

Island Screening Assessment Results

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

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Scottish Government
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JOB START PAYMENT - THE SCOTLAND ACT 1998 (TRANSFER OF FUNCTIONS TO THE SCOTTISH MINISTERS ETC.) ORDER 2020

ISLAND SCREENING ASSESSMENT

Introduction

1. The Islands (Scotland) Act 2018¹ (the 2018 Act) places a duty on Scottish Ministers and the wider public sector to consider Island communities when exercising their functions and preparing policy, strategies and legislation.
2. This is a summary of the Islands Screening Assessment (ISA) conducted on the new benefit Job Start Payment (JSP) that will be delivered by Social Security Scotland. The ISA has considered the potential effects of JSP and how it impacts on individuals, businesses, and third sector organisations in our island and rural communities.
3. This ISA has not identified any aspects of JSP which would negatively impact our island and rural communities. We have, however, made some amendments to JSP as a result of feedback received which we expect to have further positive impacts for eligible young people in our island and rural communities.

Background - Job Start Payment (JSP)

4. The Scottish Government has worked closely with the UK Government to introduce JSP for the purpose of assisting people to “*obtain and retain employment*”. The powers that will be used to deliver JSP by Social Security Scotland under section 2 of the Employment Training Act 1973 are being transferred to Scottish Ministers in accordance with Article 2 of the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020. As a result, changes can only be made to the Order with the approval of both the Westminster and Scottish Parliaments.
5. JSP is a new benefit which will be provided on an entitlement basis to young people moving into employment. Funding will, therefore, be demand-led. It will consist of a one-off, flat rate cash payment for eligible young people of £250, £400 if the applicant has a dependent child or children. It aims to help meet the initial costs of starting work, supporting a smooth transition into employment for young people on low incomes. This should reduce the risk of them being unemployed or economically inactive in later life.
6. Once launched, a young person must meet all of the criteria below to be eligible to receive JSP:
 - **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.

¹ Islands (Scotland) Act, Scottish Government 2018 - <http://www.legislation.gov.uk/asp/2018/12/enacted>

- **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 of age (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.

*Qualifying benefits are:

Income-based Jobseeker's Allowance; Income Support; Income-related Employment and Support Allowance; and Universal Credit.

7. 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.
8. If a young person receives a JSP payment they will not be able to receive another JSP payment within the next two years.
9. In order to help maximise the take-up of JSP, we will ensure our communication services are accessible to the people we need to reach by providing information in plain English, and in a range of formats. This will set out what people are entitled to expect from Social Security Scotland in advance of making an application, and what evidence they will need to provide to support their application.

Forecast expenditure and take up

10. 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 would benefit from JSP every year, of whom we estimate 1,500 would have children. Our forecasts projected this would result in annual expenditure of approx. £2 million.
11. We are aware that these forecasts will alter, particularly in light of the increase in household claims for Universal Credit in Scotland (from an historic average of 20,000 to over 110,000 between 1 March and 7 April 2020²) as a result of the coronavirus pandemic. In addition, the Office for National Statistics' recent indicators for the 'UK economy and society: 2 July 2020'³ sets out that between 19 June and 26 June 2020 "job adverts across

² Scottish Government News release 21 April 2020 - <https://www.gov.scot/news/additional-110-000-universal-credit-claims-since-coronavirus-outbreak/>

³ Office for National Statistics (ONS): <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukconomyandsocietyfasterindicators/2july2020>

all industries remained around half of their 2019 average". As a result, we expect the initial launch phase of JSP may receive fewer applications for support, but as the economy recovers we anticipate supporting a higher volume of young people. We would also expect the new UK wide Kickstart Scheme to have a positive impact on young people finding jobs and, therefore, becoming eligible to receive JSP.

12. It is difficult to estimate the number of young people entitled to JSP who live in the Islands or rural areas. However, we are aware the unemployment rate of school leavers (seeking work) in the Islands and in many rural areas is around 2% compared with around 5% in urban communities⁴.

