



OFFICIAL REPORT
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DRAFT

Social Justice and Social Security Committee

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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

31st Meeting 2025, Session 6

CONVENER

Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Ind)

Michael Marra (North East Scotland) (Lab)

*Marie McNair (Clydebank and Milngavie) (SNP)

*Carol Mochan (South Scotland) (Lab)

*Alexander Stewart (Mid Scotland and Fife) (Con)

*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)

Edel Harris OBE (Independent Review of Adult Disability Payment)

Erin McGinley (Audit Scotland)

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 27 November 2025

[The Deputy Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Deputy Convener (Bob Doris): Good morning, and welcome to the 31st meeting of the Social Justice and Social Security Committee in 2025. We have apologies from Collette Stevenson and Michael Marra.

Under agenda item 1, members are invited to decide whether to take items 4 to 6 in private, and whether consideration of our approach to the two-child limit policy and to the draft stage 1 report on the Wellbeing and Sustainable Development (Scotland) Bill should be taken in private at future meetings. Do we agree to take those items in private?

Members *indicated agreement.*

Adult Disability Payment

09:01

The Deputy Convener: Our next item of business is our first evidence session on the adult disability payment. I welcome Edel Harris, former chair of the independent review of adult disability payment, who is joining us online. I thank her for joining us and will now give her the opportunity to make opening remarks.

Edel Harris OBE (Independent Review of Adult Disability Payment): I apologise for not being able to be with you in person and I thank you for accommodating my attendance via Zoom.

I am sure that the committee has seen the review's final report, which was published in July this year. It marked a really significant milestone in the on-going efforts to assess and enhance the experience of people who claim adult disability payment and the effectiveness of that payment in meeting the needs of disabled people. The independence of the review was welcomed throughout all my engagements, and my goal from the outset has been to ensure that the ADP system is fair, transparent and supportive and that those it serves are empowered to live with dignity and independence.

I stress that, since the transition from a reserved social security system to one that is now led and managed by the Scottish Government, via Social Security Scotland, there have been several welcome and positive changes that are evident when we compare the Scottish system with the personal independence payment process. Therefore, many of my recommendations are, first and foremost, designed to build on those good foundations. In addition, they are designed to improve the overall client experience and to promote more timely decision making. Most important—I am sure that we will come to questions about this later in the meeting—the final recommendations are designed to ensure that we have a modern, outcomes-focused and more realistic approach to determining eligibility.

It is worth highlighting at this point that many of the people I engaged with gave positive feedback about adult disability payment and about the interactions that they had had with Social Security Scotland. They spoke highly of their interactions with staff, described feeling respected during the process and really welcomed the lack of assessments. I often heard the word “kindness”, which I hope comes through clearly in my report, and I witnessed at first hand the culture and values that are at the heart of the agency.

The Deputy Convener: Thank you for those opening comments, which will give an important

context to our scrutiny session. The first question will come from Jeremy Balfour.

Jeremy Balfour (Lothian) (Ind): Good morning, and thank you for your report and for coming to the meeting.

Your report says that there is a risk of disengagement and of damaged trust if people do not see their feedback leading to change. I appreciate that it is ultimately for us as politicians, and for the Government, to deal with that, but how can we ensure on-going client engagement without people saying that they have had that conversation a hundred times but nothing has changed? How do we get change?

Edel Harris: The comment in my report about the risk of disengagement and damaged trust—I referred to it as “consultation fatigue”—was a general reference, as I will come on to in a moment, but it was also specifically about the review. Many of the people I engaged with—in particular, people from minority ethnic groups and disabled people’s organisations—told me that they are often invited to take part in Government reviews or to respond to consultations, and that is true of third sector organisations, too. Many—not all—are frustrated by the fact that, in their opinion, little changes as a result of their input. They gave me examples of consultations in which they never heard again from the people they had engaged with. They often stressed the points about whether we were really listening to them, about whether it would make a difference and about damaged trust if things did not change as a result of all the reviews and consultations.

However, the agency’s regular client surveys seem to get a decent level of engagement. During the review, I saw evidence of the agency acting on the feedback that it had received. There certainly appeared to me to be a commitment to continually improving the client experience. In the report, I quote examples of changes to some of the processes at the agency having been made as a direct result of client feedback. That should be continued. Most customer-facing organisations should try to engage with their clients and listen to feedback, but there is definitely a balance to be struck, particularly when it comes to the high expectations of the review among disabled people in Scotland. Probably the most important point to make is that they expect some things to change as a result.

The Deputy Convener: I say for people’s information that we can do nothing about the interference that we hear on the line, which is external to the Parliament. I apologise that it is a wee bit distracting, but I think that we can carry on with the evidence session.

Jeremy Balfour: That is fine—thank you.

The Scottish Government has a benefit take-up strategy. Does that need to be tweaked or changed, or, by and large, is it working well?

Edel Harris: As you said, the Scottish Government has a benefit take-up strategy. Currently, its aim is to raise awareness of all benefits; it is not benefit specific. It is designed in part to support access. Although in my review I looked only at adult disability payment, and not more generally at all the benefits that are provided by Social Security Scotland, I feel that a benefit-specific take-up strategy could, potentially, improve the take-up of adult disability payment.

Members will see in the report that there are several reasons why someone who is potentially eligible for ADP does not make an application. Those that were drawn to my attention during the review included a generally limited awareness of adult disability payment in Scotland and the eligibility rules; quite a number of people not knowing that ADP is not means tested, so that they sometimes automatically rule themselves out from applying; a lot of stories around stigma, which was a particular issue in some minority ethnic communities; a stigma that was associated particularly with people who had mental health conditions; and a fear of rejection, as the process of applying can be off-putting for some people, especially those who have had a poor or traumatising experience with the Department for Work and Pensions.

If an ADP-specific take-up strategy was developed that could address those and other points that were raised in the report, that would certainly help to ensure that everyone who is entitled to the benefit receives it.

Jeremy Balfour: Thank you. Convener, I apologise—I should have declared an interest at the start of the meeting, in that I am in receipt of ADP.

I have a further question. I was interested in the comments in your report about VoiceAbility. Its contract with the Scottish Government, which involves £20.4 million over four years, was awarded back in 2022 and is up for review at the moment. Your report states:

“there is a notable lack of awareness about the support available pre-application, such as the Independent Advocacy Service provided by VoiceAbility”.

You talk about an opt-out service rather than opt-in. Will you expand on that? Would that money be better spent on an organisation such as Citizens Advice Scotland? It is better known in Scotland than VoiceAbility, which many people have perhaps never heard of.

Edel Harris: The second question will be a little more challenging to answer, so I will go to the first one first and then come back to it. During the

review, I found a lot of evidence to suggest a lack of awareness of the local delivery service provided by the agency and the independent advocacy service provided by VoiceAbility. In one of the consultation meetings, someone said that it is one of Social Security Scotland's best-kept secrets. In some of my engagement sessions and meetings, people were hearing about those services, particularly the independent advocacy service, for the first time when I was asking them questions. There is definitely an issue there, and the agency and the Government probably already know that the service needs to be more widely promoted.

The reference to opting out rather than opting in is not a firm recommendation in the report—it is more of an observation. However, if people were automatically referred and if they could make the choice—this is ultimately about choice—they could say no and say that they do not need that support. At the moment, it is left to them to find out about the service, to understand what it offers, to make a referral and so on.

On the second point, I picked up comments from other third sector organisations in Scotland. Their representatives felt that the service might be better provided by an organisation in Scotland. Nobody specifically said Citizens Advice Scotland, but they talked about the contract going out with Scotland and how there might be an issue with people not knowing the brand. However, that came from organisations that might have wanted to bid for the contract; I just put that in as a comment.

