

# **Equality Impact Assessment Results**

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

August 2020



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## Equality Impact Assessment Results

<b>Title of Policy</b>	Job Start Payment (JSP), previously known as Job Grant
<b>Summary of aims and desired outcomes of policy</b>	<p>JSP will provide a one-off payment to support eligible young people in Scotland who are on certain low income benefits and who need help with the costs of starting a new job.</p> <p>JSP is intended to improve the longer term outcomes for young people by helping to reduce the risk of them becoming unemployed or economically inactive when they are older.</p>
<b>Directorate, Division, Team</b>	Social Security Directorate, Social Security Policy Division, Job Start Payment Policy Team.

### Executive Summary

1. 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. 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.
2. JSP will be available to young people in Scotland who are on certain low income benefits and who need help with the initial costs of starting a new job.
3. The public sector equality duty is a legislative requirement that requires the Scottish Government to assess the impact of applying a proposed new or revised policy or practice. Policies should reflect that different people have different needs. Equality legislation covers the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, and sexual orientation.
4. This is a summary of the Equality Impact Assessment (EQIA) conducted on JSP policy that will be delivered under the powers set out in 'The Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020'. The EQIA has considered the potential effects of JSP and how it impacts on groups with protected characteristics. The results of this work, presented below in the Key Findings section, are informed by desk-based research, analysis of responses to the Scottish Government's consultation on JSP, and stakeholder engagement.
5. This EQIA has not identified any aspects of JSP which would negatively impact on eligible young people from protected groups. It is not considered that any further changes to JSP policy should be made as a result of the assessment, as the evidence and data gathered indicate that overall the policy will have a positive impact on young people and protected groups. JSP therefore builds on the Social Security Scotland framework of a new system that is underpinned by dignity, fairness, respect and a human rights based approach.
6. Once operational we will continue to learn from ongoing monitoring and evaluation of JSP to feed into future policy developments and will adapt communication materials to ensure that all eligible young people can benefit from this support.
7. This impact assessment is one of a package to accompany JSP policy. The others are: Business and Regulatory Impact Assessment (BRIA); Fairer Scotland Duty Assessment; Child

## Background – Policy Aims

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. Unlike most of the benefits that will be delivered by Social Security Scotland, the legislative framework for JSP will not be set out in regulations made under the Social Security (Scotland) Act 2018. This is because the powers which Scottish Ministers are relying on to provide JSP are reserved to Westminster and contained in section 2 of the Employment and Training Act 1973. These powers can be exercised by the Scottish Ministers only insofar as they are either acting within the terms of Article 2 of the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020 (functions exercisable concurrently by the Secretary of State and the Scottish Ministers) or are acting within their wider legislative competence by virtue of Section H3 of schedule 5 of the Scotland Act 1998 (job search and support).
10. The Scottish Government is introducing JSP for the purpose of assisting people to “*obtain and retain employment*”, within the scope of the powers being transferred to the Scottish Ministers set out in the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2020. The Order was delivered in partnership with Westminster, and drafted with the cooperation of the Scotland Office, Department for Work and Pensions, and the Office of the Advocate General. No changes can be made to the Order without first seeking the approval of the Westminster and Scottish Parliaments.
11. JSP aligns closely with wider Scottish Government policies, in particular the Fairer Scotland Action Plan<sup>1</sup>; the Tackling Child Poverty Delivery Plan<sup>2</sup>; Fair Start Scotland’s<sup>3</sup> employability support; and the Independent Care Review<sup>4</sup>. It also supports our Strategic Objectives of Wealthier and Fairer; Smarter; and Healthier.
12. This assistance also plays a part of 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.

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

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

<sup>3</sup> Fair Start Scotland’s employability Plan – <https://www.startscotland.scot/fair-start-scotland>

<sup>4</sup> Independent Care Review – <https://www.carereview.scot/>

## Who was involved in this EQIA?

13. The Scottish Government's consultation on Social Security in Scotland ran from 29 July 2016 to 28 October 2016 and sought feedback on the proposed introduction of new financial provision for young people starting work. Of the total 521 responses to the consultation, the JSP section (at that time known as Job Grant) received 131 responses (80 from organisations and 51 from individuals) in which almost all agreed we should introduce this new benefit. The responses to this consultation were independently analysed and the results were published on 22 February 2017<sup>5</sup>. At this time we also published 'A New Future for Social Security' this set out the Scottish Government's Response to the consultation<sup>6</sup>.
14. An internal EQIA framing exercise was then carried out in 2018 by Scottish Government policy and analytical staff to identify what impacts JSP might have on people in the protected characteristic groups and to identify sources of evidence that should be considered in the development of the policy. That exercise informed the content of the draft EQIA and the summary which was included in the subsequent public consultation on JSP<sup>7</sup>.
15. The JSP consultation ran between January 2019 and April 2019, and received a total of 96 responses representing a broad range of sectors (52 from organisations and 44 from individuals) including local government, youth groups, and employability groups. The responses to this consultation were also independently analysed and the results were published in July 2019<sup>8</sup>. On 18 December 2019 the Scottish Government published its JSP consultation response<sup>9</sup> 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.
16. A survey about JSP was also carried out at the same time as the 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.
17. In addition, user research was also undertaken involving 226 participants in over 15 locations across Scotland to inform the development of the business processes. Social Security Scotland will use these research findings to deliver JSP. The evolving designs were continually tested to

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<sup>5</sup>Analysis of written responses to the consultation on social security in Scotland –

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

<sup>6</sup> 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>

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

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

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

make sure they were as user friendly as possible. People from groups who share protected characteristics were involved in the process.

