the extent to which the flex of the costs are understood could be improved. In the report, we talk about the extent to which Social Security Scotland understands the costs associated with the different approaches that it takes. Some of that is to do with the Scottish Fiscal Commission's forecasts on, say, the impact of higher take-up over the medium term or of fewer people exiting the system, and some of that is about the organisation itself understanding the difference that practical steps will make with regard to how it supports someone with their application, including how much that costs and how much it costs to have some of the additional processes that we set out in exhibit 10 in our report. A better understanding of the impact of each of those stages as well as the costs attached will help the Scottish Government and Social Security Scotland understand the extent to which they could flex their approach alongside other measures in the budget.

**Colin Beattie:** Coming at this from a slightly different angle, I note that your report highlights that the forecasts for the funding gap cover only direct expenditure and do not include implementation and operational costs. You highlight the implementation costs—if I recall correctly, there is an estimated accumulated figure of £715 million up to 2025-26—and the fact that operational spending in 2023-24 exceeded block grant funding by £275 million, which is a big gap.

How sustainable is it for the Scottish Government to continue to fund that?

**Stephen Boyle:** From paragraph 46 of the report onwards, we note that the implementation costs, and now running costs, of Social Security Scotland are far higher than were originally intended and are considerably more—you mentioned the estimate of £715 million—than the £308 million included in the 2017 financial memorandum that was considered alongside the legislation when it was proposed. We have covered some of the factors behind the cost difference in previous reporting on Social Security Scotland, and they include the nature of the costs—some of the implementation costs were one-off costs—and the fact that costs were underestimated, due to the complexity of the process.

To address a couple of your other points, I would note that although operational spending is higher than the block grant adjustment, I think that that was always the expectation. Again, these were clear and deliberate policy choices, and they go right back to the heart of the culture and ethos choices that were made in the original legislation—that is, to deliver an approach that was more person centred and based on kindness, dignity and respect. That approach requires different people at different stages.

Some of this will come down to choices with regard to the experience that Social Security Scotland's clients get. For a start, there is continuity of approach to service; staff will see a process through, from end to end, to a greater extent than might have been the case in the DWP.

10:15

The point about sustainability is important. The costs are currently being met, but, as Richard Robinson has referred to, they will, like all parts of the Scottish public sector, be properly considered as part of the Government's public service reform strategy, as it has set out. The fact that the social security arrangements are new is no reason for not considering them alongside all other parts of future public service delivery, especially with the adoption of digital estate management and so forth.

It is clear, as we set out in exhibit 5 in the report, that the totality of spending is higher than was originally intended and what has been funded. Again, that is another part of the gap that will have to be managed between the relative funding that was received and what is spent, day to day.

**The Convener:** Graham Simpson is next on the list, but Joe FitzPatrick has some questions in this area, so I will ask him to come in first.

**Joe FitzPatrick (Dundee City West) (SNP):** On the £770 million figure, we have been talking about a funding gap, but it is not really a funding gap, is it? It is a gap between the block grant adjustment and what is being budgeted for. Provided that the Scottish Government—or the Scottish Parliament—is budgeting appropriately for this demand-led service, there is not actually a gap, as such. It is just a gap in terms of where the money is coming from, because it is not hypothecated in that way, is it?

**Stephen Boyle:** We have drawn on the forecast by the Scottish Fiscal Commission, which has said that that is the difference that will have to be managed to the end of 2029-30. I suppose that the question that we are asking is how we get there, because, ultimately, it will mean having to make choices. All other things being equal, and depending on taxation policy or other parts of public spending, managing that in a planned way is the basis of our judgment and recommendation, in order to avoid, as I have just mentioned to Mr Beattie, the disruptive impact of interventions mid-year to divert spending from one area to another.

That said, we do not take this lightly. After all, £770 million is a significant number to be managed in the transition, and it represents a significant part of the overall spend.

**Joe FitzPatrick:** But this is something that the Parliament makes a decision on each year—that is, how much of the whole budget we think that it is appropriate to spend in an area.

That brings me to the question of how you got the figure of £770 million, because it is important that we understand the working behind that. When we set up Social Security Scotland in this Parliament, we did so with a different ethos, and everyone in the Parliament was clear that we wanted these benefits to be paid to everyone who was entitled to them. If that figure is £141 million more than the money that is coming through Barnett consequentials, it is because this Parliament decided that it should be.

