

Audit scope

Social security and Adult Disability Payment

AUDITOR GENERAL 

Prepared by Audit Scotland

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Background

The Scotland Act 2016 devolved 11 social security benefits and gave the Scottish Government the power to create new benefits and change existing ones.

Social Security Scotland is the executive agency of the Scottish Government set up to manage the Scottish social security system and deliver social security payments. The Scottish and UK Governments agreed a phased approach to transferring the administrative responsibility and financial accountability of these benefits.

The Auditor General's [2022 report](#) on implementing the transfer of benefits found that, to date, the Scottish Government had continued to successfully deliver new and complex social security benefits.

Social Security Scotland is currently administering 15 benefits, eight of which are replicating previously existing payments, including Adult Disability Payment (ADP). ADP was launched in August 2022. It is the Scottish Government's replacement for Personal Independence Payment (PIP). Both PIP and ADP provide financial assistance to people with a disability or

long-term health condition. Scottish benefit recipients currently on PIP are being transferred to ADP - this is due to be completed by the end of 2025. New applicants now apply directly for ADP. ADP is the largest devolved benefit. In 2023/24 spend on ADP and PIP made up £2.6 billion of the £5.3 billion spent across all devolved benefits.

When developing ADP, the Scottish Government decided that Social Security Scotland should follow different application and review processes than those in place for PIP in the rest of the UK. These are designed to meet the Social Security Charter objectives of treating people with dignity, fairness and respect.

The Scottish Fiscal Commission expects higher spending on ADP compared to PIP. Under Scotland's budget arrangements with the UK, if policy choices on devolved benefits lead to higher levels of spending, the Scottish Government must fund the difference from elsewhere in its budget. For social security benefits, this funding gap is expected to grow and by 2028/29 is forecast to reach around £1.5 billion. Around a third of this (£491 million) relates to ADP.

Why is this audit important?

Social security is a key strand of the Scottish Government's overall strategy to address priorities such as poverty and equality outcomes. The growth in spending on ADP and other benefits is taking place in the context of wider Scottish budget pressures. The Scottish Government will need to find additional money to fund this increase, either through increasing revenues or reducing spending elsewhere in the Scottish budget.

The Scottish Government should be clear on the additional impact its approach to ADP is delivering to people in Scotland, given the increased spending involved.

The overall aim is to assess how much value the Scottish Government is adding through its approach to ADP. The audit questions to support this aim are:

- How well are the Scottish Government and Social Security Scotland managing and assessing ADP?
- How well are the Scottish Government and Social Security Scotland managing the financial and non-financial consequences of its approach?
- To what extent is the Scottish Government considering how ADP is contributing towards overall efforts to improve outcomes for people with disabilities?

This work builds on our previous reports [Progress on implementing the devolved benefits](#) published in May 2022 and the [2023/2024 Social Security Scotland Annual Audit Report](#).

How will we carry out this audit?

The audit will conduct interviews with officials in the Scottish Government and Social Security Scotland. We will draw on evidence from these discussions along with other stakeholders, review key documents

and assess performance and financial analysis. We will incorporate the views of people with disabilities.

What do we want to happen as a result?

We want this audit to provide assurance to the Scottish Parliament and the public on how well Social Security Scotland and the Scottish Government have implemented ADP and the added value from the approach.

The findings and recommendations from the audit will provide lessons on the delivery of social security in Scotland and the future affordability of benefits payments. It will also assess the impact ADP has had on overall efforts to improve outcomes for people with disabilities.

Timetable

The work will be carried out throughout 2025. We aim to publish the audit report in Autumn 2025. Following publication, the Auditor General will present our findings to the Scottish Parliament's Public Audit Committee.

Contact

If you have any questions or would like more information about this audit, please contact Shelagh Stewart, Audit Manager, on 0131 625 1812 or email at sstewart@audit-scotland.gov.uk

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