18. 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.
19. 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.
20. We will continue to take on board feedback from clients 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.

## Eligibility

21. Once JSP is launched, a young person must meet all of the criteria below in order to receive support:
  - **Application timeframe** – applications must be made after a job offer has been received, and within 3 months of that date.
  - **Job offer** – the applicant must have received an offer of paid employment which must average 12 hours or more per week over a 4 week period.
  - **Residency** – the applicant must be ordinarily resident in Scotland on the day of the job offer, although they may subsequently move out of Scotland in order to take up the job offer.
  - **Age** – the applicant must be aged between 16 and 24 years (i.e. they can apply up to their 25th birthday); if the applicant is a care leaver they must be between 16 and 25 years of age (i.e. they can apply up to their 26th birthday).
  - **Qualifying benefit** – the applicant must have been out of paid work for at least 6 months when they receive a job offer. This will be evidenced by the applicant having been in receipt of one of the qualifying benefits\*. If the applicant is a care leaver they need only be not in paid work and in receipt of a qualifying benefit at the time of the job offer, i.e. care leavers do not need to have been in receipt of a qualifying benefit for 6 months.

\*Qualifying benefits are:

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

22. 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.
23. If a young person receives a JSP payment they will not be able to receive another JSP payment within the next two years.
24. 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 should expect from Social Security Scotland in advance of making an application, and what evidence they will need to provide to support their application.

25. 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 having been made, and the young person will receive notification advising them of the outcome of the review.

### **Forecast expenditure and take up**

26. As a demand-led entitlement associated with employment, take-up forecasts will naturally fluctuate depending on the economic needs and employment rates at any point in time. Throughout the policy and service design development stages that took place prior to the coronavirus pandemic it was estimated that around 5,000 young people 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.

27. We are aware that these forecasts will alter, particularly in light of the increase in household claims for Universal Credit in Scotland (increasing from an average of 20,000 to over 110,000 between 1 March and 7 April 2020<sup>10</sup>) 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'<sup>11</sup> sets out that between 19 June and 26 June 2020 "*job adverts across all industries remained around half of their 2019 average*". As a result, we 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 at that time. 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.

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

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<sup>10</sup> Scottish Government News release 21 April 2020 – <https://www.gov.scot/news/additional-110-000-universal-credit-claims-since-coronavirus-outbreak/>

<sup>11</sup> Office for National Statistics (ONS) – <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronavirustheukconomyandsocietyfasterindicators/2july2020>

## Key findings

29. JSP is a new policy which we will monitor and review and where any unintended negative consequences are identified we will take steps to rectify them. A summary of the key findings is provided below.
30. Overall we have concluded that the introduction of this new benefit and the financial support it will provide, will impact positively on all eligible young people who receive it, including young people who share characteristics protected under equalities legislation. In addition, young people will benefit from clear eligibility, multiple application channels, and a transparent assessment process to help them understand if they are entitled to JSP.
31. **Age** – Young people aged 16-24, and care leavers aged 16-25, who meet all of the eligibility criteria will directly benefit from the additional financial support. JSP will therefore have a positive impact on all eligible young people.
32. As JSP is intended to smooth the transition into work for young people on low incomes, it is important that we are able to verify an 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 DWP. Without this information it would be more time consuming and complex for us to implement JSP.
33. 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 JSP if they meet all of the other eligibility criteria.
34. 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 would be disproportionate. Furthermore, some of the alternative supporting evidence proposed would only verify that the 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.
35. The report 'Young People Living Independently'<sup>12</sup> published in May 2018 by the UK Social Security Advisory Committee states that under-25 year olds receive a lower basic benefit allowance than other claimants. For example, single young people on Universal Credit, who do not have dependent children, a declared disability or caring responsibility receive up to £251.77 per month to cover all basic living costs outside of housing, 26% less than those aged 25 and over. The rates for those in receipt of Jobseeker's Allowance or Income Support are also lower for the younger age group.

