

Fairer Scotland Duty Summary

**Job Start Payment -
The Scotland Act 1998 (Transfer of Functions
to the Scottish Ministers etc.) Order 2020**



FAIRER SCOTLAND DUTY SUMMARY

<p>Title of policy/ practice/ strategy/ legislation etc.</p>	<p>JOB START PAYMENT (JSP)</p>
<p>Summary of aims and expected outcomes of strategy, proposal, programme or policy</p>	<p>The vision for a Fairer Scotland has been at the heart of our social security policy from the very beginning. Job Start Payment (JSP) has been developed with this in mind.</p> <p>JSP is a new benefit which will be delivered on an entitlement basis to provide financial support to eligible young people moving into employment. It will consist of a one-off flat rate cash payment of £250, or the higher rate of £400 for young people with children.</p> <p>JSP is intended to provide additional financial resource to help young people with the costs of starting a new job, for example, work clothing, travel, lunches etc. Recipients can spend the money as they see fit. It is hoped that in removing these financial pressure the longer term outcomes for young people on low incomes will be improved in that the risk of them becoming unemployed or economically inactive when they are older will be reduced. This should in turn lead to improved physical and mental health outcomes for individual young people themselves and associated wider benefits for Scottish society as youth unemployment is reduced.</p> <p>Eligibility</p> <p>Once launched, a young person must meet all of the criteria below to be eligible to receive JSP:</p> <ul style="list-style-type: none"> • Application timeframe – applications must be made after a job offer has been received, and within 3 months of that date. • Job offer – the applicant must have received an offer of paid employment which must average 12 hours or more per week over a 4 week period. • Residency – the applicant must be ordinarily resident in Scotland on the day of the job offer, although they may subsequently move out of Scotland in order to take up the job offer. • Age – the applicant must be aged between 16 and 24 years (i.e. they can apply up to their 25th birthday); if the applicant is a care leaver they must be between 16 and 25 years old (i.e. they can apply up to their 26th birthday). • Qualifying benefit – the applicant must have been out of paid work for at least 6 months when they receive a job offer. This will be evidenced by the applicant having been in receipt of one of the qualifying benefits*. If the applicant is a care leaver they need only be not in paid work and in receipt of a qualifying benefit at the time of the job offer, i.e. care leavers do not need to have been in receipt of a qualifying benefit for 6 months.
	<p>*Qualifying benefits are: Income-based Jobseeker’s Allowance; Income Support; Income-related Employment and Support Allowance; and Universal Credit.</p>

	<p>A young person is a care leaver if they have spent time in care but stopped being looked after on, or after their 16th birthday. This could have been either a foster, residential, secure or formal kinship care placement.</p> <p>JSP is a one-off payment. If a young person receives a JSP payment they will not be able to receive another JSP payment within the next two years.</p> <p>If Social Security Scotland decides a young person is not eligible for JSP then the young person will have the right to request a review of that decision. Any request for a review should be made within 31 calendar days of the original decision, although it can be made up to 12 months after the original decision if there is good reason why it was not made earlier. Social Security Scotland will then aim to carry out the review within 16 working days of the request and the young person will receive notification advising them of the outcome.</p> <p>JSP aligns closely with wider Scottish Government policies, in particular the Fairer Scotland Action Plan¹; the Tackling Child Poverty Delivery Plan²; Fair Start Scotland's³ employability support; and the Independent Care Review⁴. It also supports our Strategic Objectives of Wealthier and Fairer; Smarter; and Healthier.</p>
<p>Summary of evidence</p>	<p>Why is JSP needed?</p> <p>Between October 2018 and September 2019, the unemployment rate for young people aged 16-24 in Scotland was 9.1%, significantly higher than the rate of 3.9% for the total population⁵.</p> <p>Evidence⁶ shows that people aged 16-19 from the most deprived areas in Scotland (SIMD decile 1) are least likely to be in employment, education or training. For instance, 84.7% of people aged 16-19 from this SIMD decile are either in employment, education or training in Scotland, compared with 96.7% for 16-19 year olds from the least deprived areas (SIMD decile 10).</p> <p>Young people who are not in education, training or employment tend to have worse physical and mental health outcomes than other young people. There is a considerable body of evidence⁷ to suggest that being unemployed when young leads to a higher likelihood of lower pay, higher unemployment, fewer life chances and poorer health in later life. These effects, which seem to be stronger for younger people and those with</p>

