

Consultation on Job Grant

January 2019

Overview

The Scottish Government is consulting on its key eligibility criteria and format of the Job Grant, a new benefit which will be delivered by Social Security Scotland to support young people moving back into employment. The grant will be paid to 16-24 year olds (up to 26 years old for care leavers) who have been in receipt of a qualifying benefit specified by the Scottish Government.

To be eligible, most young people will have to have been out of paid work for 6 months before they receive an offer of employment.

Job Grant will consist of a one-off cash payment of either £250 or £400, the higher amount being payable to young people who have children.

The Job Grant aims to help meet the initial costs of starting work and support a smooth transition into employment for young people on low incomes.

The proposals in this consultation are subject to agreement being secured with the UK Government on the legal parameters of Job Grant. The Job Grant is not provided for by the Social Security (Scotland) Act 2018. Instead, an Order under section 63 of the Scotland Act 1998 will give the Scottish Government further powers to arrange assistance under section 2 of the Employment and Training Act 1973. Work is underway on this at present.

Why We Are Consulting

The purpose of this consultation is to gather views on the key eligibility criteria for Job Grant and our proposal for the format of the payment. We also want to identify any unintended consequences of our proposals.

We would like to gather views from a range of organisations and individuals, in particular young people, to ensure we have identified the best solution. In addition to asking questions about the policy we are also asking for views on the potential impacts of the Job Grant on different groups and also on businesses.

What Happens Next

The responses to the consultation will be analysed and considered before final policy decisions are made.

The Job Grant will be delivered by Social Security Scotland. Social Security Scotland will have the systems, staff, processes, geographical reach and the legal powers to administer the Job Grant across the whole of Scotland. The Agency's head office is in Dundee, with a second major base in Glasgow and client advisors based in both locations. Once the Agency is fully operational there will also be a local delivery presence in local authority areas across Scotland. This will enable an accessible and person-centered service by providing a local presence across Scotland to meet people's needs by giving them a choice in how they access the service.

Ministerial Foreword



I am delighted to be launching this consultation on the Job Grant which will provide support to young people with the costs of starting work.

I have heard how difficult some young people find it making the transition into employment and I recognise that experiencing sustained periods of unemployment at a young age can have a lasting negative impact on young people's future earnings and employment potential. That is why we announced a new Job Grant to help support young people aged 16 - 24 who find work after a period of 6 months or more of no paid employment. Our Job Grant will consist of a one-off cash payment of either £250 or £400, the higher amount being payable for young people who have children.

Job Grant will smooth the transition into employment for young people on low incomes, and help to meet some of the costs associated with entering and remaining in employment, for example, clothing, lunches, and transport.

The Job Grant will complement existing support already available for young people entering the workplace.

The Scottish Government is committed to supporting young people leaving care as we know that the experience of being in care significantly impacts an individual's well-being and life chances. I am pleased that this consultation proposes that care leavers will be eligible for Job Grant earlier, as soon as they are in receipt of a qualifying benefit, rather than having to have been out of paid work for 6 months before they receive an offer of employment. They will also be eligible for this support for longer, until they are 26 years old, in line with other provision for care leavers.

Working with individuals and organisations with experience of the benefits system is central to our approach to developing the Social Security system in Scotland. Consistent with this, we have undertaken initial work on our proposals with key stakeholders including Who Cares? Scotland, Scottish Council for Voluntary Organisations (SCVO), Young Scot, Skills Development Scotland and young people. We want to continue this engagement as work to develop Job Grant progresses in 2019.

I would like to thank everyone who has worked with us so far to develop these proposals for the Job Grant. We are now looking for your views through this consultation to finalise our policy. I encourage you to respond to the consultation, and thank you in advance for taking the time to give us your views.

A handwritten signature in black ink that reads "Shirley-Anne Somerville MSP".

Shirley-Anne Somerville MSP
Cabinet Secretary for Social Security and Older People

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SECTION 1 - INTRODUCTION

1. The Scottish Government has committed to introducing a Job Grant for young people aged 16-24 years old (inclusive), who have been out of paid employment for six months or more. The Job Grant will provide additional support to care leavers, who will be eligible until their 26th birthday, a year longer than other young people, and will also be eligible as long as they are on a qualifying benefit, without having to meet the requirement to have been out of paid work for 6 months.

2. The Job Grant will comprise of a one-off cash payment of either £250 or £400, the higher amount being payable to young people who have children. It aims to help meet the initial costs of starting work, including help towards travel to work, supporting a smooth transition into employment for young people on low incomes.

3. We have previously asked questions about Job Grant policy through the Social Security in Scotland Consultation which ran from July to October 2016. The question on what the Scottish Government should consider in developing the Job Grant received 131 responses, 51 from individuals and 80 from organisations, with almost all supporting its introduction. A number of responses stressed that the scheme should be simple for both applicants and administrators, and that there should be alternatives to a bus pass (which the Scottish Government proposed was provided for 3 months along with a cash payment of £100 or £250 for people with children).

4. In line with Social Security Scotland's principles of dignity, respect and fairness, and with involving people with lived experience in the development of benefits, the Scottish Government ran two workshops, held and facilitated by Young Scot and the Princes Trust, with young people, to hear from them directly about the issues that impact on them when moving into work.

5. We have also held meetings with young people's representative groups including Who Cares? Scotland, Scottish Council for Voluntary Organisations (SCVO), Young Scot, Skills Development Scotland, COSLA and others to provide informed perspectives, and provide insight and feedback on our initial proposals.