Public Consultation

13. 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 2017⁵. At that time we also published 'A New Future for Social Security'. This set out the Scottish Government's Response to the consultation⁶.
14. A further consultation specifically on JSP⁷ then ran between January 2019 and April 2019, and included the draft Islands Impact Assessment. This gave individuals, businesses, and third sector organisations further opportunities to comment on the potential impact of more detailed JSP proposals on our island and rural communities. The consultation received a total of 96 responses representing a broad range of sectors (52 from organisations and 44 from individuals) including local government, youth groups, and employability groups. Of the responding organisations, 12% provided comments on impacts on island communities which had not been identified in the proposal.
15. The responses to this consultation were also independently analysed and the results published in July 2019⁸. We also engaged separately with eight employers in sectors which young people have told us that they have worked in or would apply for jobs in, including the hospitality, retail and public sectors. This engagement informed our understanding of how job offers are made, the ideal length of the application window, and the best way to communicate about JSP with employers. We have used these insights to

⁴ Rural Scotland: Key Facts, Scottish Government 2018 - Table 18 - <https://www.gov.scot/publications/rural-scotland-key-facts-2018/pages/3/>

⁵ Analysis of written responses to the consultation of Social Security in Scotland - <https://www.gov.scot/publications/analysis-written-responses-consultation-social-security-scotland/>

⁶ A New Future for Social Security - <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>

⁷ Consultation on Job Grant, Scottish Government 2019 - <https://www.gov.scot/publications/consultation-job-grant/pages/17/>.

⁸ Job Grant: Analysis of Consultation Responses, Scottish Government 2019 - <https://www.gov.scot/publications/job-grant-analysis-consultation-responses/>.

inform the service design of JSP as well as our communication plans to support its promotion and implementation.

16. On 18 December 2019 the Scottish Government published its JSP consultation response⁹ 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, the changes will ensure that it will be easier for young people to meet the eligibility criteria and to apply for, and receive, a JSP payment.
17. A survey about JSP was also carried out at the same time as the formal consultation to seek the views of young people about the benefit, their experiences of applying for jobs, and their preference about applying for and receiving a payment. This was promoted through stakeholder organisations and social media channels, and provided us with further insights about the impact of the proposed benefit. We also held seven consultation workshops 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.
18. 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. People from groups who share protected characteristics were involved in the process.
19. 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 understand better the impact on particular groups.
20. 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 the policy and service design to address some of the issues raised during previous consideration.
21. We will continue to take on board feedback from service users once we start to make payments in order to enhance IT systems, and ensure that Social Security Scotland staff have the information they need in order to provide a high level of service. This will all contribute to ensuring the service which is delivered has dignity, fairness and respect at its heart.

⁹ Scottish Government response to Job Grant Consultation - <https://www.gov.scot/publications/scottish-government-response-consultation-job-grant/pages/4/>

Key findings

22. Issues raised that may affect young people living in island and remote communities were in relation to accessibility, transport and seasonal employment.
23. **Accessibility** – as with all Scottish social security benefits, the JSP application process has been designed with users in mind and user research was undertaken at all steps of the process to inform content. As a result of this research and the consultation activity, we expect that most young people will apply online using mobile devices.
24. We understand from wider stakeholder engagement that Skype and other forms of video conferencing can improve accessibility and avoid the need for travel which can be time consuming, expensive, and difficult for people living in rural and island communities. However, we also recognise that digital solutions will not always be the best delivery model for everyone. This is particularly the case if there are digital connectivity challenges. As a result Social Security Scotland will deliver JSP with a range of application channels including online, telephone, and paper form. This is important as it will allow the client to apply in whatever way best meets their specific needs as there will always be some people who need additional support due to digital exclusion, disability, or difficulty in communicating.
25. **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 travelling to work due to limited access to public transport, longer commuting distances, and higher fuel costs were brought up most frequently. Other comments about transport costs included the need to travel to buy food and drink, work clothes etc. As a result, some suggested there should be a flexible or higher payment amount for people living in island and rural communities.
26. There is evidence to support a more limited supply and frequency of public transport¹⁰ in island and rural areas which may result in a higher cost for accessing these services than in urban areas. However, there is also evidence that people in island and rural areas are more likely to drive to work and places of education and less likely to take public transport, compared to the rest of Scotland. While fuel costs are also likely to be higher in island or rural communities¹¹, a higher proportion of people work at home (22%) in remote rural areas compared to the rest of Scotland (10%)¹². As a result, there is also evidence to suggest that median cost of travel to the workplace is lower in island and rural areas.
27. In relation to buying work clothes or other necessary equipment for starting a new job, responses also highlighted that the costs of food and clothing, including delivery costs, are likely to be higher for people living in rural areas, again due to increased fuel costs.

