

Model Framework Document – Executive Agencies

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Introduction

1. This framework document is agreed between Social Security Scotland and the Scottish Ministers. It summarises how Social Security Scotland and Scottish Government will work together, and the key roles and responsibilities of:

- the Scottish Ministers
- the Senior Lead Officer
- the Chief Executive and their Accountable Officer role at Social Security Scotland and
- the Portfolio Accountable Officer within the Scottish Government whose remit includes Social Security Scotland.

While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and as a live document, it should be reviewed by Scottish Government and Social Security Scotland regularly, and at least every 2-3 years. Any significant changes will be agreed by the Scottish Ministers.

2. Any question regarding the interpretation of the document will be determined by the Scottish Government after consultation with Social Security Scotland. Legislative provisions take precedence over any part of the document.

3. Copies of the document will be placed in the Scottish Parliament Information Centre and published on the Social Security Scotland website.

Purpose

4. Social Security Scotland commenced activity as an Executive Agency of the Scottish Government on 1 Sept 2018. [Part 3 of the Scotland Act 2016](#) gave the Scottish Parliament the powers to create devolved benefits and the Social Security (Scotland) Act 2018 provides for types of assistance that will be created using those powers.

5. The purpose of Social Security Scotland is to manage the Scottish social security system effectively and carry out functions in fulfilment of Scottish Minister's statutory duties under the Social Security (Scotland) Act 2018, as an Executive Agency of the Scottish Government.

6. The main functions that Social Security Scotland will carry out, in fulfilment of its statutory duties are:

- to assess entitlement and pay the social security benefits for which it has responsibility accurately, securely and on time
- to provide advice and information on clients claiming benefits under the Scottish social security system and encourage people to take up the benefits that they are entitled to and receive the support that they are due
- to assist Scottish Government in the management of benefit expenditure risk by providing appropriate information and support

- to provide information on benefit expenditure to assist Scottish Fiscal Commission with its duties
- to process benefit(s) reviews and redeterminations, and submit information relevant to appeals, in respect of the benefits it administers
- to prevent, detect, and take action in respect of overpayments made in error and instances of benefit fraud, recovering as appropriate
- the continuous improvement of processes and systems, demonstrating efficiency and best value, to enhance the user's experience and
- implement the policy decisions of Scottish Ministers, developing and deploying necessary adjustments to operational policy; advise Ministers on the operational delivery implications of policy decisions under consideration as appropriate

Governance and Accountability

7. Status as an Executive Agency means that Social Security Scotland has autonomy in carrying out its executive functions within the terms of this framework, whilst remaining directly accountable to the Scottish Ministers for the standards of its work.

8. The remainder of this section summarises the specific responsibilities and accountabilities of the key people involved in governance of Social Security Scotland.

The Chief Executive

9. The Chief Executive is a civil servant who is personally accountable to the Scottish Ministers for the economic, effective and efficient operation of Social Security Scotland. The Chief Executive is also appointed by the Principal Accountable Officer for the Scottish Administration (the Permanent Secretary) as the Accountable Officer for the agency, and the responsibilities of that role are set out below.

10. The Chief Executive has overall responsibility for the delivery of the functions of Social Security Scotland, as set out at paragraph 6 above, in accordance with the aims, policies and priorities of the Scottish Ministers. In fulfilling this responsibility, the Chief Executive will lead the agency and:

- a. set strategic and operational plans to deliver the functions of Social Security Scotland, focusing on how the work of Social Security Scotland can most effectively contribute to achievement of the outcomes in the [National Performance Framework](#), the [Programme for Government](#), [Fairer Scotland Action Plan](#) and [Scotland's Economic Strategy](#) in collaboration with the Scottish Government and other public bodies
- b. lead the activity of Social Security Scotland to deliver the aims, objectives and targets set out in plans and take decisions on remedial action where required