The question is this: what assumptions have you made on the £770 million in relation to what is happening in the rest of the UK? Is the assumption that the rest of the UK will continue with a system that does not give these benefits to everyone who is entitled to them and does not aim to give all disabled people who are entitled to the personal independence payment—as it is elsewhere—their benefit? Is your assumption that that will continue?

I represent the great city of Dundee; lots of my constituents work for Social Security Scotland, and lots of them used to work for DWP. I am not quoting anybody, but I hear that the difference between the two approaches is night and day. Before, success was cutting somebody's benefits;

now, success is making sure that people get the benefit that they are entitled to. Therefore, what assumptions did you make about the UK benefits system in order to get to the figure of £770 million?

**Stephen Boyle:** I will try to cover all your points. We see—and we hope that this comes through in the report—that the extra spending is absolutely down to the choices that have been made by the Scottish Government and, by approving the budget, the Parliament. There is no question but that is the case. You can see that through the promotion of uptake, talk of social security being a human right and support for people to claim the benefit.

I am well aware of the agency's presence in Dundee, and many of the people who work there will be supporting claimants through that process. Of course, that comes at a cost, and that cost was approved—in expectation—by the Scottish Parliament.

The £770 million is the Scottish Fiscal Commission's forecast, so we are drawing on the Fiscal Commission's work. As I mentioned to Mr Beattie, there are a lot of variables around this. Forecasts are just that—they are not something that we can comfortably rely on. I touched on some of the reasons why there is an in-year difference of £140 million, such as the application process, the review process and the different demographics in Scotland. With regard to some of the statistics, I would highlight exhibit 11 in the report, which sets out the demographics of people and how they are affected with disabilities and shows that the figures for Scotland are different than they are for other parts of the UK. Those are all the drivers behind the number.

We emphasise that and make a recommendation about it in the report because, although the Scottish Parliament will consider the budget bill from one year to the next and although it has to deliver financial balance, it will become harder to do that without a real sense of which parts of the difference in approach are making the biggest difference, with aspects of it being demand led, alongside others.

As a slight digression, I note that the Fiscal Commission pointed out that health and social care and devolved benefits will be the two largest parts of the budget. If they are hard to change and reform, it will be necessary to make really difficult choices in other parts of public spending each year to deliver that financial balance.

If it is helpful, Richard Robinson and Erin McGinley can say a wee bit more about how the Fiscal Commission's forecasts work.

**Richard Robinson:** In broad terms, the £770 million figure comes from the SFC forecasts. As I have set out, we have looked at what the OBR has

said about what is going to happen with PIP—and how that relates to the block grant additions that will come through—and at what the SFC believes in its spending forecasts, and we have compared that spending with the funding coming through. That is the latest figure that is available, and it could change when the next set of OBR forecasts—and indeed the next set of SFC forecasts, which will support the next budget—comes out. That will continue to be the case, and there will be volatility in the process.

**Joe FitzPatrick:** Has the SFC been transparent in its assumptions about PIP?

**Richard Robinson:** I would say that the SFC is clear in its report about the various assumptions. The SFC is talking about what Scottish Government policy means for Scotland and what it believes it will mean for spending over the medium term, and the OBR makes its assessment of the extent to which PIP will lead to spending in the rest of the UK. It is the comparison of those two assessments that will create the difference between funding and spending.

**Joe FitzPatrick:** So, it is the OBR's assumptions that we need to look at in detail.

My hope would be that, across these islands, everyone who is entitled to benefits gets them, because, ultimately, that is best for society. If that was going to happen, it might be the OBR's—

**Richard Robinson:** It is maybe important to recognise that these are forecasts, not actuals. The purpose of forecasts over that medium term is to allow the Scottish Government to consider how it will manage any gap that might arise. That is why we are saying that we would like more information, data and detail on how the Government would manage any impact, whether it be on Social Security Scotland or on other parts of the budget.

**Stephen Boyle:** Erin, did you want to say a word or two as well?

**Erin McGinley:** Yes. I wanted to point out that there is a visual on what we are talking about. Exhibit 4 in the report shows the difference between the Scottish Fiscal Commission's December 2024 forecast and its May 2025 forecast. One of the main drivers for the difference between the two is what were, at the time, the proposed legislative changes to PIP in the rest of the UK. The difference between the two bars shows what that would do to the funding coming to Scotland for ADP.

