

Business & Regulatory Impact Assessment (BRIA) Results

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

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Title of Proposal

Job Start Payment (JSP), previously known as Job Grant

Purpose and intended effect

Background

1. The Scottish Government have worked closely with the UK Government to introduce Job Start Payment 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 and 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.

Objective

2. 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.
3. 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.
 - **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 between 16 and 24 years old (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.

*Qualifying benefits are:

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

4. 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.

5. If a young person receives a JSP payment they will not be able to receive another JSP payment within the next two years.
6. 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.
7. 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 of the review.

Rationale for Government intervention

8. The intention of JSP is to provide additional financial resource to help eligible young people with the costs they may incur when moving into employment, for example, work clothing, travel, lunches etc. Recipients can spend the money as they see fit. It is hoped that in reducing these financial pressures at this time, 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, in turn, could help improve the physical and mental health outcomes for these young people.
9. JSP is only one of a range of measures across Scotland's education, skills, and employment sectors to help tackle the issue of youth unemployment in Scotland. 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.
10. This assistance also plays a part in achieving our National Outcomes and will specifically contribute towards the following:
 - We have a globally competitive, entrepreneurial, inclusive and sustainable economy;
 - We are well educated, skilled and able to contribute to society;
 - We have thriving and innovative businesses, with quality jobs and fair work for everyone;
 - We are healthy and active;
 - We respect, protect and fulfil human rights and live free from discrimination; and
 - We tackle poverty by sharing opportunities, wealth and power more equally.

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 Independent Care Review - <https://www.carereview.scot/>

11. Our assessment of the impact of the JSP in relation to the five principles of better regulation is as follows:

- **Proportionate** – JSP will have a direct positive impact for all eligible clients by providing them with additional financial support at the point at which they start their new job. It will also have an indirect positive impact for some businesses for example because 1) increased expenditure by young people at the point when they are starting their new job; and 2) young people feeling more able to accept and retain jobs offered which may reduce the recruitment and training pressure businesses may face. Furthermore, the Scottish Government have, as part of the service design process for JSP tried to identify and minimise any adverse burdens, either direct or indirect, on businesses. For example, in the administrative burden on businesses, local government, or third sector organisations.
- **Consistent** – JSP will be delivered on an entitlement basis to eligible young people moving into employment. We will publish guidance on the benefit so that people understand how decisions are being made. There will be a review process where an applicant who disagrees with a decision can request a review of that decision.
- **Accountable** – There are many levels of accountability in the new social security system. This starts with our commitment to applicants to help them understand their rights, including the ability to ask for a review of a decision they are unhappy with. Social Security Scotland will produce a yearly report on performance of the Scottish social security system. Complaints regarding Social Security Scotland can be made to the Scottish Public Services Ombudsman.
- **Transparent** – Our communications strategy for JSP aims to ensure that eligible young people, local government, the third sector organisations supporting young people, the employability sector, and other advice providers know about the benefit and can signpost clients to the benefit. We will also publish a stakeholders toolkit to help young people and their support networks understand the eligibility criteria and application process.
- **Targeted only where needed** – JSP is targeted at young people on lower incomes moving into 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 would benefit from JSP every year, of whom we estimated 1,500 would have children. Our forecasts projected this would result in annual expenditure of approximately £2 million.

Consultation

Within Government

12. The Social Security Directorate within Scottish Government continues to engage with all Directors-General involved in the development and delivery of social security in Scotland. This includes: Constitution and External Affairs; Economy; Education, Communities and Justice; and Organisational Development and Operations.

13. The Scottish Government social security programme has its own governance arrangements and is aligned to the wider Scottish Government and Devolution arrangements at both official and Ministerial level in order to ensure appropriate decision making, monitoring and control. The

social security programme is delivery-focussed, tasked with establishing the new Social Security Scotland agency and the safe and secure delivery of devolved benefits. The Programme Board that oversees the delivery of the social security programme includes representation from a range of senior officials across Scottish Government, the Department for Work and Pensions, and non-executive Directors who provide insight and critical challenges.