- c. ensure that effective governance is established and maintained, including ensuring that decision-taking is open and transparent and, with support from the Audit and Assurance Committee, ensure that key risks are identified and managed
- d. approve the Annual Report and Accounts and ensure they are laid before the Scottish Parliament timeously
- e. manage the budget for Social Security Scotland in line with Scottish Government Finance guidance, policies and procedures, including the Scottish Public Finance Manual, the principles of [Best Value](#), and ensure that appropriate financial appraisal and evaluation techniques are followed (see the [Appraisal and Evaluation](#) section of the Scottish Public Finance Manual) to inform financial decisions
- f. agree with the Portfolio Accountable Officer, or other senior civil servant acting under delegated authority by the Portfolio Accountable Officer, what information is required to enable scrutiny of the performance of Social Security Scotland and progress against overall strategic and business plan aims and objectives, ensuring that the agreed information is provided and that it is both accurate and timely
- g. where appropriate will manage relationships with the Portfolio Accountable Officer, with other Scottish Government officials who have an interest in the work of Social Security Scotland and other key stakeholders
- h. promote the wellbeing, learning and development of staff and ensure that Social Security Scotland meets the [Agency staff management responsibilities](#) described in the section below
- i. ensure that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/ hazards), governance and internal control
- j. reply to correspondence from MSPs on operational issues within the Agency's responsibilities and supporting Ministers by preparing Ministerial briefing and responses to Ministerial correspondence and Written or Oral Parliamentary Questions
- k. document management arrangements – the Chief Executive's delegated authority and performance management arrangements

11. The Chief Executive in both their overall leadership role and the specific responsibilities of the Accountable Officer role will pay particular attention to the Key Governance Issues highlighted in the section on Governance and Risk below and will ensure that the Portfolio Accountable Officer is notified as soon as possible if a significant risk or issue is identified relating to any of these matters.

The Accountable Officer

12. The Principal Accountable Officer for the Scottish Administration will designate the Chief Executive of Social Security Scotland as the Accountable Officer. The Accountable Officer is personally responsible for the propriety and regularity of the public finances of Social Security Scotland and ensuring that its resources are used economically, efficiently and effectively, as required by section 15 of the [Public Finance and Accountability \(Scotland\) Act 2000](#) and may be called to give evidence to the Public Audit Committee of the Scottish Parliament. The responsibilities of the Accountable Officer are set out in full in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#) in the Scottish Public Finance Manual.

13. Accountable Officers are personally answerable to the Parliament for the exercise of their functions and under section 15(8) of Public Finance and Accountability (Scotland) Act 2000, this creates a statutory duty to obtain written authority from, as the case may be, the Scottish Ministers or relevant governing body before taking any action that they consider may be inconsistent with the proper performance of their functions. Accountable Officer responsibilities include ensuring financial propriety and regularity and ensuring that relevant resources are used economically, efficiently and effectively.

Accountable Officers also have particular responsibility to ensure that appropriate advice is tendered to Ministers on all matters of financial regularity and propriety and on the economic, efficient and effective use of resources. If, as the Accountable Officer you consider that Ministers are contemplating a course of action which you consider would infringe the requirements of financial regularity or propriety or that you could not defend as representing value for money within a framework of [Best Value](#) you should, in consultation with your Portfolio Accountable Officer and Scottish Government Financial Management Directorate, set out in writing the objection to the proposal and the reasons for this objection. If Ministers decide to proceed, you should seek a written authority to take the action in question making clear whether the authority is being sought on the grounds of regularity, propriety or / and value for money. Having received such an authority (following assessment by the Cabinet Secretary for Finance and Economy, and clearance by the First Minister and the Deputy First Minister), you must comply with it, but should then, without undue delay, pass copies of the request for the authority and the authority itself to the Auditor General and the Clerk to the Public Audit Committee. The Authority will also be published on the Scottish Government website.

The Director-General Portfolio Officer will approve the appointment of the Chief Executive in accordance with the Scottish Government's resourcing policy and will hold them to account for the performance of Social Security Scotland and its use of resources. Ministers are ultimately accountable to the Scottish Parliament for the performance of Social Security Scotland.

Scottish Ministers will:

- a. agree the strategic aims and objectives of Social Security Scotland as part of the corporate planning process, and regularly scrutinise progress made towards the aims and objectives
- b. agree the budget for Social Security Scotland, secure the necessary Parliamentary approval and scrutinise the agency's overall financial performance
- c. approve the Framework Document and any revisions made to it
- d. review policy and ensure legislation and regulations are in place, consulting with Social Security Scotland

Scottish Government Portfolio Accountable Officer

14. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the Scottish Government) has designated the Director General Communities as the Portfolio Accountable Officer (Accountable Officer) for the Scottish Government portfolio budget which will provide funding for the Social Security Scotland. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

15. The Portfolio Accountable Officer is not directly accountable for Social Security Scotland but is responsible for ensuring that there is an effective framework in place for scrutiny of the operational and financial performance of Social Security Scotland and the financial and other management controls applied to Social Security Scotland. This document is the basis of that framework.