Legislation

6. Unlike most payments that will be delivered by Social Security Scotland, the framework to deliver Job Grant will not be set out in regulations. Instead, an Order under section 63 of the Scotland Act 1998 will give the Scottish Government further powers to arrange assistance under section 2 of the Employment and Training Act 1973. This Order needs to be agreed with the UK Government and will set the limits within which Job Grant assistance can be provided. Work to agree its contents is underway. All the proposals in this consultation are, therefore, subject to agreement being secured with the UK Government on the parameters of Job Grant. Further details of the Job Grant scheme will be in operational guidance.

7. There will be no appeal rights for the Job Grant, for example to tribunal or the Sheriff Court, as Job Grant is being delivered as an administrative scheme.

However, if an applicant is not satisfied with any aspect of the service they receive from Social Security Scotland a complaint process will be in place.

Evaluation

8. Delivery of Job Grant will be evaluated once it has been launched to ensure that it is reaching young people who may face barriers to gaining employment and need additional support when moving into work. We will review the format and eligibility of Job Grant based on evidence gathered to allow us to improve the policy.

SECTION 2 – ABOUT THE CONSULTATION

What are we consulting about?

9. This consultation asks questions about the key eligibility criteria for the Job Grant. The key eligibility criteria include age; residency; qualifying benefits; duration of being out of paid work; application window; and receipt of a job offer with requirements such as likely average hours of work and duration of employment. We are also asking for views about the format of the payment and impacts on different groups and business.

Who might be affected by this policy?

10. Young people aged 16 - 24 who have been out of paid work for 6 months or more, are on a qualifying benefit and have found employment that averages 16 hours per week or more, over a four week period will be eligible for Job Grant. Care leavers will be eligible for an extra year, until their 26th birthday, and will not have to meet the condition of having been out of work for 6 months.

11. On an annual basis this could help around 4,000 young people.

Who do we want to hear from?

12. We are keen to gather the views of young people and also organisations who work with or support young people aged 16-24, especially those organisations that work alongside young people to help them move into employment, and those that work with ethnic minorities, lesbian, gay, bisexual transgender, and intersex (LGBTI) young people.

13. We want this consultation to be as accessible as possible for people who might be affected by the changes. To respond to the consultation, people will be able to choose between online written feedback in the form of a questionnaire. We also would like to run events in conjunction with stakeholders to promote and encourage young people to take part in the consultation. This will provide people with the opportunity to speak directly to us about their experiences and views on topics covered in the wider consultation.

14. If you would like to tell us about your experiences and views, please contact:

Email: JGEligibilityConsultation@gov.scot

Freephone: [0800 029 4974](tel:08000294974) (includes language line translation)

Text: Prefix 18001

SMS: [07467 447375](tel:07467447375)

British Sign Language (BSL) users can contact us via <http://contactscotland-bsl.org>.

15. Please let us know about any additional support needs that you have in order to allow you to take part.

What comments are requested and by when?

16. Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). All responses should be submitted to us by **9 April 2019**.

17. If you are unable to respond using our consultation hub please complete the respondent information Form (Annex E) and send to:

Job Grant Consultation

Job Grant Policy Team

Social Security Policy

Area 2C South

Victoria Quay

Edinburgh

EH6 6QQ

SECTION 3 – OBJECTIVES OF THE JOB GRANT

18. The policy objective of the Job Grant is to help smooth the transition into work for young people on low incomes aged 16 -24 (up to 26 for care leavers), reducing the risk of them being unemployed or economically inactive in later life. The unemployment rate for young people is higher than for those over 25. For example, from July-September 2018, the unemployment rate for the 16-24 age group was 10.0%, significantly higher than the rate of 3.8% for the total population aged over 16.¹

19. The years of young adulthood are a critical and formative phase in a person's life. A sustained period of being young and not in employment, education, or training is known to have a long-term 'scarring' effect – leading to higher chances of unemployment and lower earnings when in work, as well as physical and mental health issues later in life.

20. Job Grant will help with the initial costs associated with entering and remaining in work. The grant could be used to pay for lunches, clothing, and help towards travel costs, removing some of the initial pressure of being able to afford these things. The intent of the Job Grant is not to replace an unemployment-related benefit and cover all household costs but rather support young people with additional costs associated with moving into employment.

21. Job Grant will be available sooner to young people aged 16 - 25 leaving care than for other young people, as we have removed the requirement to be out of paid work for 6 months for this particular group. This means that care leavers receiving a qualifying benefit will be eligible as soon as they receive a suitable job offer, regardless of how long they have been out of paid work.

22. We have made an exemption for this group as outcomes for young people leaving care are worse than outcomes for young people as a whole. Young people leaving the care system are twice as likely to not end up in education, training or employment by the age of 19². Care leavers face significant barriers to entering employment – Employability in Scotland reports the experience of being in care significantly impacts an individual's well-being and life chances, making the transition from care difficult. Care Leavers are over-represented in statistics relating to the prison population, teenage pregnancy, mental health issues, depression, expulsion, drug misuse, homelessness and those leaving school with no qualification.

¹ <https://www2.gov.scot/Resource/0054/00543080.pdf>

² <http://www.reedinpartnership.co.uk/latest-news/care-leavers-roundtable?isarchivenews=true>

SECTION 4 – WIDER STRATEGIC CONTEXT

23. The Job Grant aligns with wider Scottish Government policies, in particular the Fairer Scotland Action Plan, the Tackling Child Poverty Delivery Plan, Fair Start Scotland's employability support and the Independent Care Review.

24. **The Fairer Scotland Action Plan³** has 5 ambitions and 50 actions for this parliamentary term. The plan came about as a result of wide ranging consultation in 2013/14. Action 39 of the Fairer Scotland Action Plan is to introduce a Job Grant for young people aged 16-24 who have been out of work for 6 months or more.