¹ Fairer Scotland Action Plan - <https://www.gov.scot/publications/fairer-scotland-action-plan/>

² Tackling Child Poverty Delivery Plan - <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

³ Fair Start Scotland - <https://www.startscotland.scot/fair-start-scotland>

⁴ Carer Review - <https://www.carereview.scot/>

⁵ Annual Population Survey, Office for National Statistics (ONS), Oct '18-Sep '19. Available at: <https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Publications/youngpeoplelabmark>.

⁶ Annual Participation Measure for 16-19 year olds in Scotland 2019, Skills Development Scotland, Aug 2019. Available at: https://www.skillsdevelopmentscotland.co.uk/media/45904/2019_annual-participation-measure-report.pdf

⁷ LSE: Youth Employment produces multiple scarring effects - <http://blogs.lse.ac.uk/politicsandpolicy/multiple-scarring-effects-of-youth-unemployment/>.

lower educational attainment, can also be caused by periods of poor quality or precarious work.

Furthermore, the report 'Young People Living Independently'⁸ published in May 2018 by the UK Social Security Advisory Committee, states that under 25 year olds receive a lower basic benefit allowance than other claimants. For example, single young people on Universal Credit, who do not have dependent children, a declared disability, or caring responsibility receive up to £251.77 per month to cover all basic living costs outside of housing – **26% less than those aged 25 and over**. The rates for those in receipt of Jobseeker's Allowance or Income Support are also lower for the younger age group.

Finally, young people under 25 receive less in the National Minimum Wage than for those who are 25 and over. As a result, this makes the transition into work more financially challenging for young people.

Public Consultation

The consultation on Social Security in Scotland ran from 29 July 2016 to 28 October 2016 and sought feedback on the proposed introduction of new financial provision for young people starting work. Of the total 521 responses to the consultation, the JSP section (at that time known as Job Grant) received 131 responses (80 from organisations and 51 from individuals). Almost all respondents agreed we should introduce this new benefit. The responses to this consultation were independently analysed and the results were published on 22 February 2017⁹. At that time we also published 'A New Future for Social Security'. This set out the Scottish Government's Response to the consultation¹⁰.

A further consultation specifically on JSP¹¹ then ran between January 2019 and April 2019 to consider how to achieve further improved outcomes. The consultation received a total of 96 responses representing a broad range of sectors (52 from organisations and 44 from individuals) including from Elgin Youth Development Group, Citadel Youth Centre, CELCIS, The Prince's Trust, YouthLink Scotland, One Parent Families Scotland, Child Poverty Action Group. These organisations specifically work with children and young people.

The responses to this consultation were also independently analysed and the results were published in July 2019¹². This engagement informed our understanding of how job offers are made to young people, the ideal length of the application window, and the best way to communicate about

⁸ Young People Living Independently -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf

⁹ Analysis of written responses to the consultation on social security in Scotland -

<https://www.gov.scot/publications/analysis-written-responses-consultation-social-security-scotland/>

¹⁰ Scottish Government's Response to the consultation -

<https://www.gov.scot/binaries/content/documents/govscot/publications/factsheet/2017/02/social-security-scottish-government-response/documents/sg-response-social-security-consultation-pdf/sg-response-social-security-consultation-pdf/govscot%3Adocument/SG%2Bresponse%2Bto%2Bthe%2Bsocial%2Bsecurity%2Bconsultation.pdf>

¹¹ Consultation on Job Grant, Scottish Government 2019 - <https://www.gov.scot/publications/consultation-job-grant/pages/17/>.