16. Where appropriate the Portfolio Accountable Officer is likely to delegate some or all of their duties in relation to Social Security Scotland to a Director or as Senior Lead Officer for Social Security Scotland and other Scottish Government officials may support the Portfolio Accountable Officer and Senior Lead Officer in a liaison role.

17. The Portfolio Accountable Officer will:

- a. make sure this framework document is agreed with the Scottish Ministers, reviewed regularly and oversee the operation of the roles and responsibilities set out
- b. ensure that financial and other management controls being applied by Social Security Scotland are appropriate and sufficient to safeguard public funds and conform to the requirements both of propriety and of good financial management
- c. ensure that the Chief Executive and Accountable Officer participates fully in Director-General risk assessment and assurance activity, including regular Director-General assurance meetings
- d. support regular and effective engagement between Social Security Scotland and the relevant Scottish Minister(s)

- e. make sure there is clear, documented delegation of responsibilities to a Senior Lead Officer and/or other officials who are support the Portfolio Accountable Officer in managing the relationship with Social Security Scotland, and that the Chief Executive and senior team in the agency are aware of these delegated responsibilities and
- f. appoint and performance appraise the Chief Executive

18. The Portfolio Accountable Officer remains personally answerable to the Scottish Parliament for the effectiveness of this framework.

Non-Executive Members

19. The Non-Executive Members are appointed by the Chief Executive to bring an independent, external perspective to the work of the Agency and are subject to annual performance review by the Chief Executive.

20. The Chief Executive will be supported in their role by an Executive Advisory Body, the members of which are the senior leadership team of Social Security Scotland together with seven non-executive members. The role of non-executive members is to provide support and challenge to the Chief Executive and senior leadership team on strategy, significant operational issues, best value and overall governance.

21. Non-executive members are not regulated public appointments, but the Chief Executive will ensure that they are recruited through fair and open competition and will particularly focus on promoting diversity by encouraging applications from less represented groups, including younger people, people from minority ethnic backgrounds and people with disabilities.

Agency staff management responsibilities

22. The Chief Executive has responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward staff are to ensure that:

- the agency complies with Scottish Government Main HR policies, practices and systems • the level and structure of staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness
- the performance of staff at all levels is regularly appraised and performance management systems are reviewed from time to time
- staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Agency's objectives
- proper consultation with staff takes place on key issues affecting them, as appropriate, including working in partnership with trade unions
- effective grievance and disciplinary procedures are in place

- effective whistle-blowing policy and procedures consistent with the [Public Interest Disclosure Act 1998](#) are in place
- as staff will normally be civil servants, they will be subject to the civil service code of conduct

Pay and conditions of service

23. Staff of Social Security Scotland are eligible for a pension provided by the Principal Civil Service Pension Scheme.

24. Any proposal by Social Security Scotland to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Ministers. Proposals on compensation payments will comply with the [Settlement Agreements, Severance, Early Retirement and Redundancy Terms section](#) of the Scottish Public Finance Manual. This includes referral to the Scottish Ministers of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation.

Corporate and Business Plans

25. Social Security Scotland will prepare a draft strategic or Corporate Plan every three years reflecting its independence from the Scottish Government, setting out its strategic aims and objectives over that period, for consideration by the Scottish Ministers. When a new plan is to be prepared, the Chief Executive or their delegate will liaise with the Senior Lead Officer or Portfolio Accountable Officer to agree the key points to be addressed and the timetable for preparation and review. The final, agreed version of the strategic or Corporate Plan will be published on the Social Security Scotland website.

26. The Corporate Plan will include Social Security Scotland's:

- purpose and principal aims
- contribution to the national outcomes set out in the National Performance Framework, the Programme for Government and Scotland's Economic Strategy in collaboration with the Scottish Government and other public bodies;
- analysis of the environment in which it operates
- key objectives for the period of the plan, and the strategy for achieving those objectives
- indicators against which its performance can be judged
- details of planned efficiencies, describing how better value for money will be achieved, including through collaboration and shared services and
- other key points agreed with the Senior Lead Officer and/or Portfolio Accountable Officer as described above.

27. The Corporate Plan will inform the development of a separate Business Plan for each financial year, which will include key objectives and milestones for the year immediately ahead, aligned to the National Performance Framework, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. Social Security Scotland will send a copy of the annual business plan to the Senior Lead Officer before the start of the relevant financial year.