25. **The Tackling Child Poverty Delivery Plan⁴** sets out the concrete action which the Scottish Government will take to make progress towards meeting the ambitious targets set out in the Child Poverty (Scotland) Act 2017. The Plan identifies a Job Grant for young parents out of work for six months as having potential impact on all four targets set out in the Child Poverty (Scotland) Act.

26. In addition, there is a commitment to invest £12 million from the Tackling Child Poverty Delivery Plan to provide new intensive employment support for low income parents. This will help those already in work to build skills, progress through their careers and earn more. It will also support those who are unemployed to move into or return to work, complementing Job Grant.

27. **Fair Start Scotland⁵** is an employment support service which over three years is looking to provide support to a minimum of 38,000 participants who want and need help to enter and remain in work. The service will target a wide range of participants including long term unemployed, disabled people as defined by the Equality Act 2010, people on the Employment Support allowance Work Related Activity Group, care experienced young people and lone parents.

28. The Job Grant will supplement the support from Fair Start Scotland for young people as it aims to support a smooth transition into employment. We will be working with providers including Remploy Ltd, People Plus, Start Scotland, Wise Group, Momentum, and Falkirk Council to ensure they signpost relevant young people to the Job Grant.

29. Improving the life chances for care experienced young people is a key policy priority for the Scottish Government. The **Independent Care Review⁶** that was announced by the First Minister in May 2017 and that is currently ongoing will identify and deliver lasting change in the care system and leave a legacy that will transform the life chances and wellbeing of children and young people in care. We think that Job Grant can help to play a part in improving outcomes for care leavers.

³ <https://beta.gov.scot/publications/fairer-scotland-action-plan/>

⁴ <https://beta.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

⁵ <https://beta.gov.scot/publications/fair-start-scotland/>

⁶ <https://www.carereview.scot/>

SECTION 5 – PROPOSALS JOB GRANT ELIGIBILITY CRITERIA

Key Eligibility

30. The eligibility criteria have been developed following discussion with a wide range of stakeholders, including young people and their representative organisations.

31. Eligibility will be determined through a series of tests carried out by Social Security Scotland on the date of application. The client is the young person applying for the Job Grant. The proposed main eligibility conditions are:

- a) aged 16-24 years inclusive (apart from care leavers who will be eligible for a year longer), and has not previously received a Job Grant
- b) has been out of paid work and in receipt of a qualifying benefit for 6 months or more (except for care leavers who only need to be on a qualifying benefit, at the time of the job offer and do not need to meet the time requirement);
- c) is ordinarily resident in Scotland;
- d) is in receipt of a job offer for paid employment in the UK, that averages 16 hours per week or more over a four week period, and the job is expected to last at least three months or more; and
- e) applications can be made 14 days in advance of employment start date and up to 14 days after employment has commenced.

32. The sections below give more detail on each of these criteria:

a) Age - The client must be aged 16-24 years old (inclusive) on the date the job offer is made, apart from care leavers who can be eligible for a year longer, until their 26th birthday. We have chosen age on the date of the job offer, rather than the date of application, to ensure that young people who have obtained employment aged 24 are not disadvantaged if they turn 25 (or 26 for care leavers) in the period between receiving the job offer and starting work.

b) Qualifying benefits and length of time out of work – The young person must have been out of paid employment and in receipt of a qualifying benefit for at least 6 months on the date the job is due to commence, in recognition that longer periods of unemployment early in life are more likely to have a long term detrimental impact. The exception to this is care leavers, who need only be on a qualifying benefit.

The qualifying benefits are:

- Jobseekers Allowance (except for those who are working up to 16 hours a week).
- Income Support.
- Employment and Support Allowance (ESA).
- Universal Credit (except for those who are already in paid employment).

Jobseekers Allowance was traditionally the benefit claimed by young people who were unemployed and actively looking for work, but this is now being replaced by Universal Credit as it rolls out across Scotland.

Young people aged 16- 24 who are claiming ESA, Income Support, and UC (non-work related activity) are not required by the Department for Work and Pensions (DWP) to look for work. However, they may be successful in finding employment and, consequently, we would not want them to be excluded from applying for the Job Grant. We have therefore included these benefits in the list of qualifying benefits for Job Grant. This will help to extend the reach of the Job Grant to an additional 20% of young people, many of whom will be lone parents, young carers or young people with disabilities.

In addition, this eligibility criterion allows for both a simple application and verification process to test the 6 month out of paid work condition, as well as aligning with the Job Grant policy intent to support those on low incomes.

c) Residence – The client must be ordinarily resident in Scotland. Ordinary residence is defined as the place where a person is currently living for a settled purpose (they are not simply visiting). It is therefore relatively simple to administrate and will require young people to provide relatively straightforward evidence of residence.

In practice, clients will already have been through an in-depth process to establish residency when applying for their DWP qualifying benefit. A further advantage of this simpler and more accessible approach is therefore that it may allow Social Security Scotland to rely on the information it will already possess through access to DWP systems, again reducing the burden on clients.

d) The offer of employment – to qualify for Job Grant the job offer must be for paid work of at least 16 hours per week. The 16 hours aligns with the proposed eligibility criteria for Young Carers Grant that states a young carer is to provide an average of 16 hours of care per week.

The use of average hours tries to address the evidence from stakeholders that many young people are on zero hour contracts, with 8.1% of 16 – 24 year olds on a zero hour contract according to the ONS (2018) Labour Market Survey.⁷

To accommodate contracts with varying hours we propose to average weekly hours over a 4 week period to allow for fluctuations in weekly hours so as not to disadvantage those without set contracted hours.