I did not see any evidence from disabled people or people with long-term health conditions who were using the service about the agent or contractor being an issue in the service that they provided. I shadowed a VoiceAbility advocate in Aberdeen for a day during the review, and the feedback that was received from the clients that advocate interacted with was very positive. Overall, the feedback and evaluation from the people who use the service is very good, but as I said, the main issue is that people do not know about it.

The Deputy Convener: Before I bring in my colleague Carol Mochan, which I will do shortly, I put on the record that the social security independent advocacy service is to be provided by Advice Direct Scotland. That is now public information, and the committee will hear from Advice Direct Scotland on 11 December, when there will be more opportunities to explore that.

Carol Mochan (South Scotland) (Lab): I will explore some of the points that you made about inconsistency. The report describes stakeholder views that ADP decisions can appear inconsistent. A couple of constituents have raised issues with timescales for redeterminations, appeals at the

First-tier Tribunal and challenges around that. People I have been speaking to have wondered about inconsistent decision making. Did you get much of that in producing the report?

Edel Harris: Yes—I spent a lot of time on that area. As you know, the social security charter sets out what an individual can expect in relation to decision making. It commits to making decisions consistently and aims to get determinations right the first time. That cuts across all benefits, not just ADP.

During the review, I asked via the online consultation about the effectiveness of decision making—35 per cent of the people who responded said that the decision making was somewhat effective, and 25 per cent said that the process was not effective at all.

At the time of writing the report, the statistics on redeterminations and appeals—I am sure that you have seen them—showed that just over 50 per cent were allowed or upheld. That suggests that not all decisions are being made correctly the first time.

09:15

I am not sure that I would say that I am concerned about the inconsistencies, because the word “concerned” is probably a little bit strong. I concluded that because of the very nature of the process—despite all the really good training, the guidance that is available to case managers and the very robust quality-assurance process that I witnessed at first hand—it is inevitable that, when humans look at the balance of probability and make decisions that are based on the information that is in front of them, we will at times get inconsistency.

I shadowed from start to finish one case—this was probably an extreme example—in which the initial decision was to award no points for daily living or mobility. In fact, mobility did not really apply. However, when the health and social care practitioners got involved and a consultation was held that involved a little bit more information being provided—it was not an awful lot more—a different case manager awarded the highest number of points. That is a very extreme example, but you can see how it might happen.

Although case managers have to explain why they have made a certain decision, that introduces an additional degree of subjectivity and personal judgment into the process. Certainly, when I shadowed case managers, I saw at first hand the consideration that they give to the principles of person-centred decision making and the care and attention that they apply to the responsibility that is conferred.

However, I acknowledge that discrepancies and interpretive variations might lead to inconsistent outcomes, which could, if we are not careful, undermine the fairness of the process, particularly now that Social Security Scotland has more experience of making decisions. Welfare advisers now look at determination letters on behalf of their clients, and they sometimes question why client A gets a certain decision while client B, in a very similar set of circumstances, gets another. In the report, I recommend that the agency should

“continually assess how it can balance the need for fairness and equity with the discretion that is inherent in”

such a process.

I will comment briefly on the amount of time that decisions take. I think that that was improving when I wrote my report, but the amount of time that people were waiting for decisions and the lack of communication in that time were among the biggest frustrations. When people put in their application and do not hear anything, that causes a lot of anxiety in many cases.

Carol Mochan: That is helpful—thank you.

I have one more question, which is about the focus on physical disability and whether mental and behavioural disorders are picked up in the way that they should be. Do you have any feedback on that?

Edel Harris: That is a really interesting question, because I wanted my report to be evidence based, and I saw a little bit of tension between the evidence on the numbers of people with mental health conditions who receive ADP and what people shared with me about their experiences.

As you know, eligibility is not based on a diagnosis; it is based on a condition or disability's impact, whether that is physical or psychological, on someone's life. However, during the review, I quite often heard that there is a perceived difference in how case managers manage applications from clients with physical health conditions in comparison with applications from those with mental health problems.

The client survey that is quoted in the report described

“discrimination against particular health conditions, especially those that relate to mental health or ‘invisible’ disabilities.”

We know that 58 per cent of applications are in the category of mental and behavioural disorders, and I think that they make up about 40 per cent of the case load, so a little bit more investigation needs to be carried out.

My main point in response to your question is that the current eligibility criteria are framed in

such a way that it is easier to describe a physical impairment when providing answers to the questions as they relate to the current activities and descriptors. I heard from lots of people at the consultation events that the current criteria do not accurately capture the needs of neurodivergent individuals in particular or of those who are diagnosed with mental health problems. One example is that there were people with eating disorders who felt that they were unable to convey the impact of their eating disorder in their responses to the questions.

I hope that that gives you some information on what I was hearing from people with mental health conditions and things such as attention deficit hyperactivity disorder and autistic spectrum disorder. Learning disability also fits into that category.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning, Edel. The independent review reported clients' positive views on consultations. Would greater use of consultations improve decision making? Are poor experiences of PIP assessments preventing the use of what could be a useful part of the decision-making process?

Edel Harris: Yes, that is evident. I saw clearly during the review that, when consultations occur, they play a really important role in the decision-making process. I also heard universal praise for what happened when Scotland took over the process for ADP. Everybody I met—I do not think that there was an exception—welcomed the cessation of Department for Work and Pensions-style medical assessments. Many people I spoke to remain traumatised by the PIP assessment process. “Traumatised” is a strong word, but it was a word that came up often. Absolutely nobody was in favour of bringing that style of assessment back. Everyone I met who had had a consultation spoke positively about the engagement and interaction. It is possible that that strength of feeling about the DWP-style assessments is preventing the use of more consultations. I do not have any evidence to back that up, but it is a logical conclusion.

Interestingly—again, you will have seen this in the report—some disabled people told me that they would have appreciated the opportunity to speak to a case manager. That came up a lot in the learning disability community in particular. In some cases, people were saying that it was because writing down all the relevant information in an application form was really difficult for them, or they were worried that, without being able to share their story, they would not be awarded a sufficient number of points to get an award. Other people thought that a consultation might speed up the decision-making process. Some people felt strongly that they should be more personally involved when someone is making such a big

decision that would greatly impact on their lives. Someone said to me, “It’s my voice, it’s my story, it’s my life, and yet I’m not present in the decision-making process.”

However, as I say, for those who had one, consultations came out well compared to PIP assessments. The main issue is not the assessment or the consultation per se; it is the way in which it is conducted and the principles underpinning the reason for the meeting. People talked about the DWP, in their words, “trying to catch me out”. The approach at Social Security Scotland is to seek further relevant information, starting from a position of trust, to help the case manager to make a correct decision. That is a very different approach. I wonder whether, once consultations are embedded in people’s experiences of ADP, we will continue on that positive trajectory, with more consultations being used as part of the decision-making process.

Alexander Stewart: The idea about the process being personalised comes out quite strongly in the review, which found that people wanted more personalised and accessible communication from Social Security Scotland. They saw that as an advantage. How important is that for people and how can it be achieved? That is a goal, but it is also something that Social Security Scotland is attempting to do.

Edel Harris: I heard consistently throughout the review that having clear and accessible communication with clients at the outset, preferably with a named point of contact, which is difficult to do in practice—we may come back to that—would really improve trust and efficiency.