Annual Report and Accounts

28. Social Security Scotland will publish an annual report of its activities together with its audited accounts after the end of each financial year. The Annual Report and Accounts will cover the activities of any corporate, subsidiary or joint ventures under the control of Social Security Scotland. It will comply with the Government [Financial Reporting Manual](#) and outline the Agency's main activities and performance against agreed objectives for the previous financial year.

29. The accounts will be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the Government Financial Reporting Manual) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit.

30. Social Security Scotland Accountable Officer is responsible for the laying of the Annual Report and Accounts in the Scottish Parliament. Whilst the statutory deadline for laying and publishing accounts audited by the Auditor General for Scotland is 31 December after the end of the relevant financial year, the Scottish Ministers expect that accounts will be laid before the Scottish Parliament and published well before this date, to support the wider consolidation of the Scottish Government accounts. As a body which is part of the Scottish administration Social Security Scotland has a duty to provide its annual governance statement to the Scottish Government via the Governance and Risk Branch to support and inform the Scottish Government Consolidated Annual Accounts as early as possible.

External audit

31. The Auditor General for Scotland audits, or appoints auditors to audit, Social Security Scotland's annual accounts. The Auditor General for Scotland, or examiners appointed by the Auditor General for Scotland, may also carry out examinations into the economy, efficiency and effectiveness with which the body has used its resources in discharging its functions and/or carry out examinations into the arrangements made by Social Security Scotland to secure [Best Value](#).

32. The Auditor General for Scotland, or the Auditor General for Scotland's appointed auditors or examiners, have a statutory right of access to documents and information held by relevant persons, including any contractors to Social Security Scotland. Social Security Scotland will ensure that this right of access to documents and information is

made clear in the terms of any contracts issued and will also use its best endeavours to secure access to any other information or documents required which are held by other bodies.

Internal audit

33. The Chief Executive as Accountable Officer will:

- work with the Scottish Government's Internal Audit and Assurance Directorate in accordance with the [Internal Audit](#) section of the Scottish Public Finance Manual
- set up an Audit Committee, chaired by a non-executive (who may be one of the non-executive advisers described above) and with at least one member who has significant financial experience, in accordance with the [Audit Committees section](#) of the Scottish Public Finance Manual, and pay careful attention to the Audit Committee's advice
- ensure that the Senior Lead Officer receives, promptly after they are produced or updated: the audit charter, strategy, periodic audit plans and annual audit assurance report, including the Head of Internal Audit opinion on risk management, control and governance – and provide any other relevant audit reports as requested by the Senior Lead Officer
- keep records of and prepare and forward promptly to the Scottish Government Governance and Risk Branch an annual report on fraud and theft suffered by Social Security Scotland and notify the Senior Lead Officer or Portfolio Accountable Officer immediately of any unusual or major incidents

Budget management and delegated authority

34. Each year the Senior Lead Officer or their delegate will notify Social Security Scotland of its budget provision, any related matters and details of the budget monitoring information required. Social Security Scotland will comply with the format and timing of the monitoring information requested and with any requests for further information.

35. The statement of budgetary provision will set out the budget within the classifications of Resource Departmental Expenditure Limits, Capital Departmental Expenditure Limits and Ring-fenced (non-cash) Departmental Expenditure Limits – and, where applicable, Annually Managed Expenditure. These categories are explained in [Annual Budget Processing](#) in the Scottish Public Finance Manual. Social Security Scotland will not transfer budgetary provision between the categories without the prior approval of the Scottish Government Finance Directorate, and the Senior Lead Officer should be made aware of any such transfers. Transfers within the categories are at the discretion of the Chief Executive, if these do not breach any other constraints, for instance the approved pay remit.

36. Where budgetary provision includes projected income, including any income from disposal of non-current assets, the Chief Executive will ensure that the Scottish Government Finance Directorate and Senior Lead Officer are made aware promptly of any forecast changes in income – usually via the monthly budget monitoring statement. The Scottish Ministers expectation is that any shortfall in income will be offset by a matching reduction in gross expenditure, and prior approval from the Scottish Government Finance Directorate and the Senior Lead Officer must be sought for any alternative arrangement. Similarly, if income is higher than originally projected, this may only be used for additional spending or to meet pressures with the prior approval of the Scottish Government Finance Directorate and Senior Lead Officer. Failure to obtain prior approval for the use of excess income to fund 15 additional expenditure may result in corresponding reductions in budgets for the following financial year.