We also propose that the job on offer must be capable of, or expected to last three months or longer. This is in recognition of the fact that many young people aged 16-24 are more likely to be in a temporary job; and the aim of the Job Grant is to help them enter longer-term employment. A job offer for at least 3 months can enhance a young person's confidence, skill set and make them more employable, providing a pathway into longer term sustainable employment. This is expected to have positive outcomes for the economy through consumer spending and reduced welfare costs.

⁷<https://cy.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/assets/emp17peopleinemploymentonzerohourscontracts>

e) Application period - We are currently considering how long someone should have to apply for Job Grant following receipt of an offer of employment.

As they will be out of paid employment, we expect that young people eligible for the Job Grant should, therefore, be available to start work almost immediately as there is no notice period to consider. However, there may be some time required for the employer in terms of checking references or completing security checks before the young person can begin work.

We are proposing that applications could be made 14 days in advance of employment start date and up to 14 days after employment has commenced. Any further in advance of the start date increases the risk that the offer of employment could fall through or not be taken up by client. This would allow for an overall application window of 28 days, and would mean that those who have been given an immediate start or found out about the job grant after commencing employment would not be excluded from applying due to having already started work.

This application window aligns with the policy intent to help with travel and other costs at the very start of the employment period, before regular receipt of a salary.

SECTION 6 – FORMAT OF THE PAYMENT

33. The SNP manifesto indicated that Job Grant would consist of a payment of £100 (or a higher payment of £250 for people with children) and a 3 month bus pass to help with travel to and from their place of work. However, feedback from the consultation *Social Security in Scotland*, which ran from July to October 2016, raised concerns that aiming the benefit only at bus services would limit travel options and not necessarily be appropriate for all Job Grant clients. This was raised particularly in relation to rural areas where bus services may be less accessible. Suggested improvements to the policy included providing assistance towards the cost of driving lessons or alternative modes of transport such as train services.

34. In addition, some Job Grant recipients may already be eligible for concessionary travel scheme which provides free travel to people with disabilities or have access to other discounts (e.g. Young Scot card). Screening applicants to verify whether they have already got an entitlement could be difficult to administer and goes against a policy intent of treating people with dignity, fairness and respect.

35. In light of this feedback, the Scottish Government undertook an appraisal of the key options for delivering a solution which would help meet the Job Grant client's cost of travel to a place of work in the first 3 months.

36. Following this analysis we now think that combining the £100 or £250 with a contribution of £150 towards travel costs (to make a total payment of £250 or £400) would provide better support to young people. It would have the advantage of providing additional flexibility for young people to fund the cost of travelling to their place of employment using the transport method that best suits their individual needs. This approach offers Job Grant recipients flexibility in terms of type of transport, and may better support the needs of those living in rural areas as opposed to a providing a bus pass in all cases. It also has scope to support the Scottish Government's wider environmental policies, as young people could use a cash payment to contribute towards costs of other travel options such as bicycle, train or car share opportunities. Finally, where young people incur relatively low transport costs, the payment can be spent on other things to help meet the costs of entering employment.

Amount of payment

37. The figure of £150 is based on the average costs of bus transport in Scotland, tying back to the original policy intent of providing a bus pass, and in recognition that transport costs are often one of the initial costs faced by young people starting a job. The payment amount was developed using the average bus fare figure which accounts for availability of various tickets and average number of journeys made by employed 16-24 year olds. The choice of transport mode has been driven by evidence from the Scottish Household Survey which suggests that 16-24 year olds are more likely to take a bus to travel to work.

Number of payments

38. Having combined the original Job Grant payment amount with the amount calculated to replace the bus pass element, we have also considered whether to make Job Grant a one-off payment or a series of 3 payments (to help support the young person during their first few months of employment).

39. We think that a one-off payment of £250 (or £400 for young people with children) is more likely to provide the support young people entering employment need with initial costs. For example, young people may wish to buy a quarterly bus pass or railcard, or they may wish to buy a bicycle, suit or other more expensive items before starting work, and a one off payment will allow them to do so if they wish. In addition, dividing the payment into 3 instalments creates a greater burden for the young person as it would require them to notify any changes in circumstances between payments, such as changes of bank account details. It would lead to additional administration costs for Social Security Scotland through making three payments which are considered to be disproportionate to the value of the payment.

QUESTIONS ON POLICY PROPOSALS

The main eligibility criteria for Job Grant are:

- a) aged 16-24 years inclusive (apart from care leavers who will be eligible for a year longer), and has not previously received a Job Grant
- b) has been out of paid work and in receipt of a qualifying benefit for 6 months or more (except for care leavers who only need to be on a qualifying benefit, at the time of the job offer and do not need to meet this time requirement);
- c) is ordinarily resident in Scotland;
- d) is in receipt of a job offer for paid employment in the UK, that averages 16 hours per week or more over a four week period, and the job is expected to last at least three months or more; and
- e) applications can be made 14 days in advance of employment start date and up to 14 days after employment has commenced.

Question 1: Are the eligibility criteria for the Job Grant clear? Y/N

Question 2: We have proposed applications for Job Grant can be made 14 days in advance of the employment start date and up to 14 days after employment has commenced. Do you think that the proposed application period for Job Grant is suitable? Y/N

Question 3: If no, please provide comments

Question 4: We have proposed that Job Grant consists of one payment of £250, or £400 for young people with children. Do you agree with the proposed format of the payment? Y/N

Question 5: If no, please provide comments

Question 6: Do you agree that the proposals for Job Grant set out in this consultation paper meet the policy intent to support a smooth transition into employment for young people on low incomes by helping to meet the initial costs of starting work? Yes/No

Question 7: If no, please provide details

Question 8: Can you identify any potential unintended consequences which we have not considered in these proposals?