It is definitely worth considering having a more personalised and accessible route and two-way communication throughout the process—particularly when people are waiting to hear back once an application has been made or during the redetermination process. The responses to the online consultation during the review also highlighted the importance of accessibility. Language preferences came up often, as did adhering to a person’s preferred method of communication. Some people’s experience was that, although they had stated their preferred method of communication at the start of the process, that was not always followed. A key frustration, which, in some cases, leads to additional anxiety, relates to the lack of proactive communication or progress, once an application is submitted. A client survey that is quoted in the report shows lower satisfaction rates overall among people who have specific communication needs, so it is obviously important, particularly given the client group that we are concerned about and the principles of dignity and respect.

Some ways in which the process could be improved include updating the suite of guidance to ensure that information is always available. I stress the word “always” because information is available to some degree, but it needs to always be available in Braille, British Sign Language, easy-read format, other languages and so on. The agency could also review its inclusive communication practices to improve them even more; consider providing a point of contact—having a named person can create other challenges, but there might be a different way of doing that so that you do not just have to contact the agency but have a route to a more personal connection; and to highlight and make more prominent the option to request written translations of letters to ensure that the needs of minority communities are better met.

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP): Good morning. The final part of your report talks about a better future and makes 18 recommendations about how the service could be modernised. The report discusses stakeholder views that a more personalised and holistic approach should be taken to deciding eligibility for ADP. What positives do you see in that, and might there be a bit of concern about how that could lead to subjective decision making at the same time, if we are taking a really person-centred approach to assessing eligibility?

Edel Harris: That is a great question, because, when I got to this stage of the review, it was really interesting and quite stark how many people stressed that they want a more holistic way to assess people’s needs—one that takes someone’s whole life into account, rather than scoring points against set criteria. At the same time, we looked in lots of detail at the different options for replacing the points-based system—because pretty much everyone finds the awarding of points to be quite an undignified way to do things—but the argument was that we need consistency in decision making and a clear route to redeterminations and appeals. That is why I ended up back with some form of a points-based system and eligibility criteria, because how would you ever challenge a decision if it was based on just one case manager’s assessment of your whole life experience? That was really interesting.

I want to stress that the overall purpose of my recommendations in relation to the review of eligibility criteria is that they are designed to achieve certain things: to better reflect the modern-day experiences of disabled people; to better reflect the human rights social model of disability; to take into account a person’s whole life, rather than looking at very specific activities; to try to reduce multiple assessments; to be more outcomes focused, which means looking less at whether someone can achieve a particular activity

and more at the impact on their life of being able or not able to do that activity; and to better represent the needs of people who live with fluctuating conditions. Therefore, achieving those things was the overall purpose of my recommendations, and no one was in favour of introducing more subjectivity to a decision-making process that is already sometimes perceived as inconsistent.

I do not think that it necessarily follows that, if the eligibility criteria are reviewed to reflect the purposes that I have outlined above, more subjectivity would necessarily need to be introduced. My review did not go this far, but it would depend on what those new activities and descriptors were and how the points were awarded.

There could be additional costs initially, because designing and potentially co-producing a new system would take a lot of time and resource. However, once a new system was embedded, the recurring costs would not necessarily increase, and I do not think that the level of subjectivity would necessarily need to increase, either. It would be determined by how the new, revised, more social model of disability criteria was articulated.

09:30

Elena Whitham: That is very helpful. The report says that the activities and descriptors need to better reflect modern life, which would be grounded in a social model of disability. The current system is really a deficit-based system of assessment. What do you think has changed since 2013 that requires the activities and descriptors to be changed?

Edel Harris: If you do not mind, I will answer that directly in a moment and say what I think some of the changes in daily living have been since 2013. First, however, I have obviously prepared for today and thought this through, and there is an important point that I would like to make.

This is a real “moment in time” opportunity in Scotland. It will be for others to decide whether some or all of my review’s recommendations should be implemented, but there is an expectation among many disabled people that if, as a country, we are committed to the principle of ADP being an investment in the people of Scotland and, as the charter and the legislation state, we are committed to establishing a world-leading disability payment system that is based on social security being a human right, my question is why we would not want to take this opportunity. Why would we just accept the PIP framework and continue making the experience better for clients

but not fundamentally change how we make decisions?

In relation to daily living, the required changes that were expressed to me—or, rather, the things that are currently missing from the eligibility criteria that impact on people’s daily lives—are captured in the “Modernisation” section of the “A Better Future” chapter in the report. By way of example, I note that some of the things that are not currently included are sleep; the side effects of taking medication; the use of modern kitchen appliances; the use of apps, which are part of most people’s everyday lives now; information technology literacy; household cleaning; and making use of the home safely.

In relation to the mobility component, there is no recognition of where a person lives, whether they have access to public transport or how close they are to shops and other amenities such as public toilets. Some additional things that should be considered are intimate hygiene, which is not currently in the activities and descriptors, and a better understanding of healthy eating and good nutrition. I labour the latter point in the report, because the current activities and descriptors on food are about the functional task of preparing food and not about the outcome of someone having whatever is right for them and a healthy diet.

Lots of improvements could be made to bring the eligibility criteria into modern life, but the question that I most want to stress is why we would not take this opportunity to review the whole thing and try to get a world-leading human rights approach.

Elena Whitham: That is very helpful. As somebody who has filled in a form for an individual who has avoidant/restrictive food intake disorder and tried to qualify how that impacts on their life, I agree that the form is lacking in that regard. Thank you for putting that on the record.

Marie McNair (Clydebank and Milngavie) (SNP): We have touched on this a wee bit. The report recommends replacing the 20m rule with criteria relating to real-life experience. You have spoken about the living environment, the availability of public transport, the impact of exertion and whether aids are used. Can you expand a little on how you envisage that far more holistic approach working in practice?

Edel Harris: I am sure that you know that the Scottish Government carried out a consultation on the mobility component before I became chair of the review. We use the results of that consultation to inform the review, and the overall finding, which was also reinforced in all the conversations that I had, was that the main request from people with mobility problems or challenges was for a more

holistic, person-centred and flexible approach to decision making. They asked for each application to be looked at holistically in the wider context of their life and circumstances, instead of just being asked whether they can walk 20m.

In recommendation 56, I set out some ways to address that. Further work will have to be done if that recommendation is accepted by the Scottish Government, and I certainly do not have all the answers, but I set out some ways in which the mobility criteria could be changed and, in annex 1, I provide some examples of how mobility could be assessed by using an outcomes-based approach, rather than a fixed-distance assessment.

One example I studied in the course of the review that could be adopted comes from the way in which local authorities currently assess people who want a blue badge. There could be automatic entitlement for people who are visually impaired and a fast-track process for people with motor neurone disease and the eligibility criteria could include things such as ease of accessing goods and services and any issues with negotiating the roads and pavements that someone uses in daily life. There are some good examples in this country, across the UK and in other countries that we could adopt and that disabled people would see as a fairer and more holistic way of determining their mobility needs than what we have in the current system.

Marie McNair: That is absolutely the most important thing.

With the value-for-money hat on, how can that be efficiently assessed? The witnesses we are going to hear from later will expect us to ask that.

Edel Harris: I have been asked that question about value for money a few times since I worked on the review. It depends on your interpretation—not yours personally, but one's interpretation—of value for money.

That takes us back to the charter and the legislation, where we talk about an investment in the people of Scotland. As far as I understand it, all the research and focus at the moment is on the potential additional cost of making changes and on the additional costs that are already in the system because Scotland has chosen to do things differently. I have not yet seen anyone do a piece of work on the potential economic benefits of investing in disabled people in Scotland or on the difference that that investment could make in reducing poverty, for example, or in people being more economically active and independent.

As a layperson who carried out the review, I am obviously not from Audit Scotland and this is not my particular skill set. I understand the challenges for the Scottish budget and the tough decisions that must be made in that regard, but we should

not just look at this as a cost and there should be some research to look into the potential value-for-money argument on the other side.