¹² Job Grant: Analysis of Consultation Responses, Scottish Government 2019 - <https://www.gov.scot/publications/job-grant-analysis-consultation-responses/>.

JSP. We have used these insights to inform the service design of JSP as well as our communication plans to support its promotion and implementation.

On 18 December 2019 the Scottish Government published its JSP consultation response¹³ which set out the changes made to JSP policy in response to the feedback received. While those changes will not meet the wishes of everyone who responded, they will ensure that it will be easier for young people to meet the eligibility criteria and to apply for, and receive, a JSP payment.

A survey about JSP was also carried out at the same time as the consultation (between 15 April to 12 May 2019) to seek the views of young people about the benefit, their experiences of applying for jobs, and their preferences about applying for and receiving a payment. Around three quarters of the 96 stakeholders who responded to the survey were aged 16 to 21. The survey was promoted through stakeholder organisations and social media channels, and provided us with further insights about the proposed policy on groups of people who share protected characteristics.

We also held seven consultation workshops (in March 2019) with young people across the country. Local delivery leads from Social Security Scotland helped to identify young people to participate in the workshops. These were well attended and included young people from a mixture of socio-economic backgrounds and experiences including care leavers, parents, people with disabilities, and people with experience of the criminal justice system. These workshops were hosted by Young Scot, the Scottish Youth Parliament, the Prince's Trust, the Bridges Project, Aberdeen Foyer, Moving On Shetland and Works+. Whilst not all of these organisations are focused specifically on young people they do support many young people as a part of their services.

User research was also undertaken involving 226 participants in over 15 locations across Scotland to inform the development of the business processes which Social Security Scotland will use to deliver JSP. The evolving designs were continually tested to make sure they were as user friendly as possible. Young people from groups who share protected characteristics were involved in the process.

Finally, meetings also took place with individual stakeholder organisations, such as the Scottish Prison Service, Interfaith Scotland, The Prince's Trust, Child Poverty Action Group, BEMIS, Inclusion Scotland, and others to better understand particular groups.

It is widely acknowledged that JSP will meet its policy intention of supporting a smoother transition into employment for young people on low incomes. In addition, the consultation and engagement activity has helped to inform a number of further improvements to both the policy and service design which will address some of the issues previously raised.

¹³ Scottish Government response to Job Grant consultation - <https://www.gov.scot/publications/scottish-government-response-consultation-job-grant/pages/4/>

Summary of assessment findings

As a benefit associated with employment, take-up forecasts will naturally fluctuate depending on the economic needs and employment rates at any point in time. Throughout the policy and service design development stages that took place prior to the coronavirus pandemic it was estimated that around 5,000 young people, of whom we estimate 1,500 would have children, would benefit from JSP every year as they make the transition from unemployment to being in work. Our forecasts projected this would result in annual expenditure of approximately £2 million.

We are aware these forecasts will alter, particularly in light of the increase in household claims for Universal Credit in Scotland (from an average of 20,000 to over 110,000 between 1 March and 7 April 2020¹⁴) as a result of the coronavirus pandemic. In addition, the Office for National Statistics recent indicators for the 'UK economy and society: 2 July 2020'¹⁵ sets out that between 19 June and 26 June 2020 "*job adverts across all industries remained around half of their 2019 average*". As a result, we would expect the initial launch phase of JSP to receive fewer applications for support, but as the economy recovers we anticipate supporting a higher volume of young people.

We appreciate that many stakeholders would have wished the eligibility for JSP was even wider. However, any further changes to JSP would need either, and in some case both, legislative changes (requiring the approval of both the Westminster and Scottish Parliaments) and service design and delivery alterations (requiring technical system changes and further testing which would require diversion of resources currently dedicated to development of the Scottish Child Payment (SCP)). In order to avoid considerable risks and delays to both JSP and SCP launch dates, Ministers have decided that on balance it is better to deliver JSP safely and securely now. This will ensure that a large number of young people can benefit from this support at a time when economic recovery will be of paramount importance.