Yes/No

Question 9: If yes, please provide details

SECTION 7- IMPACT ASSESSMENTS

40. As we have been assessing options for the policy we have been gathering impacts and developing the following impact assessments on which we are now consulting:

- **The Equality Impact Assessment summary at Annex A.**
An Equality Impact Assessment involves assessing the impact of a new or revised policies, practices or services against the requirements of the public sector equality duty. The duty requires all Scottish Public authorities to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. It covers people in respect of all aspects of equality. It helps to ensure the needs of people are taken into account during the development and implementation of a new policy or service or when a change is made to a current policy or service.
- **The Child Rights and Welfare Impact Assessment summary at Annex B.**
The Scottish Government want to make Scotland the best place in the world for a child to grow up. Recognising, respecting and promoting the rights of children and young people is essential to achieving this. We are taking steps to ensure that children experience their rights, as determined by the United Nations Convention on Rights of the Child. A Child Rights and Wellbeing Impact Assessment helps ensure that our policies, measures and legislation protect and promote the wellbeing of children and young people.
- **The Business and Regulatory Impact Assessment summary at Annex C.**
A Business and Regulatory Impact Assessment is used to analyse the cost and benefits to businesses and the third sector of any proposed legislation or regulation, with the goal of using evidence to identify the proposal that best achieves policy objectives while minimising costs and burdens as much as possible.
- **The Islands Impact Assessment summary at Annex D**
The Islands (Scotland) Act 2018 provides for a new duty on the Scottish Ministers and other relevant public bodies that they must have regard to island communities in exercising their functions and in the development of legislation.

Annex A

JOB GRANT EQUALITY IMPACT ASSESSMENT (EQIA) SUMMARY

1. At present we think that the Job Grant will apply equally to those affected by its provisions. The Job Grant is expected to have a positive impact, on young people aged 16 – 24 (up to 26 years old for care leavers) who have found work after a period of no paid employment for 6 months or more.
2. The Job Grant aims to help smooth the transition into work for young people on low incomes and reduce the risk of them being unemployed or economically inactive in later life.
3. Depending on take-up, it is estimated that the Job Grant could help to support around 4,000 young people per year who make the transition from unemployment to being in work.
4. The impacts on groups who share protected characteristics are set out below.

Age

5. The Job Grant is expected to have a positive impact on the 16 - 24 year old (up to 26 years old for care leavers) age group who have higher levels of unemployment than the over 25 age group.
6. The 15 – 24 year old age group is recognised by the United Nations as a transition age between childhood to independent adulthood, from education to employment. In its document entitled ‘Definition of Youth’⁸ the United Nations recognises the age group between 15 and 24 years as ‘Youth’. Evidence shows that these years as a young adult are a critical phase in a person’s life. A sustained period of being young and not in employment, education, or training (NEET) is known to have a long-term ‘scarring’ effect – leading to higher chances of unemployment and lower earnings when in work, as well as physical and mental health issues later in life⁹.
7. Labour market statistics consistently demonstrate that the 16 -24 year old age group have a much higher unemployment rate than those aged over 25. People under 25 receive less in benefit payments and the National Minimum Wage (NMW) is also less than for over the over 25 age groups, making the transition into work more financially challenging.
8. A report published in May 2018 by the UK Social Security Advisory Committee, entitled ‘Young People Living Independently’¹⁰ states that the under

⁸ <https://www.un.org/esa/socdev/documents/youth/fact-sheets/youth-definition.pdf>

⁹ <http://blogs.lse.ac.uk/politicsandpolicy/multiple-scarring-effects-of-youth-unemployment/>

¹⁰ <https://www.gov.uk/government/publications/ssac-occasional-paper-20-young-people-living-independently>

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.

9. In addition to receiving less in benefit payments than those aged over 25, young people entering employment are likely to earn less than people over 25 due to the National Minimum Wage structure. This can be seen in the National Minimum Wage table for 2018/19 below.

Age	Apprentice	Under 18's	18-20	21- 24	25 and over
Hourly rate	£3.70	£4.20	£5.90	£7.38	£7.83

10. In providing additional support for 16-24 year olds (and 16-26 year old care leavers) through Job Grant we are looking to help reduce the inequality that exists between younger and older members of the workforce.

Disability

11. The Job Grant is expected to have a positive impact for disabled young people who find work.¹¹ The employment rate for young people classed as disabled under the Equality Act 2010 was 32.4% which is lower than the employment rate of 46.1% for total disabled population (16-64) and 81.4 for non-disabled population as a whole. In addition, the unemployment rate is higher among disabled people (10.2%) compared to the non-disabled population (3.1%).¹²

12. The initial EQIA scoping exercise highlighted that some young people, with long term health conditions or disabilities, would have found themselves excluded from the Job Grant. This was not our intention, therefore to help include more disabled young people a decision was made to extend the scope of the Job Grant by extending the list of qualifying benefits to include Employment and Support Allowance (ESA) - Support Group. Although those young people in the ESA Support Group are not required to look for work, should they decided to look for, and find work we would wish them to be able to receive the Job Grant.

13. There will, however, be some disabled people who are not claiming a benefit and therefore they will not be eligible to claim the Job Grant.

14. In order to make the process for applying for the Job Grant accessible for people with a range of needs and preferences and to maximise take up, there will be multiple application channels.