37. Social Security Scotland's specific delegated financial authorities are set out in Annex A. The Chief Executive will obtain the prior written approval of the Portfolio Accountable Officer and Scottish Government Finance before entering into any undertaking to incur any expenditure that falls outside these delegations, and before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

Governance and Risk

38. Guidance on governance requirements is available in several documents referred to earlier in this framework document:

- [Scottish Public Finance Manual](#)
- [Audit and Assurance Committee Handbook](#)

39. If any issues or doubts are raised relating to our governance, the Chief Executive should consult Senior Lead Officer in the first instance and may also consult the Scottish Government Public Bodies Unit, the Scottish Government Governance and Risk Branch and/or other teams with relevant expertise.

40. The Chief Executive and any non-executive members should pay particular attention to guidance on the following issues.

Risk management

41. Social Security Scotland must develop an approach to risk management consistent with the [Risk Management section](#) of the Scottish Public Finance Manual and establish reporting and escalation arrangements with the Portfolio Accountable Officer or Senior Lead Officer. In doing so, they should consider alignment with the Scottish Government approach to risk management as appropriate.

42. The Chief Executive and any non-executive members should have a clear understanding of the key risks, threats and hazards the Agency may face in the personnel, accommodation and cyber domains, and take action to ensure appropriate

organisational resilience, in line with the guidance in: [Having and Promoting Business Resilience](#) (part of the Preparing Scotland suite of guidance) and [The Scottish Public Sector Action Plan on Cyber Resilience](#).

Internal control

43. The Chief Executive should establish clear internal delegated authorities for other members of staff and establish an assurance framework consistent with the [internal control framework](#) within the Scottish Public Finance Manual.

44. Counter Fraud policies and practices should be adopted to safeguard against fraud and theft - see the [Fraud](#) section of the Scottish Public Finance Manual.

45. Any major investment programmes or projects undertaken should be subject to the guidance in the [Major Investment Projects](#) section of the Scottish Public Finance Manual and in line with delegated authorities. The Senior Lead Officer must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the Scottish Government's Office of the Chief Information Officer.

46. Social Security Scotland must comply with the requirements of the Freedom of Information (Scotland) Act 2002 and ensure that information is provided to members of the public in a spirit of openness and transparency. Social Security Scotland is covered by the Scottish Ministers' registration with the Information Commissioner's Office and must ensure compliance with the Data Protection Act 2018 and the General Data Protection Regulations, commonly known as GDPR.

Budget and finance

47. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Portfolio Accountable Officer and Scottish Government Finance. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the Scottish Public Finance Manual. Social Security Scotland must comply with all relevant rules on taxation, including VAT, recover input tax where it is entitled to do so.

48. An accurate and up-to-date record of current and non-current assets should be maintained and be consistent with the [Property: Acquisition, Disposal & Management](#) section of the Scottish Public Finance Manual. Social Security 17 Scotland is also subject to the [Scottish Government Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process.

49. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the Financial Reporting Manual. When an asset (including any investment) suffers impairment, when there is significant movement in existing provisions and/or where a new provision needs to be created, this should be

communicated to the Senior Lead Officer and Scottish Government Finance as soon as possible to determine the implications for the Agency's budget.

50. Any funding for expenditure on assets by a third party should be subject to appropriate arrangements to ensure that they are not disposed of without prior consent and that a due share of the proceeds can be secured on disposal or when they cease to be used by the third party for the intended purpose, in line with the [Clawback](#) guidance in the Scottish Public Finance Manual.

51. Unless covered by a specific delegated authority, prior approval from Scottish Government Finance is required before making gifts or special payments or writing off losses. Special payments and losses are subject to the guidance in the [Losses and Special Payments](#) section of the Scottish Public Finance Manual. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the Scottish Public Finance Manual.

52. Unless covered by a specific delegated authority Social Security Scotland must not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break - without prior approval from the Senior Lead Officer. Before entering / continuing such arrangements the Agency must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property / accommodation related operating leases are subject to a specific delegated authority. There must be capital Departmental Expenditure Limit provision in the 18 budget allocation for finance leases and other transactions which are in substance borrowing.

53. Procurement policies should reflect the relevant guidance within the [Procurement](#) section of the Scottish Public Finance Manual and any other relevant guidance issued by the Scottish Government's Procurement and Commercial Directorate.

54. All matured and properly authorised invoices relating to transactions with suppliers should be paid in accordance with the [Expenditure and Payments](#) section of the Scottish Public Finance Manual wherever possible and appropriate within Scottish Ministers' target of payment within 10 working days of their receipt.