Obviously, that situation has changed, but I would also note that a ministerial review—the Timms review—which is due to be published next year, is looking at PIP and some of the changes

that were floated before. Exhibit 4 is a visual that supports what we are talking about.

**The Convener:** My understanding is that the OBR forecasts, which are built into the Scottish Fiscal Commission forecasts, relate to the situation before the reforms were shelved. There was a revolt against the proposed reforms to PIP, which led to the brake being put on and Stephen Timms being appointed to head up a review. For the next year or so, there will not, as I understand it, be reforms to PIP. There will need to be a revision, so Joe FitzPatrick is right—the £770 million is based on the world as it looked like it was going to be, not the world as it currently is.

I will bring Joe FitzPatrick back in a bit later, but I will now invite Graham Simpson to put some questions to you.

**Graham Simpson (Central Scotland Reform):** I want to pick up on that interesting line of questioning. If there were changes to PIP that, let us say, made it harder to get PIP, would that increase the budget gap that you describe in your report?

**Stephen Boyle:** That is broadly a fair reflection. That flows through in the workings of the fiscal framework and block grant adjustments.

**Graham Simpson:** Therefore, essentially, UK Government decisions would impact on this gap.

**Stephen Boyle:** Absolutely.

**Graham Simpson:** Okay, that is interesting.

Erin, you mentioned the difference between the take-up rate in England and Wales and that in Scotland. In England and Wales, 5.3 per cent of the working-age population get PIP, and 8 per cent of the Scottish working-age population get ADP. You also said that 8 per cent got PIP in Scotland. Is that correct? Have I picked you up right?

**Erin McGinley:** Yes. That is another case of the figures being nuanced in this area. In the report, we include statistics on the number of people who have applied for ADP in Scotland, compared with PIP, and we also discuss the number of approved applications as a percentage of the working-age population, compared with PIP. Those are the numbers that were discussed earlier. Eight per cent of the Scottish working-age population have applied for ADP, and 3.9 per cent of the Scottish working-age population have had their claims authorised. Those are solely new applicants to ADP in Scotland.

The other figures that I mentioned were that, in December 2021, before ADP in, 8.5 per cent of the working-age population in Scotland received PIP, and now, as a totality, 13.6 per cent of the working-age population in Scotland receive ADP.

The difference between the statistics on the approved applications and the numbers receiving ADP in Scotland is because that percentage includes everyone who receives it, whether or not they have come across from the previous PIP system.

**Graham Simpson:** Therefore, it has gone up from 8 per cent to 13.6 per cent.

**Erin McGinley:** It has gone up from 8.5 per cent to 13.6 per cent.

**Graham Simpson:** Therefore, basically, more people are getting ADP than were getting PIP.

**Erin McGinley:** Yes.

**Graham Simpson:** Do we know why that is? Your report seems to suggest that the Scottish Government does not know the drivers of that.

**Stephen Boyle:** Some of the factors behind it are clear. As Mr FitzPatrick mentioned, the Scottish Government has taken a deliberately different approach to that of the DWP. That goes back to the legislation for a more supportive and less onerous application process, which is a real driver. It is an approach that encourages uptake.

I do not want to misrepresent the DWP's approach, which clearly was not part of our audit, but Social Security Scotland's approach is to help people through the application process by using a lighter-touch review and building in aspects of advocacy for people, as set out in exhibit 2 of the report. Even if you are going through a review, your benefits do not stop. During the review, you can also go through an appeals process, which has a couple of stages. Those are all drivers.

10:30

That does not detract from Graham Simpson's original point, which is that there needs to be a wider assessment of which parts of the Scottish Government's divergent approach make the biggest difference. A better understanding of the data will inform our understanding of what might come with future applications and uptake.

**Graham Simpson:** The report looks at performance data and client feedback. You suggest that the process seems a little bit—this is my word—woolly. Is it fair to say that it is not detailed enough?

**Stephen Boyle:** There is various survey data. There is no doubt that that matters and is really important. The agency places a lot of emphasis on the feedback that it gets from its clients and the experience that it gives people. That level of qualitative data is absolutely important. Earlier, I referenced the fact that three quarters or so have a positive experience, so you can see that people are generally satisfied. As we say in the report,

that is influenced by whether individuals are successful in receiving a benefit, so the figures are perhaps no surprise. If you are more likely to get a benefit, you are more likely to be supportive. There is some divergence in data depending on whether you are looking at new applicants or case transfers. Erin McGinley might want to say a bit more about that.