Finally, I have been told many times that it is going to cost too much money if all the recommendations are implemented and that it will not be possible to do that. There will, of course, be some additional costs because some of my recommendations deal with changes to systems, processes and policies, which all comes at a cost. However, I do not think that it necessarily follows that there will be a recurring cost and an increase in benefit expenditure. Someone would have to do the work on that, but I do not think that reviewing the eligibility criteria to meet all the purposes that I outlined earlier would necessarily mean that more people would be eligible and that there would therefore be a bigger cost. It would just mean that we would have a system that was based on human rights and on the social model of disability. As I said, that work has not been done, so I cannot really answer that.

Marie McNair: Thank you. You were talking about additional costs; we hear that quite a lot—it is thrown in our face—about the introduction of short-term assistance payments. However, I see those as a welcome barrier to the cliff edge of poverty when a negative decision is challenged. What did your review find, and has it been seen as welcome and as a support of change?

Edel Harris: Absolutely. It was fairly consistent in all my engagement that the changes that Scotland has already made since taking on adult disability payment were welcome. Those that were highlighted to me, without my necessarily having to ask questions of people, were, first and foremost, the principle of dignity and respect and how, on the whole, they feel that they are treated positively by the agency. As I think I have mentioned, the word “kindness” comes up a lot. That was very welcomed.

The second thing on the list was the lack of DWP assessments and the replacement of those with consultations.

Interestingly, the third one was about the light-touch reviews—which, again, are different from the process in the rest of the UK.

The fourth one was on short-term assistance. I am not trying to put them in order of importance as such, but, when it comes to people's everyday interactions with the ADP process, short-term assistance was mentioned as a very positive thing—although I guess that it would not necessarily have impacted on everybody I spoke to. It was very positively received by disabled people, third sector organisations and welfare advisers who were supporting clients. They had lots of examples to give me of what a huge

difference it made to individual people's lives when they were going through that redetermination.

Marie McNair: Thank you. I am glad that it is making a difference.

Can I have one final question, which is about the Timms review?

The Deputy Convener: As long as—

Marie McNair: It is very quick.

The Timms review is reviewing PIP. Have you been asked to make a contribution to that, or not yet?

Edel Harris: I have been asked. I met Sir Stephen Timms and his predecessor in that role during the review, as well as his team of senior civil servants, probably three or four times in total. When my report was published—obviously, after it had been presented to the Scottish Government—a copy was sent to Sir Stephen Timms and the wider UK Government, and I have met him since publication. He has explained his task in the PIP review, and I should probably not put words in his mouth by saying that he was asking me for advice, but he was very interested in the way in which I had gone about the review and asked me to share some of those methodologies that were important to disabled people, with an interest—I assume—in adopting those. The team has been in touch since it appointed the two co-chairs, and I have meetings or am hoping to arrange meetings with them.

Engagement is, therefore, positive. I will not say that it is extensive, but the people seem interested in the findings of the ADP review—and one hopes, in particular when it comes to the eligibility criteria, that they are considering some of our findings alongside their own.

Marie McNair: Edel, that was very helpful. Many thanks.

The Deputy Convener: Thanks, Marie. It is a really good line of questioning. We are always under time constraints on a Thursday morning, and I am sorry about that. I want to sneak in a brief question, then Jeremy Balfour wants to come back in.

Elena Whitham raised the issue of how we get to the report's more personalised and holistic approach for assessments, and Carol Mochan talked about the inconsistencies in decisions. There is a tension between those things; doing one might exacerbate the other. I apologise for a really bad comparison, but I have sat on job interview panels, using points-based systems. You look at competencies and you do a total at the end, but the person who gets the job is not always the person who gets the highest total of points, because you look at things in the round. You look

at the points total, which is how you get to your short list, then you take a step back and look at the overall package that a person might bring to the post. I am sorry for that dreadful comparison, but we have, almost, a cliff-edge system.

The report said that we should stick with the points-based system, despite all its failings, because it is important to provide certainty. However, should there be a degree of discretion whereby an assessor can take a step back and say, "This person is one point short of qualifying, but, if we look holistically at them, they probably should qualify"? Is there a way of mixing the points system with a more holistic approach?

09:45

Edel Harris: Yes, I think that there is. I am not here to represent Social Security Scotland, but I saw an effort to take that kind of approach to some degree. There is a lot of training for case managers and guidance on how to make decisions, and there is a robust quality assurance process, which I have already mentioned. There is also a human element whereby a case manager will look at all the information that they have available, including the answers to the questions on the form and any supporting information. If there is a consultation, they will also get the opportunity to ask further questions.

One thing that is different about Scotland compared to the rest of the United Kingdom is the role of health and social care practitioners. I shadowed some actual cases that went through that process. If a case manager gets to a position in which they have the sense that you have just described, they would be expected to—and I think that they routinely do—involve a health and social care practitioner to help them to make the right decision.

To some degree, what you have described is already baked into the system. Obviously, if we were to introduce a much more holistic assessment, we would have to make sure that we have the processes to quality assure people's decision making in that context. However, I believe that it is possible for us to have a more holistic way of assessing people's needs and apply some form of measurement to that. It would depend on how the new eligibility criteria were to be designed.

The Deputy Convener: That is very helpful—thank you.

Jeremy Balfour: I have a couple of quick questions to follow up on what colleagues have asked about. Regarding the mobility component, we have talked a lot about the 20m rule. However, the legal test refers to time, distance, speed and

manner. Did those other criteria come up, or does everybody just focus on the 20m rule?

Edel Harris: The focus was undeniably on the 20m rule. In the report, I called it “arbitrary” when someone is asked whether they can walk 20m—or however many metres it is, depending on their mobility. If we go back to when the rule was changed to 20m from the distance of 50m in the disability living allowance—which I am sure you are familiar with—there is definitely a legacy of people being fixated on the actual distance.

However, a lot of people talked about the impact of walking a certain distance—I hope that that point came through in the report. Those people may be able to walk more than 20m and therefore would tick the box when answering that question, but they did not feel that things such as fatigue and breathlessness or the fact that they might be in bed for the next three days after exerting themselves by walking a certain distance were taken into account.

It could be argued—and the Social Security Scotland team would say—that that is where the reliability criterion comes in. However, a lot of people did not feel that that criterion was consistently being applied. Therefore, a move away from the distance rule and taking a more holistic look—I am using the word “holistic” again—at where someone lives, their access to public transport, whether they have local shops that they can go to and what aids they have available to help them would make people feel that the system is much fairer and that it considers their whole lives. For example, they would feel that the impact that exerting themselves or regularly walking a certain distance has on them would be considered. Those were the things that people called for to be changed.

Jeremy Balfour: Thank you—that is helpful. My final question is also about picking up on your wider experience. If we were to implement some of the recommendations that are in your report, there would be a divergence from the PIP regulations, particularly on the points-based system. One of the concerns is that people rely on ADP to then get other UK benefits. Is there a danger that, if we go down the road of having a separate model, people could lose out on other benefits, because the United Kingdom Government would not necessarily recognise the criteria that we are using?

Edel Harris: That is obviously a possibility. I cover passporting in the final report. Although there is an assessment of PIP going on in England, there is currently a lack of clarity around the health element of universal credit and those sorts of things, which might have an impact either way—from the UK to Scotland or Scotland to the UK—if changes are made.

I have stressed in the report that it would be a terrible outcome if some of the recommendations were taken on board and, as a result of trying to improve the system in Scotland, people found themselves financially worse off for the reasons that you have just stated. Obviously, that would not be a good outcome. I can only hope that the two Governments would work together. Perhaps I am being a bit naive and overly simplistic about this, but, if we are serious in Scotland about having a world-leading human rights approach, as I said earlier, this is our moment in time. One would hope that a practical issue such as that would not prevent us from trying to design the system that many disabled people are hoping for.