¹⁰ Rural Scotland: Key Facts, Scottish Government 2018 – Figure 8 - <https://www.gov.scot/publications/rural-scotland-key-facts-2018/pages/3/>

¹¹ Cost of Living Analysis: Scottish Government: Communities Analysis Division, 2017 – Page 13 - <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/CostofLiving>

¹² Rural Scotland - Key Facts, Scottish Government 2018 - Figure 11 - <https://www.gov.scot/publications/rural-scotland-key-facts-2018/pages/3/>

Furthermore, people are less likely to be within a 15-minute drive to their nearest shopping centre than those who live in urban areas¹³.

28. We acknowledge that some individuals living in island and rural communities may face increased costs when moving into work, and as a result we have considered the possibility of introducing a flexible amount for people living in island and rural communities. However, we also understand that some people living in an urban area may also face increased costs for similar or separate reasons. For example, lack of direct public transport routes to a place of work either during the day or at night.
29. The introduction of further flexible or higher payments for different groups would increase the budget for JSP and make it more complicated to apply for, which would not only impact the likely take-up, but also make it more difficult to administer. The latter would not be consistent with the principle that the Scottish social security system is to be efficient and to deliver value for money.
30. As a result of these considerations and the inconclusive evidence, we do not intend to introduce a higher or flexible payment amount based on the location of the applicant. We have, however, identified policy changes to accommodate the specific transport needs of all young people on low incomes, particularly those living in island and rural communities.
31. The original JSP proposal was for an award of a one off payment of £100, £250 for people with children, and a 3 month bus pass to help with travel to and from the recipient's place of work. In light of the feedback and evidence above, we have decided instead to add the average cost of bus transport (£150) to the financial element of the grant. 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.
32. **Seasonal employment** – some consultation respondents expressed concerns about eligibility for JSP when accepting short-term contracts work in seasonal jobs which are often commonplace in some island and rural communities. They thought it would be unreasonable if JSP were not available for such jobs, particularly where there were few alternative opportunities for full time, year-round employment.
33. It was originally proposed that to be entitled to receive JSP a young person must have been offered paid employment that averages at least 16 hours per week over a four week period and is expected to last at least three months. In light of the feedback we have agreed to amend this eligibility criterion.
34. A young person must now be in receipt of a job offer that is expected to average 12 hours per week over a four week period. Similarly, since the length of time the job is expected to last may not be something that all applicants necessarily know when accepting a job, we have removed the requirement for the job to be expected to last three months or more.
35. Some concerns were also raised about the proposal that JSP could only be claimed once, particularly since young people in island and rural communities may find it difficult to

¹³ Rural Scotland: Key Facts, Scottish Government 2018 – Figure 7 - <https://www.gov.scot/publications/rural-scotland-key-facts-2018/pages/3/>

obtain or sustain secure employment. Again in light of the feedback, we have agreed to amend this eligibility criteria. A young person who meets the eligibility criteria will now be able to receive more than one JSP award, but only after two years have elapsed since their previous payment.

Monitoring & Reporting

36. 'Evaluating the Policy Impact of Devolved Benefits' was published on 27 November 2019 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.
37. Scottish Ministers have also committed to engaging with, and reporting regular progress to, the Islands Strategic Group to ensure that those representing the interests of island communities and others with experience of the current system, are fairly represented in the development and delivery of the Scottish social security system.

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Any enquiries regarding this publication should be sent to us at

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