Earlier, I mentioned that the analysis should not stop there. How the adult disability payment works needs to be better understood. Are there wider connections with other outcomes that the Scottish Government wants to see? That is slightly difficult territory, because adult disability payment is a stand-alone payment.

What is absolutely clear—there is no ambiguity about ministers' intentions—is that it is a benefit to support disabled people with the cost of daily living. However, that does not mean that it should detract from the consideration of wider outcomes such as the alleviation of poverty, opportunities, education, training and employment. Those must be considerations for the Government if it is developing a strategy. What is the strategy for the benefit in due course and how does it contribute to the Scottish Government's national outcomes? That is why we say that considering that matter feels like an important next step over the next 12 months.

**Graham Simpson:** It really comes down to what the benefit is for, what it is meant to achieve and whether it actually does that. Is the Scottish Government perhaps not doing well enough when it comes to measuring outcomes for individuals?

**Stephen Boyle:** I mentioned that the DWP has started to look at some of the wider outcomes. Paragraph 97 covers the need to source better data. In the rest of the UK, the family resources survey, which looks at employment and income, is the vehicle to do that. To start to better understand disabled people's experience, there is an opportunity in Scotland to do that as well.

In the report, we address the disability employment gap—we can get into that in a bit more detail if you wish—and the higher cost of living. The adult disability payment was designed to support higher costs of living for people with a disability. That is absolutely what the Scottish Government sought to achieve with the benefit. However, perhaps it does not stop there. There are opportunities for a wider assessment of the contribution to the national outcomes. As I said, that feels like an approach that needs to be progressed over the next 12 months.

**Richard Robinson:** Part of the question was whether the Scottish Government has achieved what it set out to achieve. That takes us back to the principles that are set out in exhibit 1. Core to

the principles is an approach in which people are treated with dignity, fairness and respect, as well as how that is shown.

It is right to talk about the satisfaction figures, and there are different ways to break them down. In exhibits 7 to 9, you can see different things, such as case transfers versus new claimants and whether people have been successful. Understanding what drives satisfaction and whether people feel that they are being treated with dignity and respect is important to understanding how to improve operationally as a learning organisation and to understanding costs.

In the report, we raise a question about the extent to which the satisfaction figures are a consequence of a backlog that has since reduced or a consequence of success. We also ask about the extent to which the case transfer figures show that people are actually enjoying the ADP experience more than they enjoyed the PIP experience—a point that Mr FitzPatrick raised. In exhibit 10, we give a breakdown of where different costs and benefits could be incurred in the process.

All those things together will give a richer understanding of what the satisfaction score means and therefore allow the Scottish Government and Social Security Scotland to better understand how they can fulfil the principles and continue to develop in line with them.

**Erin McGinley:** To add to what Richard Robinson said, the report shows that the performance measures that Social Security Scotland uses are broadly good. It has around 70 indicators and collects feedback in lots of ways, such as surveys or panels of clients who relay their experience. The fundamental question is: why are the trends changing?

Case study 1 in the report gives an example of Social Security Scotland starting to do work to analyse that. As part of one of its client surveys, in order to treat clients with fairness, dignity and respect, it carried out an exercise in which it asked them which elements of the approach they appreciated. It is really positive that the agency has done that work but, in our recommendations, we call for it to go further and break down the data to a granular level by analysing benefit received and client type, so that the data can be used to drive continuous improvement.

**Graham Simpson:** I was struck by exhibit 11, which is about

“Scottish census results indicating additional demands on ADP.”

It goes through a number of things, such as long-term illness, disease or condition, mental health conditions, physical disability and so on. Between

2011 and 2022, health has got worse in Scotland on all those indicators. How does that compare to the data in England and Wales? Is it the same picture there?

**Stephen Boyle:** Colleagues can answer that in a second if they have the comparable data, but I am not sure that it is terribly surprising. I can perhaps reference some of the other reporting that we have touched on with the committee, such as our work on the national health service, especially our “Adult mental health” report, and some of the statistics on demand for child and adolescent mental health services, albeit that there has been an upward trajectory in reducing access constraints in recent times.

In the past year or so, we also produced a report on additional support for learning arrangements. We have seen a significant increase in the number of children and young people in schools receiving additional support—40 per cent of pupils do in total. That is a wide spectrum and can include children and young people who are gifted as well as children with severe and complex needs.