The Deputy Convener: We could have asked lots more questions, but there are time constraints with a Thursday morning slot. Needless to say, we are very grateful to you for bringing your expertise and speaking to the really important report that you have published. I am sure that it will feature in our legacy report, and I have no doubt that our successor committee on the other side of the Scottish elections will return to the issue in due course. For now, I thank you.

We will suspend briefly before moving to our next panel of witnesses.

09:51

Meeting suspended.

09:53

On resuming—

The Deputy Convener: We turn to our second panel of witnesses for our scrutiny of adult disability payment. I welcome to the meeting Stephen Boyle, the Auditor General for Scotland; and Erin McGinley, senior auditor, performance audit and best value, from Audit Scotland. Thank you both for joining us today. I acknowledge that you sat through the previous evidence session, and we are very grateful for that. I invite the Auditor General to make some brief opening remarks.

Stephen Boyle (Auditor General for Scotland): Thank you for the invitation to join the committee to discuss my report on the Scottish Government’s delivery of the adult disability payment. As the committee will know, nearly half a million people now receive the disability payment. Early client feedback is positive, and governance arrangements for the delivery and transition of the project were well developed.

The committee will be very familiar with the fact that the Scottish Government has taken a different approach from the one taken to the personal independence payment, prioritising dignity,

fairness and respect. Applications and reviews are designed to be less burdensome, with efforts made to boost take-up of the benefit. However, through our audit, we have found that the approach has increased costs. More working-age people are applying, and fewer people are leaving the case load that follows.

In 2023-24, expenditure on the adult disability payment was £141 million more than the funding that was received through the block grant. The latest Scottish Fiscal Commission forecast says that the gap will grow to £770 million by 2029-30, which will contribute to a wider funding gap of £2 billion for devolved social security spending over that period. We concluded that that represents a significant financial challenge over the medium term.

I note that the £770 million potential gap is the most recent available figure from the Scottish Fiscal Commission. However, the committee will recall that that was produced during the time when the UK Government was considering alternatives to the personal independence payment. It is our assumption that that figure will be subject to further forecasting change, probably at the time of the Scottish budget and the spending review.

We concluded that the Scottish Government has not yet set out a detailed strategy to manage the gap or assess the wider outcomes for disabled people. Performance data remains largely focused on client experiences of the system and has not broadened out to wider and potentially more complex assessments of value for money. As ever with our audit reports, we make recommendations to the Scottish Government on performance reporting, stating that it should collect better data on client satisfaction and cost effectiveness.

We concluded that the Government should publish a disability strategy in 2026 that shows how the adult disability payment is working alongside other measures to support disabled people.

Erin McGinley, who is one of the team who authored the report, and I will do our utmost to answer the committee's questions.

The Deputy Convener: Thank you. I will open up questioning, although I always hate to ask the initial question, because it boils the entire report down to a very simplistic answer. We will look at each part of your report in turn and ask questions about it. However, by and large, what is the overall judgment on the way in which the adult disability payment has been implemented? Has it been implemented well, notwithstanding all the improvements that we would like to see, or does its implementation leave a lot to be desired? What is the message that you would leave us with? I

apologise for boiling it down to a core message, but what is your comment on that?

Stephen Boyle: No need to apologise—it is a very appropriate and reasonable question, and what we try to do with much of our work is make it accessible to a wider range of audiences.

It is a positive story. As I mentioned in my opening remarks, the implementation was a well-managed process.

This is not the only report that we have produced on the application of devolved benefits in Scotland; my predecessor and I have produced three or four reports on how the process has gone. Specifically on the adult disability payment, the number of people who transferred from personal independence payment to adult disability payment is not small. We noted that governance arrangements were strong and that there was a co-ordinated process. There was clarity in the ethos of dignity, fairness and respect. It was referenced in the Edel Harris report and the evidence that much of the process was co-designed with disabled people.

That said, it will be interesting to see what happens next once the programme closes. Our report touches on aspects of that. It has cost more than was originally intended. However, that does not detract from the overall key message that it has been a well-run project that has been implemented with complexity. It will be important to see what comes next and whether there are beyond-satisfaction levels in the broader analysis.

The Deputy Convener: I am glad that I asked that question, because your answer sets the context for the scrutiny that we will now undertake in relation to adult disability payment.

The committee has looked at Social Security Scotland in the past, so we know that the agency already has a detailed measurement framework to measure how it is performing against the charter. We know that it also publishes quality and performance framework measures to report against all that. However, I appreciate that one of your key recommendations is that additional performance measurements are required. Will you say a little bit more about what is required and why the current framework does not pick that up?

10:00

Stephen Boyle: I am happy to do that, convener, and then maybe Erin McGinley can give more detail about the data basis.

We started our report with the intention of looking at the financial aspects of the benefit's implementation. However, as we went broader, as we do in our performance audits, we started to look at what the evaluation approach is—not just

for auditors such as ourselves to make a judgment about value for money, but how the accountable officers, including the agency, the Scottish Government and ministers, satisfy themselves that the performance that is being measured connects to the wider outcomes.

We thought that many of the indicators and measures that were being used were of the experience that people had of the process for receiving adult disability payment. As I am sure that the committee knows, the charter for Social Security Scotland includes value for money as one of its measures, but that measure felt less well developed. Indeed, it was difficult for the agency and the Government—and, by extension, for us—to form a judgment as to whether or not value for money was an intrinsic part of the process.

I recognise the sensitivity of that point because of the nature of the adult disability payment. In our report, we say that social security is a human right, and I think that it is right that that features in the charter. An important next step, which our report recommends, will be for the agency to move to a better set of arrangements to develop that.

Erin can say a bit more about our recommendations for the agency around better data and evaluation.

Erin McGinley (Audit Scotland): There are several elements to that recommendation that we talk about throughout the report. We recognise that there is a great performance measurement framework in place; it has almost 70 indicators and it covers a lot of bases. However, part of our recommendation is specifically around the reporting of fairness, dignity and respect. As we all know, those were the most important principles in the setting up of Social Security Scotland, but the public reporting on the measurements of them is quite limited.

In the report, we talk about the upcoming quality and performance framework. It was published in July, when our report was in clearance, so it is not covered in the report. Even in the new framework, the fairness, dignity and respect indicators come solely from the client surveys. Those surveys were of a cohort of people and not everyone, and the data from them is not objective—it is about how people feel that they were treated. We are looking for more public reporting on those elements.

On top of that, as it stands, Social Security Scotland cannot follow the client from the beginning to the end of their journey, and because of that, statistics on redeterminations and appeals are harder to see. After someone applies, you cannot see their statistics at every stage of the way through, and you cannot ascribe data that has been collected to that individual. The DWP can do that within the PIP process, and that allows for

clarity of judgment so that you get decisions right the first time. As we know, that is another important principle of the approach that Social Security Scotland took, so enabling data collection on that performance would allow for more information to sit behind decisions.

The Deputy Convener: I find that very helpful, because the second aspect that you mentioned is an issue with reporting more generally. For example, we inspect and audit care homes, but we do not necessarily monitor the individual's journey through their experience of social care and into a care home. That is exactly the same issue that you are describing in relation to adult disability payments. That helps me to understand how we could do better than that.

However, how we can monitor or measure fairness, dignity and respect is a little more challenging. Is how a person feels that they have been treated not, by definition, subjective? I take on board the recommendation, but how that could be measured in an objective way?