Public Consultation

14. 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 organisations from 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' which set out the Scottish Government's Response to the consultation⁶.
15. A further consultation specifically on JSP⁷ then ran between January 2019 and April 2019, and included the draft Business and Regulatory Impact Assessment. This gave further opportunities for comment on the potential impact of more detailed proposals on individuals, businesses, local government and the third sector. The consultation received a total of 96 responses representing a broad range of sectors (52 from organisations and 44 from individuals) including but not limited to local government, youth groups, and employability groups.
16. The responses to this consultation were also independently analysed and the results were published in July 2019⁸. We have 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 inform the service design of JSP as well as our communication plans to support its promotion and implementation.
17. 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.

⁵ Analysis of written responses to the consultation on 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/>.

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

18. 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 preferences 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 policy on groups of people who share protected characteristics. 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. However, this engagement only reached a small number of employers.
19. User research was also undertaken involving 226 participants in over 15 locations across Scotland to inform the development of the business processes, in 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.
20. 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.
21. 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 earlier consideration.
22. 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.

Business

23. The third sector advocated for an enhanced package of support to be given to young people moving into employment. The impact of the grant will be experienced across the country and in a wide variety of sectors of the economy. JSP as a new policy represents an additional spend of approximately £2 million each year into the Scottish economy and therefore there will have positive impacts upon businesses.

Options

Option 1: Do Nothing

24. The Scottish Government could have decided to maintain the status quo and to not introduce JSP. However, the response to the 2016 consultation on Social Security in Scotland demonstrated strong support for the introduction of JSP.
25. Evidence also shows the differences in benefit levels for 16 – 24 year olds in comparison to those aged over 25, how this adversely impacts young people financially while they were out of work and the potential negative effects of youth unemployment in later life.

Benefits & Costs:

26. There are not considered to be any policy benefits to this option. Young people would not receive the proposed support and businesses would not realise the associated benefits in recruitment and expenditure.
27. If the Scottish Government did not provide this new benefit it would save approximately £2 million annually.

Option 2: Introduce JSP on original benefit model prior to the 2019 consultation

28. Under this option, the Scottish Government would deliver JSP without making any adjustments to address the feedback from stakeholders as a result of the consultation and engagement process.

Benefits and Costs

29. If the Scottish Government introduced JSP as originally proposed we estimated that provision would support up to 4,000 young people each year, and cost around £1.2 million annually¹⁰.
30. The Scottish Government recognises the value of the contributions from young people and stakeholders throughout the consultation and engagement phase. As a result, we agree that while the previous model of JSP would have had a positive impact on young people and on businesses, these would have been limited had we not taken opportunities to provide greater flexibility and introduce further improvements.

Payments

31. One-off payment of £100, £250 for people with children, and a 3 month bus pass to help with travel to and from their place of work.

Eligibility

32. **Application timeframe** – applications must be made between a) 14 days before the start of the job, and b) up to 14 days after the starting the job.

¹⁰ Consultation on Job Grant, Scottish Government 2019 - <https://www.gov.scot/publications/consultation-job-grant/pages/17/>.

33. **Job offer** – the applicant must have received an offer for paid employment. The job must average 16 hours per week or more, over a 4 week period and be expected to last at least 3 months.
34. **Residency** – the applicant must be ordinarily resident in Scotland.
35. **Age** – the applicant must be aged 16-24 (i.e. up to their 25th birthday); or if a care leaver aged 16-25 (i.e. up to their 26th birthday).
36. **Out of work** – the applicant must have been out of paid work for 6 months when they receive a job offer. This would have been evidenced by applicant being in receipt of one of the qualifying benefits*. If the applicant is a care leaver they must be out of paid work and in receipt of a qualifying benefit at the time of the job offer, i.e. care leavers do not need to be in receipt of a qualifying benefit for the full 6 months.

*Qualifying benefits:

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

Option 3: Introduce JSP as set out in the Scottish Government's response to the consultation (recommended option):

37. The Scottish Government would deliver JSP making the changes set out in the consultation response. This option makes some significant changes to the model originally proposed (set out under option 2 above). These changes, which aim to ensure JSP is accessible by as many young people as possible, are set out below.