The survey that you mentioned covers the 11 years from 2011 to 2022, but we must also consider what will come when the survey is repeated in the early 2030s. Expectations will have to be managed when it comes to how society will change and what that might mean for benefits and public service demand more generally. There are some really important influences that will inform the human right to social security and, in due course, the value-for-money aspect of it.

Mr Simpson asked how the figures compare to those in England and Wales. Do colleagues want to address that?

**Richard Robinson:** It is absolutely right to bring up the issue of relativity. Although a change in the population’s health might affect spending choices in Scotland, similar issues arising in the rest of the UK could lead to more funding coming through because the rest of the UK is dealing with the same issues.

We have not directly compared Scotland’s position with the UK position. I am aware that the Scottish Fiscal Commission produced a report a couple of months ago that looked at long-term population health and the situation across the rest of the UK. It did so in order to look ahead to the long term and what it could mean for Barnett consequentials and so forth. The report found that there are some differences—Scotland has a relatively older population, for example—so the aim is now to understand the extent to which those differences might affect other aspects of health provision, as well as social security and how reliant people are on other services.

Part of that goes back to our earlier point about whether there is a good enough understanding of the extent to which the costs are being driven by demographics, and the extent to which they are being driven by the different approach in Scotland—one that is geared towards identifying people who would not normally apply but are eligible, and ensuring that they have the opportunity to do so.

**Graham Simpson:** I suppose that it goes back to my first question. Some of the figures are actually quite stark: in 2011, 4.4 per cent of the population had a mental condition, and it was up to 11.3 per cent in 2022; the figures for long-term illness, disease or condition have gone up from 18.7 per cent to 21.4 per cent; and there is even an increase in the percentage of the population with physical disabilities.

If that trend continues, the demands for ADP will increase. If, for some reason, things are managed differently—and improved—in England and Wales, the gap will widen, will it not? Ultimately, it comes down to whether there are other ways to reduce demand that involve making the population healthier.

**Stephen Boyle:** Ultimately, you have described a preventative approach.

**Graham Simpson:** Yes.

**Stephen Boyle:** Clearly, that approach has come through in the Scottish Government's strategies over the past six months. Last week, you took evidence from the director general of health and social care and the chief executive of the NHS—they set out that the intention, as shown in the service renewal framework, is not to take an interventionist approach once people fall ill but to sustain people's health throughout their adult lives.

That is fundamental to the success of society and there are financial implications to not getting it right. Richard Robinson's point was really important: the extent to which Scotland mirrors the rest of the UK, whether it is healthy or otherwise, will inform the associated funding. If the Government does better at delivering a preventative approach, that theoretically frees up resources to spend in other areas. It is a hugely significant element of what will happen when it comes to society and funding over the years to come.

**Graham Simpson:** I have one more question, which is about the redetermination rates for ADP. The rates are higher than they are for PIP, but appeal success rates are lower. What does that tell us about whether ADP decisions are delivering accurate decisions the first time? Does more specific analysis need to be done?

**Stephen Boyle:** Erin can pick up on some of the detail and what we can infer from that.

**Erin McGinley:** You are correct that, between March 2022 and January 2025, redetermination stats were at 52 per cent for ADP and 22 per cent for PIP. For appeals over the same timeframe, it was 52 per cent for ADP and, over the past five years, 67 per cent for PIP. In the report's recommendations, we call for a different way to collect data, in order to understand how to get decisions right the first time and to fully understand the statistics on redeterminations and appeals. As it is, the performance framework does not go far enough and there is no ability to understand the client's journey through the ADP process. Looking at those pure statistics does not give the full picture. The DWP has the ability to follow the client's journey from start to finish and see how it has gone; currently, Social Security Scotland does not.

10:45

**Graham Simpson:** Why is that? Why does the DWP have the ability to follow the client's journey when we do not?

**Erin McGinley:** It is a statistical choice. We are aware that there is a new statistics plan for Social Security Scotland, but we are not sure of the details of it. It is to do with how the information is collected and the differences between the two systems.

**Graham Simpson:** Do you mean that it is a choice not to follow the client's journey?

**Erin McGinley:** It is about how the information is collected. As it stands, Social Security Scotland has focused on different areas.