Erin McGinley: Sorry—that example was about fairness, dignity and respect, but my comment was more about the client surveys. We recognise that they are a very useful way of collecting information and can help to inform improvements for Social Security Scotland, but on the whole, they give people's opinions. Some objective data is being collected, but that is the type of data that is used, including in other areas in the public sector, to drive performance and improvement and to measure your own core performance.

The Deputy Convener: I do not want to get caught up in this, so I will just move on to the next question, which I hope does not sound like a daft-laddie one. How can we objectively measure fairness, dignity and respect? I am unclear about that.

Erin McGinley: I do not know the answer to that, would be my straightforward answer.

The Deputy Convener: So, we should try to find a way of doing it, but it is challenging.

Erin McGinley: Yes.

The Deputy Convener: That sounds absolutely fair. It is up to the Government to respond and work out how we would do that.

Do you want to come back in on that, Mr Boyle?

Stephen Boyle: That is, in effect, our position. If dignity, fairness and respect are central to the application of social security in Scotland, and if they are important indicators—which they are; there is no question about that—it is for the agency and the Government to have a better sense of what they think “good” looks like, and what kind of management information is being

given to the agency, so that it can have that clarity of expectation as it goes through its evaluation process.

The committee will know that, following the publication of our report, we briefed the Public Audit Committee on it, and that committee has also taken evidence from Edel Harris, the agency and Scottish Government officials in recent weeks. It is also important to note that the Scottish Government advised the Public Audit Committee of its intention to refresh the disability benefits evaluation strategy in due course; we welcome the fact that it will consider what it refers to as value for money and public value, as it will give some sense of a rounded assessment of the success of the benefit's application in due course. We will also follow and monitor progress through our own work.

The Deputy Convener: Thank you. I call Carol Mochan.

Jeremy Balfour: Can I ask a follow-up?

The Deputy Convener: Because of time constraints, it will have to be brief.

Jeremy Balfour: On that final point, the fact is that there are very few key performance indicators—indeed, hardly any at all. In correspondence, Social Security Scotland has told me that the system has not been designed in that way. Is it a mistake not to have KPIs? Is it worth making some investment to put the system right and ensure that, over the next 10, 20 or 30 years, we can see, say, decision times? At the moment, we have, as we have heard, no idea how long decisions take, and as far as I can see, there is no accountability with regard to whether Social Security Scotland is meeting any targets at all.

The Deputy Convener: Are you talking about the end-to-end process?

Jeremy Balfour: Yes.

Stephen Boyle: Perhaps I can borrow some of Edel Harris's language and say that I think that there is an important balance to be struck here. In our work, we look at—if I can diverge briefly—the NHS; it has many KPIs, but they do not always tell us about the health of the people of Scotland. Having very few KPIs is perhaps suboptimal, too. Therefore, it is an important balance to strike.

Yes, it is important to have valuable management information on decision times, the level of redeterminations and the length of a process, and I am sure that that will be an important consideration for the agency in satisfying not just itself but the leaders, the board, ministers, the Scottish Government more generally, and the people who are using the service, with regard to how it is functioning. Not inconsiderable amounts of public money are being

invested in the agency and the process, and it is important that the agency can satisfy itself that it can both deliver a person-centred human rights approach, and strike the right balance with regard to the rigour with which management information is collected and performance assessed.

The Deputy Convener: I think that that was perhaps a “maybe”, Mr Balfour. I call Carol Mochan.

Carol Mochan: Audit Scotland has recommended defining acceptable levels of client satisfaction. Can that be done in a way that provides meaningful opportunities for improvement and which avoids arbitrary target setting?

Stephen Boyle: Again, it is about balance, isn't it? At the moment, we are not clear whether the Scottish Government expects the survey results from the adult disability payment to show a differential from the DWP satisfaction scores. The agency, too, does not have yet that level of clarity on what is defined as acceptable and which parts of the system are working for their clients.

By way of example, new applications have a lower satisfaction level and success rate than case transfers, but we do not know whether the Scottish Government expects new applicants to have a lower satisfaction rating; similarly, we do not know whether the Scottish Government and Social Security Scotland consider the lower satisfaction ratings as some sort of warning sign of potential problems with the system or whether they are within expected margins. Generally, it is difficult to see whether the Government and the agency are analysing potential problems.

We also know that there are differences in satisfaction levels depending on whether somebody's claim has been successful. That is perhaps not altogether surprising, and we reference that in our report. It goes back to whether the Scottish Government and the agency expect different satisfaction levels depending on the outcome of somebody's application. It is perhaps too tempting to say that it is arbitrary. We recognise that the initial application of satisfaction levels might or might not be right, but it is perhaps an iterative process that needs to be gone through first and then kept under review. Given how central that is to whether a system is operating well, we think that it is an important step for the agency to take and, hence, why it features so prominently in our recommendations.

Marie McNair: The report discussed the need to better understand the cost of how ADP differs from PIP, such as the different approach to reviews. During our pre-budget consideration, the Scottish Government told the committee that assigning costs to individual administrative processes, such

as reviews, would, in essence, be arbitrary. Do you agree with that?

Stephen Boyle: I took a different view from the Scottish Government on that. We note in our report that the process for PIP is different from the process for ADP. The committee heard much of that in your earlier evidence session with Edel Harris and in your previous scrutiny in this area. The application and review processes are different from the DWP processes, and we think that that leads to a different application of the cost of the processes that are involved in moving from PIP to adult disability payment.

Although we see the Scottish Government's answer, we also welcome the fact that, as the committee will know, over the summer, the Government published the fiscal sustainability delivery plan, which commits it to looking at the issue more closely. That is why it is important to have a better understanding of why those bits are costing more and what the benefit is thereafter. Work needs to be done to give a better insight into why that process is different and what benefits are accruing from it.

Erin McGinley: It relates to something that Edel Harris mentioned about the local delivery partners' awareness of VoiceAbility. We called for a deeper understanding of the costs of the different elements of the approach to delivering benefits in Scotland in order to understand that added value. We know that the VoiceAbility contract cost is £20 million, but the feedback that Ms Harris received was that people were not fully aware of that service. We need to establish the costs to understand whether that is the right place to target the spending in order to assist people in getting through the process and improving outcomes.

Marie McNair: I noticed that, in your report, you said that

"the Scottish Government does not have a clear strategy"

in relation to

"any UK decisions".

It has been pretty hard recently. For example, initially, Labour MPs were not allowed to vote against the two-child cap policy—they got suspended if they did—but Labour is now scrapping it. It is hard for the Scottish Government to put a clear strategy in when things change so much, so can I push back on that point?

10:15

Stephen Boyle: I recognise the complexity. As I noted in my opening statement, there was some pushback, even in the evidence session that the Public Audit Committee held with the Scottish Government and Social Security Scotland officials. I point out to the committee that, through our

clearance process for the report and its fact-checking, the £770 million difference in forecasts was based on the figures that were available at that particular time. That number will change, but the expectation is that there will be a gap of some description, which will need to be managed.

The complexity of the Scottish Government's change in approach—from that of the DWP—leads, in our view, to a better understanding of the cost base, which we touched on with regard to the review and application processes. Inherent to that is financial planning, and sensitivity analysis is a core part of how the Scottish Government manages complex budget arrangements based on its fiscal framework with the UK Government.

This time last year, we produced a report that was not on social security but part of a programme of work that we have been doing on fiscal sustainability. Over the summer, we welcomed the regular reporting of the medium-term financial strategy, and we touched on the fiscal sustainability delivery plan. One point that we made in last year's report was that the Scottish Government needs to better understand its budget and where it can flex it if necessary. There is also the broader suite of programmes over the next three to five years. Especially given that it is a demand-led budget, it is about what the Government might do, if decisions were imposed on it, in order to avoid what we have seen a couple of times over the past few years, which is an emergency budget to deliver financial balance, as the Scottish Government is required to do. Ultimately, to distil that down, it is about scenario planning to afford the Scottish Government and the agency an approach that could be deployed at short notice, depending on where the forecasts land.

