

## News release

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### **Government's social security plan at "critical point"**

**Recruiting the skilled staff needed for the Scottish Government's new financial and social security powers and responsibilities will be challenging, says the Auditor General.**

Around 50 per cent of spending will be raised directly in Scotland by 2020 following the Scotland Acts of 2012 and 2016.

And a number of new responsibilities – including around £3 billion of annual social security payments – are also being devolved.

Caroline Gardner's latest Scotland Acts report acknowledges the "huge" task the changes present, and says the government's social security programme has made good early progress.

But the Auditor General says much more remains to be done.

Her report warns that it will be challenging to recruit people with the right financial planning, IT and economic skills in time to meet the complex demands of the new powers.

In particular, setting up a social security agency and delivering the first wave of devolved benefits by summer 2019 will be difficult, she says.

The Auditor General also found that the Scottish Government has not clearly estimated the total cost of putting the new powers into practice or how much it will exceed the £200m contributed by the UK government.

The extra cost will have to be funded from the Scottish budget.

Ms Gardner said: "Putting the Scottish Parliament's new financial powers and social security responsibilities into action is a huge and highly complex piece of work.

"More detailed workforce analysis and a much more transparent picture around overall costs are needed to ensure the right people and infrastructure are in place in time.

"Good early progress has been made on the government's social security plans but they are now at a critical point."

The report also notes that the new powers bring far greater budgetary risks as well as opportunities as a result of the greater emphasis put on the performance of the Scottish economy.

UK withdrawal from the European Union adds extra uncertainty.

To manage the risks, the Auditor General's recommendations include calling on the Scottish Government to agree the governance and organisational arrangements of the new Scottish Exchequer.

**For further information contact Patrick McFall Tel: 0131 625 1663 / 07786660171 [pmcfall@audit-scotland.gov.uk](mailto:pmcfall@audit-scotland.gov.uk) or [media@audit-scotland.gov.uk](mailto:media@audit-scotland.gov.uk)**

## Notes to editors

1. The first wave of devolved social security benefits will include the Best Start Grant (formerly the Sure Start Maternity Grant) and Funeral Expenses Assistance (formerly Funeral Payment).
  2. The UK and Scottish governments will share the cost of implementing and administering the powers of the Scotland Act 2016. The Scottish Government will have drawn down the full £200 million UK Government contribution in 2017/18.
  3. The Scottish Government estimates that the social security powers alone will cost £308 million to implement over the next four years.
  4. The UK Government will also transfer up to £66 million each year to the Scottish Government budget as a contribution to the ongoing administrations costs of the powers once they are implemented.
3. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)
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