55. Social Security Scotland is subject to the Scottish Government policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the [Insurance](#) section of the Scottish Public Finance Manual - where required with the prior approval of the Senior Lead Officer and Scottish Government Finance. In the event of uninsured losses being incurred the Scottish Government shall consider, on a case-by-case basis, whether or not it should make any additional resources available to the Agency.

56. Unless covered by a specific delegated authority Social Security Scotland must not provide grant funding to a third party without prior agreement from the Senior Lead Officer and Scottish Government Finance. Guidance on a framework for the control of third party grants is provided as an annex to the [Grant & Grant in Aid](#) section of the Scottish Public Finance Manual. Subsidy control requirements for any such funding are discussed below.

57. The EU State Aid regime was effectively revoked from UK law from 1 January 2021 and subsidy control provisions are now covered by the UK-EU Trade and Cooperation Agreement and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. This position may be subject if the UK Government establishing its own domestic subsidies control regime: a UK wide consultation on this is set to take place in the first half of 2021. Currently any activity that an Agency undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for 19 goods and services is subject to the TCA subsidy rules. A full assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the [subsidy regime](#) section of the Scottish Public Finance Manual.

Remuneration

58. Remuneration, allowances and any expenses paid to any non-executive members must comply with the latest Scottish Government Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

59. Staff pay, pensions and any severance payments must be in line with the requirements of Public Sector Pay Policy and the responsibilities described in the section on Agency Staff Management Responsibilities.

60. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source.

Banking and cash management

61. Banking arrangements must comply with the [Banking](#) section of the Scottish Public Finance Manual.

62. Cash management arrangements need to be addressed as well as overall budget management. The cash provided to Social Security Scotland by the Scottish Government to support the allocated budget for the year in question will be authorised by the Scottish Parliament in the annual Budget Act. Social Security Scotland forecast cash requirements two months in advance for any transactions over £100,000 in value. This includes for benefit payments where we have developed a model that tracks payment cycles and volumes and projects this forward. Also built into this are assumptions around case transfer delivery plans and benefit uprating. The outputs from this analysis inform the Scottish Government Treasury and Banking team of our cash requirements per benefit for a given month and also how we expect this to materialise daily. In order to fund the bank accounts to ensure client payments can be made we also have to request these funds through the drawdown process on a weekly basis.

Annex A: Specific Delegated Financial Authorities

Within the agreed overall budgetary provision, and subject to the Scottish Public Finance Manual and Scottish procurement policy handbook, the Chief Executive of Social Security Scotland has delegated authority as set out below.

1. Commit expenditure and authorise payments	Apart from the items below, unlimited within the Agency's authorised budget levels, and subject to the limits set out in the in-year management of discretionary spend guidance from the Directorate for Financial Management.
2. Accept receipts	Unlimited, but receipts in excess of those authorised in the Budget Act must be surrendered to the Scottish Consolidated fund.
3. Incur contingent liabilities	Subject to compliance with the guidance on contingent liabilities in the Scottish Public Finance Manual.
4. Commission consultants	The use of business and management consultants can only be justified where the required knowledge and expertise is not available in-house. The Scottish Government Consultancy Procedures should be regarded as relevant good practice guidance. Unlimited up to £10,000. Consultancies between 21 £10,000 and £50,000 must be approved by the Chief Executive. Consultancies above £50,000 must be approved by the Cabinet Secretary for Finance and the Economy. Submissions for approval must be endorsed by the Chief Executive and approved by the relevant Finance Business Partner.
5. Authorise losses and special payments	The Chief Executive has delegated the authority to authorise ex-gratia benefit payments to the Chief Operations Officer role. In the absence of a permanent postholder, this authority may be temporarily assigned to appropriate Deputy Director(s) as designated by the Chief Executive.

Annex B: Social Security Programme

- The Scottish Government set up a social security implementation programme (the Programme), within its Social Security Directorate, to develop and manage the implementation of Social Security Scotland as an Executive Agency; as well as responsibility for designing and implementing the devolved benefits, and the supporting systems and processes needed to administer them.
- Social Security Scotland depends on the Programme for most of the processes and digital systems it needs to administer benefits and operate in the way intended by the Scottish Government.
- The Programme has its own executive team and governance structure; however, as it draws to a close and these systems are transitioned to Social Security Scotland in 2026, a joint Executive Team is being developed to ensure strategic objectives and decision making are aligned throughout the transitional period