Marie McNair: It is certainly a hard one, given that PIP is changing and is now under review. Does the £770 million forecast take into consideration that other funding, such as the industrial injuries disablement benefit and the changes to employment injury assistance, will come across? Are they considered as well?

Stephen Boyle: There are many variables at the moment. We draw from the work of the Scottish Fiscal Commission, which regularly updates its forecasts based on the information that the Scottish Government provides at the various fiscal events during the year. One of our key recommendations is that, as part of its budget setting, spending review and medium-term financial plan, the Scottish Government should set out how it intends to manage those variables, such as the process of adding new benefits or taking different approaches.

Reporting on those measures will not only afford transparency, which we talk about a lot when it

comes to managing public finances, but help decision making and give people a better opportunity. The divergent approaches will perhaps lead to better outcomes in due course.

Marie McNair: I could ask a lot more questions, but I think that the convener would be on my case.

The Deputy Convener: It was a very important line of questioning. You do not have to ask another question, but I can afford you a wee bit more time if you want to do so.

Marie McNair: No, it is okay.

The Deputy Convener: I wanted to give you that opportunity, but I will sneak in with a supplementary.

I am not sure whether to take from that exchange that the Scottish Government should have a contingency fund or reserve that it can draw from in order to take account of the vagaries of UK Government decisions that might lead to block grant adjustments. If there should be a reserve, what should it look like? That is almost an open question, but it is about funding not only for social security but for the national health service, local government and education. Whatever UK decision is taken, some form of block grant adjustment will, by definition, be made either directly or indirectly, and sometimes we do not see such adjustments in the first instance. In your view as Auditor General, what percentage of the Scottish budget should we keep locked away for the vagaries of UK Government decision making?

Stephen Boyle: You will know that the Scottish Government has a Scotland reserve, and we are now on the second iteration of the fiscal framework that was agreed between the two Governments and that increased the limit of the Scotland reserve. As I said to Ms McNair, I recognise that it is complex. There is no question but that managing the Scottish budget, particularly the requirement to deliver a balanced budget every year, is difficult in the context of £60 billion or so of public expenditure in Scotland. The Scotland reserve is the right approach. It recognises that events happen and allows for external shocks, as we saw during the Covid period, so that the Government can apply some of those mechanisms.

Ultimately, it will be a matter of policy for ministers to determine the level of contingency and how best to allocate expenditure. However, as we recommend in many of our reports, it is intrinsic to high-quality financial planning and financial management that it does not just allow for the safe mid-level scenario, if I can put it in those terms. There must also be an understanding of how expenditure needs to flex and scenario planning for decisions—taken in Scotland or elsewhere—that flow through to the Scottish

budget. We are certainly proponents of financial management, flexibility and sensitivity analysis, but what that means for the Scotland reserve and any contingency is a question for Scottish ministers.

The Deputy Convener: This committee—or perhaps our successor committee—will be looking at the new fiscal framework as it is developed. In our consideration of that, should our key message be that, whatever Government is in power, this Parliament must have strong levers to pull on for financial or income shock that is based on decisions that are made at Westminster? Should the committee be looking at that as we work out how to take forward social security and social justice in a devolved context, when we are asked to feed into the Scottish Government's consideration of the new fiscal framework?

Stephen Boyle: That would be an important step for the committee to take. We have produced a report on devolved taxes and fiscal sustainability in the past few weeks. We draw on the Scottish Government's analysis, which has found that how the fiscal framework—and, especially, devolved taxes—operates is not well understood by public bodies and the public more generally. There is a real need for a stronger understanding. Sometimes it is too easy to say, as I have said a couple of times this morning, that it is complicated, but it really matters, especially as the Scottish Government's approach to devolved benefits and social security diverges from that of other parts of the UK. That is understood in relation to not just whether the benefits are delivering as intended, but their wider financial implications and, as you rightly point out, what that means for the application of the fiscal framework. That would be a welcome step for this committee or for its successor.

The Deputy Convener: Thank you, Stephen. I apologise to committee members for taking up a chunk of airtime, but I thought that it was important, given what we have coming down the line. Alexander Stewart is next.

Alexander Stewart: Stephen, in your opening remarks, you talked about funding gaps and a demand-led budget and service. Around £320 million more is likely to be spent on ADP than the Scottish Government receives in PIP block grant adjustment. You have touched on that this morning. We have also touched on the likelihood of the forecast gap of £770 million being closer to £400 million by 2029-30. It would be good to get a flavour of Audit Scotland's conclusions on how the Scottish Government is managing the funding gap. You have given us a flavour of when you look at the figures and how you manage that, but it is a considerable sum of money and it is probably going to continue to grow.

Stephen Boyle: Our assessment is that it is a fluid situation, but that it does not fundamentally change the conclusions in our report or the recommendation that there is a gap to be managed. The agency and, primarily, the Scottish Government, will need an understanding of how to respond and flex to deal with changes in the external environment.

Those changes might come from increasing demand in Scotland. In evidence to the Public Audit Committee, we touched on something that has also come up in this committee's considerations, which is that there are more people in Scotland who say that they have a disability than there are people who are claiming adult disability payment. We also know that a clear part of the Scottish Government's approach is to treat social security as a human right and to promote uptake. If that gap is filled, and then there are further external changes because of UK Government decisions, that will take us back to one of the central points that we touched on with Ms McNair. We think that there is a need for better sensitivity analysis and a better understanding of how the budget can better accommodate the impact of those changes. Based on the most recent information, the figure might be £770 million, and there is an assertion that it will be closer to £400 million. It may change again, but that does not detract from our underlying point about the need for a better understanding of the cost base within Scottish Government expenditure and what the Government will do to manage the implications of that.

Alexander Stewart: It is important to note that the Scottish Government's choices, criteria and policy decisions are encouraging more people to come forward. There is no doubt about that, which must have a knock-on effect on how much this will cost. If people feel that dignity, respect and fairness are there, more will take up the opportunity to apply, as the system might not be seen as being as draconian or strict as it used to be. They might not have chosen to come forward in the past due to stigma and difficulties. The Government must take that into account and come to a conclusion about how this should be progressed and managed.

Stephen Boyle: The Scottish Government's approach is different from the one taken by the DWP, as was made very clear by Edel Harris when she gave evidence earlier.

More people are being encouraged to apply and there are differences in the application and review processes, which Erin McGinley might want to say more about. Our report also touched briefly on the different approaches to the quite sensitive area of fraud or error within the system. We observe that fraud and error arrangements are less onerous, or

less well developed—whichever terminology you want to use—within Social Security Scotland than in the DWP.

How all those things co-exist will be another part of the complexity to be considered in managing the differences in approach and in sustaining the culture of Social Security Scotland and the experience that people have of the benefit system. Ultimately, it will come down to the right people receiving benefits when they need them, but that will be complex to manage in the years to come and there is a need for a clear understanding of how differences in costs and numbers will be managed within Scotland's overall fiscal position.

If time allows, I am keen to bring in Erin McGinley to say a bit more.

Erin McGinley: I can expand on that slightly. What matters is not only the amount of money that is being spent on the different approach in Scotland but how people receive that. Exhibit 2 in our report goes through the main differences between the application and review processes. In case study 1, we highlight that Social Security Scotland undertook a modelling exercise looking at benefits in general, to understand which elements of the application process and of the support in place made the most difference to people. We think that that was a valuable process and we call for that to be done benefit by benefit to give the Scottish Government and Social Security Scotland an understanding of whether they are targeting the spend in the right way by making those processes less onerous.