¹¹ <http://www.gov.scot/Publications/2018/05/7903/5>

¹² <https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/LMTrends/TandC>

Gender reassignment

15. No issues have been raised by stakeholders in regards to this protected characteristic group and we do not expect the Job Grant to negatively impact on this group. We would welcome any comments or evidence in relation to this area.

Marriage and civil partnership

16. No issues have been raised by stakeholders in regards to this protected characteristic group and we do not expect the Job Grant to negatively impact on this group. We would welcome any comments or evidence in relation to this area.

Pregnancy and maternity

17. No issues have been raised by stakeholders in regards to this protected characteristic group and we do not expect the Job Grant to negatively impact on this group. We would welcome any comments or evidence in relation to this area.

Race

18. No issues have been raised by stakeholders in regards to this and we don't expect it to negatively impact on this group. The Job Grant will be payable to anyone who meets the eligibility criteria, regardless of their race.

19. DWP estimate that in Scotland people from ¹³Asian, Black, Mixed and White Other groups were more likely than White British people to claim Jobseeker's Allowance (JSA) for 13 weeks or less.

20. We acknowledge that Asylum Seekers cannot claim any benefits and if they are destitute they must apply to the Home Office for assistance, but have no recourse to public funds so will not be eligible for the Job Grant. Those who are granted refugee or humanitarian protection status (after 5 years, they can apply for indefinite leave to remain) can claim benefits and therefore would be eligible for Job Grant if they meet the key eligibility criteria.

21. There can be a gap between refugee status being granted and people accessing benefits and housing. The Social Security Scotland agency may need to consider evidence requirements during this period e.g. on National Insurance Numbers.

Religion or Belief

22. No issues have been raised by stakeholders in regards to this and we don't expect it to negatively impact on this group. The Job Grant will be payable to anyone who meets the eligibility criteria, regardless of their religion or belief.

¹³ <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/benefits/jobseekers-allowance-how-long-people-claim-for/latest>

23. However, we acknowledge that Scottish Muslims have lower employment rate than other religious groups. In Scotland in 2016¹⁴, the highest employment rates were seen for those with no religion (74.2%) followed by Christians (72.8%), Other religion (69.2%), Buddhists (68.5%), Hindus (61.9%) and Muslims (50.5%). The employment rate for Scotland as a whole was 72.9% in 2016.

Sex

24. Young men in the 16 – 24 year old age group have slightly higher levels of unemployment (10.1%) than females of the same age (8.2%)¹⁵. The Job Grant will have a positive impact on this group. We would welcome any comments or evidence in relation to this area.

Sexual orientation

25. No issues have been raised by stakeholders in regards to this protected characteristic group and we do not expect the Job Grant to negatively impact on this group. We would welcome any comments or evidence in relation to this area.

Question(s):

Question 10: Are you aware of any impacts on groups who share protected characteristics we have not identified here? Y/N

Question 11: If yes, please provide details

¹⁴ <https://www2.gov.scot/Topics/People/Equality/Equalities/DataGrid/Religion>

¹⁵ <https://www.nomisweb.co.uk>

Annex B

Job Grant - Child's Rights and Wellbeing Impact Assessment Summary

Who have we involved in our deliberations?

1. A wide range of internal stakeholders have been involved in developing the policy: - Cross cutting meetings have been held with Scottish Government colleagues working on Employability, Transport, Looked After Children, Child Poverty, Justice and Young Carers.
2. Representatives from our external stakeholders including, Who Cares? Scotland, Young Scot, Scottish Council for Voluntary Organisations SCVO, Princes Trust, and Skills Development Scotland have attended meetings to help with the development of this policy.
3. The Scottish Government ran two workshops, held and facilitated by Young Scot and the Princes Trust, with young people to hear from them directly about the issues that impact on them when moving into work.

Policy Objectives

4. The policy intention is to smooth the transition into employment for young people and, in recognition of parents who will apply, children within those families will be positively impacted.
5. The Job Grant is expected is to have a positive effect on young people by removing the initial concerns regarding how they will manage financially until they are in receipt of a regular income from their employment.
6. The grant offers a greater payment to parents (who will receive a payment of £400 rather than £250) and it is expected that this will have an indirect positive impact on the children within those families, as well as directly on young people aged 16 and 17.
7. Helping young people financially as they enter employment is expected to have a positive impact on the wider community. Young people may use the grant in local shops, transport and other facilities resulting in contributing to the wider economy.

Children's rights and Wellbeing likely to be affected by the Job Grant

8. The grant is for young people aged 16- 24 years old (up to 26 years old for care leavers) and will directly impact on 16 and 17 year olds who have been out of paid work for six months or more, and who have been in receipt of a qualifying benefit specified by the Scottish Government. Care leavers aged 16 and 17 will not have to meet the 6 month period, and so will receive support as long as they are on a qualifying benefit and have received a job offer.
9. Reports into youth unemployment have stated that “experiencing sustained periods of being out of work at a young age can have a lasting negative impact on young people’s future earning and employment potential”.

10. In line with Social Security Scotland's principles of dignity, respect and fairness, and with involving people with lived experience in the development of benefits, the Scottish Government ran two workshops, held and facilitated by Young Scot and the Princes Trust, with young people to hear from them directly about the issues that impact on them when moving into work.

11. The financial payment of £250 or £400 is in line with the Social Security principle that young people either through their guardians or directly have the right to help from the government if they in need.

12. Employment can improve quality of life, mental health, social networks and social inclusion. Offering financial support to those furthest from the labour market, creates opportunity to young people for cultural, artist, recreational and leisure activity.