Benefits and Costs

38. This model of JSP is estimated to support up to 5,000 young people each year, of whom we estimate 1,500 will have children. Our forecasts project this will have an annual cost of approx. £2 million.

39. 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 2020¹¹) as a result of the coronavirus pandemic. In addition, the Office for National Statistics' recent indicators for the 'UK economy and society: 2 July 2020'¹² set 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 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.

40. 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

¹¹ Scottish Government News release 21 April 2020 - <https://www.gov.scot/news/additional-110-000-universal-credit-claims-since-coronavirus-outbreak/>

¹² Office for National Statistics (ONS):

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

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.

Payments

41. One-off payment of £250; £400 for people with children. This incorporates the monetising of the average costs of bus transport for 3 months (£150) within the benefit rather than providing a separate bus pass. This will provide greater flexibility, enabling young people to fund the cost of travelling to their new job using the method of transport best suited to their individual needs.
42. In addition, the Scottish Government acknowledges that a young person may experience more than one period of being out of work while they are within the eligible age range. As a result, a young person can apply 2 years after receiving a JSP payment should they meet the other eligibility criteria.

Eligibility - Once it is launched, a young person must meet all of the criteria below to be eligible for JSP:

43. **Application timeframe** – applications must be made after a job offer has been received, and within 3 months of that date. Extending the application window should help maximise take-up and to enable a potential applicant to establish a pattern of employment over a number of weeks. This should enable them to decide with greater confidence whether the job is likely to meet the eligibility criteria.
44. **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. Two changes have been made to the eligibility criterion set out at option 2. First, we have reduced the number of hours a young person would need to work in order to be eligible, as that may have had a disproportionate effect on individuals who can only work a limited number of hours a week. Secondly, since the length of time the job is expected to last may not be something that applicants necessarily know, or can assume with confidence, when accepting a job, we have reduced the requirement for the job to be expected to last three months or more.
45. **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.
46. While no concerns were raised about this during the consultation period, we believe it would be fairer, and easier to administer, if there were no restrictions on the location of the job. Removing this restriction would enable young people to still qualify for the payment if they took a job with a company based overseas or with a UK company with sites overseas. Regardless of where the job is based, applicants will still have to demonstrate that they were ordinarily resident in Scotland on the date of the job offer.
47. **Age** – the applicant must be between 16 and 24 years old (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).

48. JSP is intended to smooth the transition into work for young people on low incomes. It is therefore important that we are able to verify the applicant's entitlement quickly and efficiently. The majority of 16 and 17 year olds will be in education or further training, so are not within the targeted group. However, for those that are out of work the use of low income benefits as a qualifying criterion allows Social Security Scotland to verify the young person's entitlement through the sharing of data with the Department for Work and Pensions (DWP). Without this information it would be more time consuming and complex for us to implement JSP.
49. We know that eligibility for many of the qualifying benefits are restricted by the UK Government to those aged 18 and over. Similarly, 16 and 17 year olds who are being cared for by a local authority, or are being supported by the authority after leaving care, will not be eligible for qualifying benefits. That said, some 16 and 17 year olds can be eligible to receive out of work benefits where, for example, they have limited capability for work, are responsible for a child, or are estranged from their parents. In these circumstances the young person will be entitled to support if they meet all of the other eligibility criteria.
50. We have explored the possibility of enabling a young person aged 16 or 17 to be eligible for JSP based on a number of other criteria suggested by stakeholders. However, the complexity these changes would add to the administration of the benefit and would be disproportionate. Furthermore, some of the alternative supporting evidence proposed would only verify that the young person had previously been part of a household living on a low income, and not necessarily that the young person was not in employment at the point of application.
51. **Out of work** – 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.
52. The initial EQIA scoping exercise highlighted that some young people, with long term health conditions or disabilities, would not have been able to meet the eligibility criteria for JSP because they may be in receipt of Personal Independence Payment (PIP) or Disability Living Allowance (DLA) instead of low income benefits.
53. In order to widen JSP to include more disabled young people the scope of JSP was extended to include young people who are in receipt of Employment and Support Allowance (ESA) or Income Support (IS). This recognises a wider client group who are not required to look for work but who may wish to take up opportunities to start work. As a result, disabled young people who are in receipt of ESA or IS will be able to receive JSP if they meet all of the other eligibility criteria.