Jeremy Balfour: Thank you both for your answers so far.

We do not know what the Timms review will recommend, and we do not know which recommendations from the independent review will be taken forward by the next Scottish Government. That creates uncertainty for disabled people, and uncertainty around the Scottish Government's forward planning. Is there any way to mitigate that risk or is it just the situation that we are in?

10:30

Stephen Boyle: It is tricky. I listened carefully to the evidence about the engagement that Edel Harris had with Sir Stephen Timms for his review, but I do not have any terrific insight as to the extent to which the Scottish Government is contributing to the understanding that Sir Stephen Timms and his team have in undertaking their work, or as to what that might mean for adult disability payment.

In a broader sense, and without wishing to labour the point about the understanding of the

cost base and how it matters, the wider suite or package of provision to support disabled people might also be relevant to how the Government understands how the spend contributes to wider outcomes. It was interesting to hear what Edel Harris said, in that, to a great extent, the adult disability payment mirrors the personal independence payment. Is that still the right approach, not just for the UK but for Scotland? Are there opportunities to take a view on whether the benefit is delivering the best life chances and outcomes for people with disabilities? I fear that I am not able to offer any insight—I suspect that it would be less than the insight that the committee has already had—but we will carefully monitor what that means, both from an outcomes perspective and in relation to public finances.

Jeremy Balfour: The hardest thing for politicians is to take things away from people. Once someone has something, it is very hard to take it away. As we heard earlier, ADP is not means tested, and it was deliberately set up that way—as were its predecessors. Have you considered the idea of targeting it more to those in need, rather than making it a universal benefit?

Stephen Boyle: We have not done any work on that yet; we will consider where we go next on it. When we produce an audit report, we typically follow up after a period of time and make recommendations. That relates to our own accountability, and we report publicly to the Public Audit Committee on whether the recommendations that we made were useful or were implemented and had the desired effect.

We will keep a close eye on the Timms review, together with any wider changes to social security, if, for instance, there are any developments with the fiscal framework. There seem to be a lot of variables, and that complexity no doubt affects you as politicians. We will consider that as part of our work programme.

Elena Whitham: This line of questioning leads into the questions that I had on the wider outcomes. Your report states that the situation is a bit “fragmented” when it comes to policies that have an impact on disabled people, notwithstanding the fact that the Scottish Government published its “Disability Equality Plan” in the summer.

What would the practical impact be if we had a less fragmented policy approach to supporting disabled people? How might that affect decision making on social security policy, given that ADP is not a means-tested benefit, as Mr Balfour mentioned? It is a matter of addressing the disability premium that people have to cover in their day-to-day existence.

Stephen Boyle: That is the fundamental next step. As I mentioned in response to the convener’s first question, the payment was a successful project, which was implemented as intended. The benefit was rolled out, with 700,000 or so more people projected to receive it by the end of the decade.

Towards the end of our report we step back from that somewhat, to ask, “What next? What is the connection to the wider outcomes for people with disabilities?”

Of course, it is for the Scottish Government to weigh up the cost benefit ratio of having a benefit that is targeted or otherwise. There are already differences in some of the devolved benefits. The Scottish child payment is a clear example of a more targeted benefit, compared with the adult disability payment. We will look closely for any further evolution of that.

I would just draw on the point that I have already touched on, which is about being informed by evidence on the connection to health outcomes and employability opportunities. To some extent that takes us to whether best value is being achieved from the application of the benefit. What is the opportunity cost to other parts of public spending? Better outcomes for people with disabilities will not be achieved by just the adult disability payment, so how is it connected with other parts of public spending? There is no question but that that is for the Government and policy makers to drive, but we will always be keen to see the evaluation that sits alongside that, and how the implementation will work, in order to take an informed view in the years to come.

Elena Whitham: In our pre-budget scrutiny, we heard from stakeholders that, even at local health and social care partnership or local authority level, how spending decisions were made and how they would impact on disabled communities were not always transparent. Your report states:

“The Scottish Government”—

and others, I think—

“should consider ... an equalities-based budgeting approach”

and have that mainstreamed as part of what happens. Will you expand on how such an approach might change social security spending in the longer term?

Stephen Boyle: I am very happy to say a word or two, and Erin McGinley might want to come in with a bit of detail because she looked closely at that as part of the compilation of the report.

At a high level, equalities-based budgeting calls for resources to be spent in the most efficient and effective way so that people can exercise their

rights. That goes back to my answer to your earlier question.

As part of that consideration, a question needs to be asked about adult disability payment being part of the wider suite of public expenditure for supporting people with disabilities. More analysis needs to be done, because it is not just a case of outputs. It would be wrong to characterise the project in that way. So far, it has delivered as intended—it is producing people. The case load has been transferred, and that has been successful.

However, what is next? As we have done in a number of reports over the past few years, we need to look at how human rights are being met through public spending and the application of social security. Given that the charter emphasises that human rights are central, I felt that to be an appropriate next step.

I give Erin an opportunity, if we have time, to say a bit more.

Erin McGinley: Just very quickly, to supplement what the Auditor General said, the last couple of questions in the third section of the report were all around that.

Adult disability payment exists to support people with the extra cost of having a disability, but it does not exist in isolation. There has not been a disability equality strategy or plan since 2021, but other initiatives have gone on during that time. We are calling for—to borrow Edel Harris's word—a holistic approach to supporting people with disabilities in Scotland, and a recognition that neither ADP nor support for housing costs will do everything. The issue needs to be considered in the round in order to target spending effectively to make a difference to people's lives and improve those wider outcomes, whether that be in employability or getting people out of poverty.

Elena Whitham: Do you agree that that needs to happen in all the spheres that people exist in? With my former Convention of Scottish Local Authorities hat on, I could look at it across the local authority setting, but decisions that are made in different places will impact on people with disabilities in different ways. Does the approach have to be fundamentally embedded across all of Scotland's public sector?

Stephen Boyle: Yes. It is interesting. I know that part of the Government's thinking as part of its public service reform strategy is on how accountabilities work.

We in Audit Scotland are clear that audits should not be a barrier to any of this; there needs to be that sense of how public spending is delivering those wider outcomes. As we see, there is a risk that public spending is too often focused

on what one organisation is doing with the money that is allocated to it, whereas people consume public services in a much broader way than that. It feels as though many of the initiatives through which we as a country have tried to produce that more holistic approach—such as community planning partnerships or integration joint boards—have not realised the ambition that was set for them.

That does not mean that we should stop trying. Given some of the fiscal pressures and the desire for better outcomes for people with disabilities and more widely, if there is an opportunity through public service reform, it feels as though there is an onus on us to take it, and Audit Scotland will play its part.

The Deputy Convener: That concludes our evidence session. Stephen Boyle and Erin McGinley, I thank you for your support in helping us to understand the report. I ask you to stay seated for a brief moment, to allow me to sneakily move on to agenda item 3 without suspending proceedings.

Subordinate Legislation

Charities Accounts (Scotland) Amendment Regulations 2025 (SSI 2025/341)

10:41

The Deputy Convener: Our next item of business is consideration of a Scottish statutory instrument. I refer members to paper 3. The instrument is subject to the negative procedure. Given that members have no comments on it, I invite the committee to agree that it does not wish to make any further recommendations in relation to it and that they are content simply to note it. Is that agreed?

Members *indicated agreement.*

The Deputy Convener: That concludes our public business for the day, and we move into private session.

10:42

Meeting continued in private until 11:03.

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