We have, however, made material changes to JSP in light of the evidence and feedback received in relation to issues such as the application timeframe, transport, repeat applications, qualifying benefits and job offer.

Application timeframe – the survey showed that 41% of respondents were dissatisfied with the proposed application window of 14 days before and after the job start date. In light of the feedback, we have decided to extend the application window to last 3 months from the date of the job offer. This will hopefully help to maximise take-up, and to enable a potential applicant to establish a pattern of employment over a number of weeks and to decide with greater confidence whether the job is likely to meet the eligibility criteria.

Transport – some consultation respondents raised concerns that those living in the islands and rural communities may face higher costs when moving into employment compared to those in urban areas. The cost of

¹⁴ Scottish Government News release 21 April 2020 - <https://www.gov.scot/news/additional-110-000-universal-credit-claims-since-coronavirus-outbreak/>

¹⁵ ONS -

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukereconomyandsocietyfasterindicators/2july2020>

travelling to work due to limited access to public transport, longer commuting distances, and higher fuel costs were brought up most frequently. However, we also understand that some people living in an urban area may also face increased costs, for example because of a lack of direct public transport routes to a place of work either during the day or at night. In light of the feedback and evidence provided we decided to add the average cost of bus transport (£150) over three months to the value of the grant, instead of providing a bus pass as originally proposed. This will provide greater flexibility, enabling all young people to use JSP to contribute to the cost of travelling to their new job using the method of transport best suited to their individual needs.

Repeat applications - some consultation respondents expressed concerns about only being able to receive JSP once, particularly when considering short-term contracts for work, especially in seasonal jobs. In light of the feedback we have amended this eligibility criterion so that a young person who meets the other eligibility criteria will be able to receive more than one JSP award, but only after two years have elapsed since their previous payment.

Qualifying benefits – eligibility for JSP as a benefit to help young people into work was originally proposed only for young people who were in receipt of Universal Credit or Jobseeker's Allowance. However, our scoping exercise highlighted that some young people with long term health conditions or disabilities would not have been able to meet this criterion because they receive Personal Independence Payment (PIP) or Disability Living Allowance (DLA) instead. We are clear that JSP is specifically targeted to support young people on low incomes. The inclusion of benefits such as PIP or DLA as eligibility criteria would not meet this policy intention.

In order to include young people who are lone parents, young carers, or who have disabilities, we have extended the eligibility for JSP to include young people who are in receipt of Employment and Support Allowance (ESA) or Income Support (IS). While young people who receive ESA, IS, or Universal Credit (non-work related activity) are not required by the DWP to look for work, they may be successful in finding employment and, consequently, we would not want them to be excluded from applying for JSP.

Job offer – some stakeholders expressed concerns about eligibility for JSP in relation to the number of hours and the length of contract associated with the job offer. In light of the feedback we have amended this eligibility criterion from a requirement to work an average (over a four week period) of at least 16 hours per week for at least 3 months to an average of at least 12 hours per week. We have removed the requirement for the job to be expected to last three months or more.

	<p>Monitoring and reporting</p> <p>‘Evaluating the Policy Impact of Devolved Benefits’ was published on 27 November 2019¹⁶ and sets out the strategy for monitoring and evaluating the impact of benefits including JSP. This evaluation process includes the impact of the benefit system in achieving the Scottish Government’s objectives, particularly whether social security has been an investment in people, has reduced poverty, and has achieved value for money.</p> <p>Monitoring and evaluation of JSP will include equalities management data collected as a continuous process when the benefit is delivered and where any unintended negative consequences are identified we will take steps to rectify them.</p> <p>Audit Scotland will also monitor and report on the delivery of the social security system, including Social Security Scotland.</p>
Sign off	<p>Name: Ann McVie Job title: Deputy Director, Social Security Policy</p>

¹⁶ Evaluating the Policy Impact of Devolved Benefits - <https://www.gov.scot/publications/evaluating-policy-impact-devolved-benefits/>



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