*Qualifying benefits are:

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

Sectors and groups affected

54. Young people who meet the eligibility criteria and their families will be directly affected. Welfare rights; employability sector; youth work sector; and Job Centres are expected to be indirectly affected as a result of young people seeking their advice and signposting services for this new benefit. Businesses are also expected to be affected directly, in that they will be able to recruit

young people who might not otherwise have been able to take up offers of employment, and indirectly, in that the financial support young people receive, and the earnings they obtain from employment, will likely be used to purchase goods and services in Scotland.

Costs

55. JSP is an increased investment in support for young people in Scotland. As a new benefit which does not currently exist in the UK Government's social security provision there will be no budget transfer from the UK Government to support the introduction of JSP. Through this widening of financial support to young people, the Scottish Government expects to invest around an extra £2 million into the Scottish economy each year as JSP is expected to be used to meet the costs of childcare, travel, food, clothing, or other costs associated with the first weeks and months of employment.

Scottish Firms Impact Test

56. Scottish businesses, including the third sector, were given the opportunity to respond to the public consultation on JSP and to the consultation on Social Security in Scotland. The responses to the consultation generally agreed that there is a need for additional support for young people who are moving into employment.

57. Stakeholder events were also run to obtain as wide a view as possible. It is expected that the introduction of JSP could cause additional requests for information and support from existing advice services. As a new benefit it may result in additional pressure on advice agencies to become informed. Social Security Scotland will continue to engage with the advice services sector once JSP is operational to ensure young people are encouraged to take up their entitlement.

58. JSP is expected to positively affect businesses as employers. This is because it is intended to support the transition of young people on low incomes into employment. It is hoped that it will ensure that young people are able to start their new job and reduce the risk of them becoming unemployed or economically inactive when they are older. If as a result of receiving JSP young people are more likely to retain employment, this is likely to have a further positive impact on businesses by reducing recruitment and training costs. In addition, continuous employment is likely to have beneficial effect on skill acquisition which provides additional long-term benefit to the economy and businesses.

59. Applicants will need to provide evidence of their job offer, however, no concerns were raised about the impact of this on the employer during the consultation process as it will be the responsibility of the applicant to submit the evidence to Social Security Scotland. The agency will have processes and materials in place for supporting applicants and employers to provide the right information, including examples of job offers that may be accepted as evidence.

60. Delivery partners such as DWP, local government, third sector organisations, employability services and other advice and support services operating in Scotland may experience an increase in requests for advice and signposting in relation to JSP.

61. The Scottish Government and Social Security Scotland will work alongside these delivery partners, including DWP and Citizens Advice Scotland, to provide a "seamless customer

experience - from advice, to application to payment¹³". Social Security Scotland's local delivery teams will also work with delivery partners to explore what sources of advice and support on how to access the payment are available in each local authority area.

Competition Assessment

62. The Scottish Government does not believe that JSP will have an adverse impact on the competitiveness of businesses or the third sector in Scotland, the UK, Europe or the rest of the world. JSP does not directly or indirectly limit the number of suppliers, nor does it limit the ability of suppliers to compete or reduce suppliers' incentives to compete vigorously. Additionally the Scottish Government does not expect there to be any significant impact on the operational business of local authorities or health boards as a result of introducing this provision.

63. There may be some impact on businesses and third sector organisations operating in Scotland in relation to the way the new Social Security Scotland agency delivers the devolved benefits compared to DWP. In addition, the demands placed on third sector organisations to provide advice and support for people receiving and enquiring about social security payments may change.

Competition Assessment Questions	
1) Will the measure directly or indirectly limit the number or range of suppliers?	No
2) Will the measure limit the ability of suppliers to compete?	No
3) Will the measure limit suppliers' incentives to compete vigorously?	No
4) Will the measure limit the choices and information available to consumers?	No

Consumer Assessment

64. The Scottish Government does not believe that JSP will have an adverse impact on either eligible young people or any other consumer either within Scotland, the UK, or elsewhere in Europe or the rest of the world. JSP does not directly or indirectly limit the choices of consumers, nor does it limit the ability of consumers to compare the quality, availability or price of goods or services in a market. Furthermore, JSP will not impact a consumer's ability to understand their rights.