13. The Job Grant aims to help deliver the key Social Security outcome that young people aged 16-18 are able to participate fully in society, and if they choose, can engage in training, education and employment opportunities, as well as social and leisure.

14. To ensure young people are fully aware of the Job Grant, the Scottish Government will develop a communications strategy to promote take-up. In addition we will encourage organisations that work with young people to signpost them to the Job Grant.

15. The Job Grant could help prevent young people from mental health issues as it is expected to alleviate the stress and anxiety about the costs of making the transition into employment.

16. The Job Grant could help alleviate the stress and anxiety often experienced by young people about the costs of making the transition into employment.

17. One of the main aims of the Job Grant is to improve employment attainment which results in overall prosperity.

18. Having a regular wage income helps to enable young people to take part in leisure and social activities, short breaks, or to participate in sports and hobbies.

19. Regular employment enables young people to become financially independent and allows them to make more life style choices.

20. Employment allows young people 16-18 to interact with colleagues, build up supportive networks, create more opportunities and helps to reduce isolation.

Question 12: Are you aware of any impacts on children's rights and wellbeing which are not identified here? Y/N

Question 13: If yes, please provide details

Annex C

Job Grant – Business and Regulatory Impact Assessment Summary

Introduction

1. Depending on take-up, the Job Grant will make payments of around £1.2 million annually and therefore there is likely to be positive impacts upon businesses. Young people may buy items that they would not have bought without the payment, or buy these sooner than they otherwise would. The impact will be dispersed across the country and sectors of the economy. However, we also recognise that not all of this support will result in new expenditure, as some young people would have spent this money in any case and so the Job Grant payment might result in a reduction in the debt taken on by young people entering work, rather than increasing their expenditure.
2. The Job Grant will affect young people who have been out of paid work for 6 months or more (apart from care leavers who will be eligible sooner), and is designed to help these young people into work by smoothing the transition from benefits and helping to reduce the risk of them being unemployed or economically inactive later in life.
3. Reports into youth unemployment have stated that “experiencing sustained periods of being out of work at a young age can have a lasting negative impact on young people’s future earning and employment potential”. Academic studies have also suggested that unemployment can have a damaging effect on young people’s earning potential for many years afterwards.
4. The Job Grant will help in the promotion of the Economic Strategy and in the delivery of the priorities for sustainable growth. Our assessment of the impact of the Job Grant In relation to the five principles of better regulation is as follows:

- **proportionate** – The Job Grant will mainly impact applicants, though there will be positive impacts for some businesses as a result of increased expenditure by young people. The Scottish Government will look to identify and minimise any indirect impacts, for example administrative burdens, on local government, private businesses or third sector organisations as a result of the grant.
- **consistent** – The Job Grant has dignity, respect and fairness at its heart. The grant will be delivered on an entitlement basis to eligible young people. We will publish guidance on the grant so that it is clear how decisions are being made.
- **accountable** – We will ensure that applicants understand their right to make a complaint if they are not satisfied with any aspect of the service they receive from Social Security Scotland. If following a complaint, to Social Security Scotland, an applicant is still unhappy, complaints about Social Security Scotland can be directed to the Scottish Public Services Ombudsman.

- **transparent** – We will develop a communications strategy for Job Grant. This will aim to ensure that people who are eligible, the third sector, local government, organisations supporting care experienced young people, the employability sector and advice providers are aware of the grant, know how to apply and understand the eligibility criteria. We will publish guidance on the grant so that the eligibility is clearly explained.
- **targeted only where needed** – Depending on take up, Job Grant could provide support to around 4,000 young people aged 16-24 annually. The Job Grant aims to provide a smooth transition into employment for young people on low incomes by contributing to the costs associated with starting and remaining in work. The Job Grant by targeting young people who face significant barriers to the labour market, rather than at all young people, providing support to those most at risk of becoming unemployed or economically inactive in later life.

Consultation

5. The Social Security in Scotland Consultation specific question "What should the Scottish Government consider in developing the Job Grant?" received 131 responses, 80 from organisations and 51 from individuals.

6. Respondents represented a wide range of individuals and organisations with knowledge and experience of, or an interest in social security matters. The independent analysis of the responses, by Research Scotland¹⁶, along with the Scottish Government response¹⁷ were published on 22 February 2017. There was broad support for the introduction of a Job Grant.

7. It is expected that the introduction of a Job Grant may cause additional requests for information and support from existing advice services. The Scottish Government is aware of the potential pressure points and has noted the importance of the new Scottish social security Agency working alongside the advice and support services provided by a range of organisations including Citizens Advice Bureaux, charities, social landlords and Local Authorities to provide a "seamless customer experience - from advice, to application to payment" as detailed in the Review of Publicly-funded Advice Services in Scotland.

Competition Assessment

8. The Scottish Government does not believe that the Job Grant will have an adverse impact on the competitiveness of Scottish companies or the third sector within Scotland, the UK, or elsewhere in Europe.

¹⁶ Analysis of Written Responses to the Consultation on Social Security in Scotland (2017) <http://www.gov.scot/Resource/0051/00514351.pdf>

¹⁷ A New Future for Social Security: Scottish Government Response to the Consultation on Social Security in Scotland (2017) <http://www.gov.scot/Resource/0051/00514404.pdf>

9. Any procurement required to support the administration of the Job Grant will be subject to the Public Contracts Scotland (2015) Regulations¹⁸ and the Procurement Reform (Scotland) Act 2014¹⁹ which together provides a national legislative framework for sustainable public procurement which supports Scotland's economic growth through improved procurement practice.