**Stephen Boyle:** We would describe that as representing an opportunity. Perhaps it also chimes with some of Social Security Scotland's organisational narrative about being a learning organisation—this might seem like a juncture at which to make an assessment of whether it is satisfied that its approach is working or whether there is an opportunity to do it differently.

**The Convener:** Principle 6 of the eight principles in the report is to design the system "with the people of Scotland on the basis of evidence." That takes us back to the first principle, which we have been looking at this morning.

**Stephen Boyle:** It satisfies me that my earlier answer was reasonable: Social Security Scotland has not yet met all of its principles. It could be argued that it will never meet some of them. It will always want to apply new evidence. In response to Mr Simpson's point, this feels like a good opportunity to do that.

**The Convener:** Good.

I invite Joe FitzPatrick to put some questions to you.

**Joe FitzPatrick:** You have talked about how ADP might interface with wider outcomes—that is the area that I am keen to focus on. It seems that the report is timely; my view is that it is perfectly reasonable for a new organisation to focus on the transfer of recipients to the new system and to make sure that it meets those aspirations about treating people more humanely and with respect. However, it feels as if that section is done and now we need to look at what more we can do with our new ADP benefits system. It is reasonable to want to see how we can interface with other parts of the system.

In paragraph 88 of the report, you suggest that

“the Scottish Government’s approach to supporting disabled people is fragmented”

and that it should be joined up more to ADP. You have said that there is no direct link between ADP and other services. If we are seeing this as an opportunity—I hope that the Government is seeing the publication of your report as an opportunity for the future—what links should be made?

**Stephen Boyle:** I share your overall analysis. The report is representative of the fact that the benefit has been delivered. The system is in operation, largely as intended, and in the report we describe how it has the right governance arrangements and a clear programme management approach—we have touched on that in previous reports.

I will not repeat the financial importance of having the system in place. There is an opportunity now to address wider outcomes, such as education and training, the employment gap, which we covered in the report, or the alleviation of poverty, and to build on some of the recommendations of others, including in Edel Harris’s independent review of ADP and the Scottish Human Rights Commission’s narrative about wellbeing budgeting.

I am happy to go into detail on any of those points, but in that part of our report we addressed the range of approaches under the umbrella of a single strategy, which now feels like the timely evolution of the application of social security benefits in Scotland. That reflects some of the thinking in the Government on the national performance framework and the national outcomes, with the framework delivering as intended. That process is on pause and going through review.

Those two things can probably dovetail nicely.

**Joe FitzPatrick:** That is helpful. My view is that getting people the benefits to which they are entitled is almost like preventative spending if we do it right. However, we need to collect the right data so that we can show that, whatever the figures are, and whatever the difference is between what is being spent in England and what is being spent in Scotland, savings are being made elsewhere in the system. We can then show that, as well as treating people better, the system is working better for the whole of society. I guess that we need to collect the data. Are there any particular bits of data that you think we need to start collecting that currently we are not collecting?

**Stephen Boyle:** I agree that that approach could be really powerful, and it would address many aspects of what might come next—wider outcomes, value for money and so on.

Erin McGinley might want to say a bit more about the granularity of the approach. Exhibit 10, in the earlier section of the report, sets out some of the approach around ADP and assesses how it is driving difference in operational cost. Building in some of the data opportunities around that will inform you as to which part is working better and whether it delivers value for money, allowing a totality of approach to build up.

Erin, you might want to cover that—and anything else.

**Erin McGinley:** I do not think that it is for us to comment on what type of data needs to be collected and how it should be collected, but the Scottish Government is aware that there is work to be done around equalities in general on collecting the right data to show outcomes, so it has put in place the equality data improvement programme and the equality evidence strategy to go some way towards solving some of the issues.

To go back to the previous point, we have a recommendation for the next disability equality plan or strategy. Although ADP is focused on helping to cover the costs of having a disability, there is no denial that it is a large part of the support that is in place for disabled people in Scotland, so we have recommended having a plan that includes ADP and spending towards ADP as part of the bigger picture.

**Joe FitzPatrick:** Has the Government given any thought to considering the benefit in a fresh way, or do you think that it should do that? It is in effect replicating PIP now, although it does not need to do that in future. It does not need to be just for that; it could have a wider application. Do you think that the Government should be considering that?