Consumer Assessment Questions	
1) Does the policy affect the quality, availability or price of any goods or services in a market?	No
2) Does the policy affect the essential services market, such as energy or water?	No
3) Does the policy involve storage or increased use of consumer data?	No
4) Does the policy increase opportunities for unscrupulous suppliers to target consumers?	No
5) Does the policy impact the information available to consumers on either goods or services, or their rights in relation to these?	No
6) Does the policy affect routes for consumers to seek advice or raise complaints on consumer issues?	No

¹³ Review of Publicly-funded Advice Services in Scotland, Scottish Government (2018) - <https://www.gov.scot/publications/review-publicly-funded-advice-services-scotland/>

Test run of business forms

65. No new business forms will be brought in with the implementation of JSP.

66. Two new forms for applicants will be introduced and both have been subject to extensive user testing. Although a new application form is being introduced it will be possible to make applications online, by post, or by telephone. Support from Social Security Scotland will also be available in all local authority areas. Furthermore, while applicants will be asked to provide evidence of their job offer that will not require a form since this can be provided in the format in which it has been received e.g. a written note, letter, email, screenshot of a text message etc. Materials will be available to supporting applicants and employers to help them provide the right information.

67. The second form is only for young people who need to provide evidence that they are a care leaver which will only be required if they have either a) not been in receipt of out of work benefits for 6 months or b) are over 25 years old, at the time of their job offer. Because this form is intended to provide evidence of a young person's care leaver status by a third party it will need to be completed by professional person who must be:

- A social working or representative from the local authority the young person was in the care of
- A doctor or nurse
- A counsellor, family mediation or advocacy worker;
- A lawyer or solicitor; or
- A teacher or advisor from the young person's school.

Digital Impact Test

Does this measure take account of changing digital technologies and markets?

68. We have taken changing digital technologies and markets into account during the development of the JSP service. The service was designed using a 'digital first' approach so that applicants can easily access information and advice, and can apply for JSP and upload supporting evidence digitally or online. This reflects the findings from user research that demonstrated that young people are more likely to apply for jobs and find out about JSP online.

69. We expect applicants will benefit from the dynamic application form that will only ask questions that are relevant to the client's circumstances. We have taken the needs of certain groups that may benefit from an online application process into consideration, such as people who use assistive input technologies. We have also developed offline application channels to cater for people who find it difficult to access information online.

Will the measure be applicable in a digital / online context?

70. JSP will be available in a digital / online context, and will include an online application channel. Guidance material advising who may or may not be eligible will also be available online. Further information on the policy for JSP is already available on the Scottish Government's website and this information will be updated when the service is launched to allow potential applicants to access more detail about the benefit quickly and easily. We will also ensure information is available in other formats for people who find it difficult to access information online.

Is there a possibility the measure could be circumvented by digital/online transactions?

71.No. JSP is not a measure that could be entirely circumvented by digital / online transactions. The aim is to make information about JSP and the ability to apply accessible to young people. It is important that young people are able to access information to understand the eligibility criteria for JSP, but having this information available online, along with the online application channels, is not considered to remove the need for other application channels to be available.

Alternatively, will measures only be applicable in a digital context and therefore may have an adverse impact on traditional or offline business?

72.No. A digital only transaction could create barriers for those who lack digital skills or are unable to access the internet. This is why information about, and applications for, JSP will be available in a range of formats that meets the needs of the applicants.

If the measures can be applied in an offline and online environment will this have any adverse impact on incumbent operators?

73.No. JSP is a new benefit that will be launched and administered by Social Security Scotland. This means there will be no incumbent operator for JSP to have an adverse impact upon.

Legal Aid Impact Test

74.There will be no formal appeal rights for JSP, for example to tribunal or the Sheriff Court as JSP is being delivered as an administrative scheme. However, an applicant can ask for a review of the decision about JSP if they are not happy and provide additional evidence to support that review.