Test run of business forms

10. No new business forms will be brought in with the implementation of the proposed legislation.

Legal Aid Impact Test

11. The Job Grant relates to employment support and will be delivered by use of a Section 63 Order. A Section 63 Order will extend to Scottish Ministers the existing functions of the Secretary of State relating to employment support under Section 2 of the Employment and Training Act 1973. A Section 63 Order does not give the Scottish Parliament the power to legislate in connection with the Job Grant. The legislative competence of the Scottish Parliament will remain unaltered. This is because the Section 63 Order only allows Scottish Ministers to share the competence of the Secretary of State under section 2 of the Employment and Training Act 1973. Section 2 of the Act only enables schemes to be run administratively.

12. There will be no appeal rights for the Job Grant, for example to tribunal or the Sheriff Court as Job Grant is being delivered as an administrative scheme. However, if an applicant is not satisfied with any aspect of the service they receive from Social Security Scotland a complaint process will be in place.

Enforcement, sanctions and monitoring

13. The Scottish Government will put in place a monitoring and evaluation process for the Job Grant prior to implementation. Once live, on-going engagement with key stakeholders will also provide the Scottish Government with an opportunity to monitor the impact of the policy. The Scottish Government will collate and publish management information on the Job Grant.

14. Audit Scotland will monitor and report on the delivery of the social security system, including Social Security Scotland. Audit Scotland will continue to report on the Scottish Government's progress in delivering the social security powers as the programme develops.

Question 14: Are you aware of any impacts on businesses which are not identified here? Y/N

Question 15: If yes, please provide details

¹⁸ Public Contracts Scotland Regulations (2015)
http://www.legislation.gov.uk/ssi/2015/446/pdfs/ssi_20150446_en.pdf

¹⁹ <http://www.legislation.gov.uk/asp/2014/12/contents>

Annex D

Job Grant: Island Screening Assessment

Introduction

1. The Islands (Scotland) Act 2018²⁰ passed by the Scottish Parliament on 30 May 2018 introduced a new duty on Scottish Ministers and the wider public sector to have regard to island communities when exercising their functions and preparing policy, strategies and legislation.
2. The Scottish Government recognises the importance of “island-proofing”, and is committed to considering the impacts of the Job Grant on island and rural communities. In line with the Act, the Scottish Ministers will assess the extent to which Job Grant administrative scheme can be developed in such a manner as to improve or mitigate, any negative outcomes resulting from the scheme.
3. The duty to prepare an Island Impact Assessment is laid out at Part 3, Section 8 of the Act. This section is not in force yet, but is likely to be commenced in 2019. In the interests of making clear the Scottish Government’s commitment to island-proofing new polices, this impact assessment has been conducted before the duty is statutorily mandatory.

Background

4. The Scottish Government has committed to introducing a Job Grant for young people aged 16-24 years old who have been out of paid employment for six months or more. The Job Grant will comprise of a one-off cash payment of either £250 or £400, the higher amount being payable to young people who have children. It aims to help meet the initial costs of starting work, including help towards travel to work, supporting a smooth transition into employment for young people on low incomes
5. The Job Grant is expected to help around 4,000 young people each year or 0.73% of all 16-24 year olds in Scotland. It is difficult to estimate how many people eligible for a Job Grant will live in the Islands or rural areas.

Consultation

6. The Scottish Government’s Consultation on Social Security, a New Future ran from the 29 July 2016 to 28 October 2016. Respondents represented a wide range of individuals and organisation, including from island and communities and organisations representing island interests.
7. The Social Security in Scotland Consultation specific question “What should the Scottish Government consider in developing the Job Grant?” received 131 responses, 80 from organisations and 51 from individuals.

²⁰ <http://www.legislation.gov.uk/asp/2018/12/contents>

8. Some respondents suggested that there should be an alternatives to a bus pass. This was raised particularly in relation to islands and rural areas. In light of this feedback, the Scottish Government undertook an appraisal of the key options for delivering a solution which would help meet the Job Grant client's cost of travel to a place of work in the first 3 months. As a result of the appraisal option the anticipated travel element of the grant will also be monetised.

9. The Scottish Government is committed to engage with young people living on the islands and organisations representing their interests. Social Security Scotland in addition to their headquarters in Dundee and their base in Glasgow, are delivering their services in local communities across Scotland. The islands local delivery lead will have a pivotal role in identifying stakeholders including young people to participate in a Job Grant consultation workshops during the consultation period.

Information and reporting

10. It is the Scottish Government's intention that as much information as possible will be available online, as well as allowing for the electronic submission of applications. However, the Scottish Government is aware that some remote and island communities may not have access to digital services nor is it everyone's preferred choice of communication.

11. Social Security Scotland understands that people want tailored solutions to suit their different preferences and needs, and will therefore work to ensure the availability of digital, telephone and face to face communication channels where possible. Social Security Scotland will also ensure that help is available to people to explain how to complete applications.

12. The Scottish Government will collate and publish management information on the Job Grant.

Question 16 Are you aware of any impacts on island communities which are not identified here?

Question 17: If yes, please provide details



Annex E

Job Grant: Respondent Information Form

Consultation on Job Grant

RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://beta.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
- Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

No

Annex F

Responding to this Consultation

We are inviting responses to this consultation by 9 April 2019.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at [URL]. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 9 April 2019.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form to:

Job Grant Policy Team
Social Security Directorate
Scottish Government
Area 2C South
Victoria Quay
Edinburgh EH6 6QQ

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy:
<https://beta.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or at
JGEligibilityConsultation@gov.scot

Annex G

Scottish Government Consultation Process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.



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