**Stephen Boyle:** It would take me into a policy space to take a view on the appropriateness of one benefit or another. At a higher level, however,

that chimes with the report, in that it is a matter of assessing whether the benefit is delivering value for money and the wider outcomes, beyond mirroring the personal independence payment. The Scottish Government will need to take fundamental choices on that in the years to come.

**Erin McGinley:** The independent review into ADP that Edel Harris has just completed, which ministers will respond to soon, examines the broader picture of eligibility criteria.

**Joe FitzPatrick:** On the subject of more practical things that can be done more quickly, your report mentions that nearly half of ADP applicants said that they would have liked more signposting to other services. That seems to be something that could be done relatively quickly in joining up services. Even if that does not bring a saving for Social Security Scotland, it probably brings a saving for the wider system if people are signposted at an earlier stage.

**Stephen Boyle:** I agree. The system does not operate in isolation—whether we are focusing on housing services or health and social care services—although it is fair and balanced to reflect that health and social care is part of the process for how Social Security Scotland operates. It is probably for the agency to take a view, as part of its assessment, on making a wider contribution, if not necessarily a cost saving.

There is a direct role for Government here, given that it makes the overarching assessment of how the totality of public services are operating and determines which levers are at its disposal to drive the best benefit across the national outcomes.

**Richard Robinson:** Absolutely. Some of that is about how disabled people access all services—noting that they are a varied and diverse group of people—and where the opportunities exist to improve that. How do they feel about being treated with dignity and respect in one area being replicated across all areas? Furthermore, things are linked.

There are a few examples of where we think that things could improve. Opportunities are set out at paragraphs 97 to 99 of the report. As well as better signposting, there are opportunities to link better to employment information and to understand the client journeys that Erin McGinley was referring to earlier. There is also the matter of how improvements can be made to the inclusion of third sector organisations and charities, which are often very powerful and important in areas relating to support for disabled people.

We also include a case study in our report—case study 2—which shows the opportunities that exist to model things better together. All of that is geared towards determining how the Scottish

Government satisfies itself that it is making the best use of all of its resources together to support people with disabilities in Scotland.

**Joe FitzPatrick:** Excellent—thanks. Most of my other questions have already been asked, but there is one final area that I wish to raise. The report recommends that ADP spending should be considered as part of an equalities and human rights-based budgeting approach. Could you try to put that in layman's terms? What, practically, would it mean if that approach were adopted in relation to ADP in future?

**Stephen Boyle:** A moment or two ago, I mentioned that the Scottish Human Rights Commission highlighted what it called the legal obligation for the Scottish Government to maximise the available resources to progressively realise economic, social and cultural commitments. Practically, that means building that into the budget setting process and the pre-budget scrutiny that committees do. Are they satisfied that we are resisting the temptation to do incremental budgeting and that there is a real pause to ask whether human rights are being woven into the approaches in the different lines of the budget, and whether the allocations for different organisations and public services that are funded by the budget are capturing those obligations as part of public spending? If it is of interest, we can share some of the material from the Scottish Human Rights Commission with the committee.

**Joe FitzPatrick:** That would be good—thank you.

**The Convener:** Yes—that would be very helpful, I think.

I have a final point to raise. You have mentioned the independent review into the adult disability payment a couple of times. I cannot pre-empt what the committee decides to do, but we may well invite the director general communities and representatives of Social Security Scotland to give evidence to us on the report. What is your understanding of what they plan to do about the findings of the independent review?

**Stephen Boyle:** I will check whether we are sighted on the response to the review; I am not sure that we are yet. At a high level, the positive feedback that people gave has been highlighted. Mr FitzPatrick reminded us about the dynamic and the interaction that we have had with staff, and about the progress that has been made towards delivering the ethos that was intended under the legislation. I do not think that we are yet clear about the Government's intention around the review.

**The Convener:** We may, in turn, decide to ask the Government that ourselves at some point in the future.

Thank you for the evidence that you have given us this morning on what is an important report. I can particularly relate to Joe FitzPatrick's encapsulation of it as being a useful exercise in examining how the implementation of the transition has worked. Is there a broader debate that needs to happen? If so, that would probably take us into policy areas as we consider the preventative interventions that could be made—and that takes us back to our old friend, the Christie commission.

On that note, I will draw the public part of this morning's committee meeting to a close. Before doing so, however, I thank Richard Robinson, Erin McGinley and the Auditor General, Stephen Boyle, for the evidence that they have given us this morning.

10:59

*Meeting continued in private until 11:18.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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