Enforcement, sanctions and monitoring

75.There will be no additional enforcement, sanctions or monitoring introduced for businesses. As such no new burdens for businesses, local government or the third sector will be generated.

76.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.

Implementation and delivery plan

77.JSP will be delivered by Social Security Scotland (an Executive Agency of the Scottish Government) in 2020.

78.A communication strategy has been developed for JSP. This aims to ensure that young people understand the eligibility criteria, and know how to apply if entitled. Social Security Scotland will seek to maximise take up of JSP by delivering a stakeholder toolkit. This will be available online for key partners such as DWP, third sector advisors, local government, employability sector etc. to ensure they are also aware of the benefit and can signpost potential applicants to Social Security Scotland.

79. JSP is a key part of the Scottish Government's work to support young people into work as we will ensure that JSP is linked into the wider employability agenda and social security policy more generally.

Post-implementation review

80. The Scottish Government will collect and publish robust management information for JSP. This information will be used to monitor the characteristics of the clients claiming JSP. We will also undertake qualitative research with clients to test whether JSP is meeting its policy intentions. From this we can review whether any variations to policy or targeted support or promotion may need to be made.

81. Audit Scotland will also monitor and report on the delivery of the social security system, including Social Security Scotland.

Summary and recommendation

82. In summary, the Scottish Government has identified evidence that the introduction of JSP will contribute an additional investment into the Scottish economy, directly through Government expenditure and indirectly through the expenditure of employed young people. It is anticipated that the employment of young people and the purchase of goods and services will benefit businesses. Any impact to businesses should be positive or neutral. We therefore intend to proceed with the introduction of JSP (option 3).

83. The consultation on JSP gave businesses and third sector organisations the opportunity to comment on the potential impact of the new benefit. We recognise that stakeholders and welfare advisors may experience additional requests for advice and information about this new benefit from clients. Social Security Scotland will via its communications strategy for JSP work to ensure that stakeholders are supported to meet this need with the stakeholder toolkit.

84. Once implemented the Scottish Government will monitor the success of JSP.

Summary costs and benefits table

Option	Total benefit per annum: - economic, environmental, social	Total cost per annum: - economic, environmental, social - policy and administrative
1.	<u>Do nothing</u> Scottish Government would save up to £2m per year.	There are no costs associated with this option. There are not considered to be any benefits either for young people who would not receive the proposed financial support, or any scope for businesses to benefit.
2	<u>Introduce JSP on original benefit model prior to the 2019 consultation</u>	Would have a positive direct impact on 4,000 eligible young people; and both a

	<p>An estimated 4,000 eligible young people would receive a JSP award of either £100, or £250 for people with children, in addition to a 3 month bus pass. This would be expected to cost around £1.2 million each year.</p>	<p>direct and indirect positive impact on businesses.</p> <p>Businesses would be able to recruit young people who might not otherwise have been able to take up offers of employment. They would also benefit financially from the support young people receive as well as their earnings, they obtain from employment, which are likely to be used to purchase goods and services in Scotland.</p> <p>This would see an additional spend of around £1.2 million which would increase business activity and boost the economy.</p>
3	<p><u>Introduce JSP as set out in the Scottish Government's consultation response (recommended option)</u></p> <p>This model of JSP was estimated to support around 5,000 young people each year, of whom we estimate 1,500 would have children. They would receive financial support of £250 or £400 for people with children. This would cost around £2 million each year). Given the current context of the coronavirus pandemic recovery, we are aware that these forecasts will increase.</p>	<p>Would have a positive direct impact on 5,000 eligible young people; and both a direct and indirect positive impact on businesses as set out at option 2.</p> <p>This would initially see an additional spend of around £2 million which would increase business activity and boost the economy. This might however alter in light of the coronavirus pandemic recovery.</p> <p>Administration costs for JSP form part of wider financial planning for Social Security Scotland.</p>

Declaration and publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that

- (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and
- (b) that the benefits justify the costs.

I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:

Date: 31 July 2020

Minister's name: Shirley-Anne Somerville

Minister's title: Cabinet Secretary for Social Security and Older People

Scottish Government Contact point: Chris Graham – Unit Head | Social Security Policy Division | Social Security Directorate
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