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<sup>12</sup> Young People Living Independently –

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf)

36. In addition, the National Minimum Wage rate for young people under 25 is lower than those who are 25 and over. This potentially makes the transition into work more financially challenging for younger people.
37. In providing additional financial support for eligible young people through JSP we are seeking to help reduce the inequality that exists between younger and older members of the workforce.
38. **Disability** - Young disabled people who meet all of the eligibility criteria will directly benefit from the additional support in order to smooth their transition into employment. JSP will therefore have a positive impact on young disabled people.
39. We know that 16-24 year olds who are disabled are more than twice as likely to be unemployed as their non-disabled peers.
40. 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.
41. 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.
42. In addition, we have made a number of changes to ensure that JSP is as accessible as possible to all young people with protected characteristics. For example, we have extended the application window and reduced the number of hours a person is expected to work in order to be eligible. The latter is particularly likely to have a positive impact on young people who have a disability or health condition which limits their ability to work longer hours.
43. Furthermore, Social Security Scotland's systems for applying for JSP will meet accessibility standards for people who need extra support. Accessible formats, adaptations and support will be available to ensure that all eligible young people have the opportunity to apply for JSP and that the process is underpinned by dignity, fairness and respect.
44. **Gender reassignment & Sexual Orientation** – JSP will be payable to all young people who meet all of the eligibility criteria including those who share either of these protected characteristics. JSP will therefore have a positive impact for these young people by ensuring they can directly benefit from the additional financial support in order to smooth their transition into employment. We have not identified any negative impacts of JSP for young people who share these protected characteristics, and stakeholders have not raised any concerns.
45. **Pregnancy & maternity** – Young people who share this protected characteristics will again be able to be supported with JSP if they meet all of the eligibility criteria. In addition, in circumstances where the young person has responsibility for a child, they will be supported with an increased award. This is consistent with our aim of eradicating child poverty and recognises that people with children may face increased costs, for example for childcare, when moving into work. JSP will therefore have a particularly positive impact on young people who share this protected characteristic.



46. **Race** - Young people from minority ethnic communities will be able to be supported with JSP if they meet all of the eligibility criteria. DWP estimates<sup>13</sup> that in Scotland people from Asian, Black, Mixed and White Other groups were more likely than White British people to claim Jobseeker's Allowance (JSA) for 13 weeks or less. As JSA is one of the qualifying benefits it is expected that JSP will have a positive impact on young people who share this protected characteristic.
47. In addition, Social Security Scotland will deliver its communication and engagement on JSP with particular consideration on how to reach eligible minority ethnic young people. This will include ensuring that information such as stakeholder toolkits and factsheets are accessible in multiple languages which will improve the opportunities to signpost these young people to the support that are entitled to.
48. Engagement with stakeholders has highlighted concerns about eligibility for young people who are seeking asylum in the UK and about the wider group who have no recourse to public funds. Because immigration policy is reserved to the UK Government, Scottish Ministers have limited scope to make JSP or other Scottish Social Security Benefits available to persons who have no recourse to public funds. Were they to do so there is a risk that the recipient would then be in breach of the conditions of their immigration status leading to potentially severe consequences for them.
49. **Religion or Belief** – JSP will be payable to all young people who meet all of the eligibility criteria including those who share this protected characteristics. JSP will therefore have a positive impact for these young people by ensuring they can directly benefit from the additional financial support. We have not identified any issues and stakeholders have not raised any concerns about the impact of JSP for young people who share these protected characteristics.
50. **Sex** – JSP will be payable to all young people who meet all of the eligibility criteria. JSP will therefore have a positive impact for these young people by ensuring they can directly benefit from the additional financial support. We have not identified any issues and stakeholders have not raised any concerns about the impact of JSP for young people as a result of their sex.

## Monitoring & Review

51. 'Evaluating the Policy Impact of Devolved Benefits' was published on 27 November 2019<sup>14</sup> and sets out the strategy for monitoring and evaluating the impact of benefits, including JSP. This evaluation process includes the impact of the benefit system in achieving the Scottish Government's objectives, particularly whether social security has been an investment in people, has reduced poverty, and has achieved value for money.
52. Monitoring and evaluation of JSP will include equalities management data collected as a continuous process when the benefit is delivered. Where any unintended negative consequences are identified we will take steps to rectify them.
53. Audit Scotland will also monitor and report on the delivery of the social security system.

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<sup>13</sup> Jobseeker's Allowance: how long people claim for – <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/benefits/jobseekers-allowance-how-long-people-claim-for/1.2>

<sup>14</sup> Devolved Benefits: evaluating the policy impact – <https://www.gov.scot/publications/evaluating-policy-impact-devolved-benefits/>

## Conclusion

54. This EQIA process has identified that the JSP has the potential to have positive impacts on those who share protected characteristics.
55. We understand groups who share some protected characteristics may face difficulties in accessing or understanding their entitlements due to language or other communication barriers. We will ensure information and advice on JSP is as accessible as possible, is provided in a variety of formats and reaches the full range of people who could benefit from this support, including through services and partner agencies used by young people seeking work. Appropriate signposting is key to reaching applicants to ensure they can access the necessary information and be suitably supported throughout the process to maximise uptake.

## AUTHORISATION

56. I confirm that the impact of Job Start Payment has been sufficiently assessed against the needs of the equality duty:

<b>Ann McVie</b> Deputy Director Social Security Policy Division	Date this version was authorised: 31 July 2020
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