

## Consultation on Job Grant

### Response from Citizens Advice Scotland

April 2019

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*Citizens Advice Scotland (CAS), our 59 member Citizen Advice Bureaux (CAB) and the Extra Help Unit, form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone.*

*In 2017-18 the Citizens Advice Service network helped over 295,100 clients in Scotland and dealt with almost 800,000 advice issues. With support from the network clients had financial gains of over £138 million and our self-help website Advice in Scotland received approximately 3.2 million page views.*

#### Introduction and Context of response

Citizens Advice Scotland (CAS) welcomes the opportunity to respond to the consultation. CAS welcomes the introduction of the Job Grant, which will provide much-needed support to young people who have been unemployed for six months or more as they start in a job.

The qualifying benefits for Job Grant are amongst the most common areas of advice provided by Scotland's CAB network. In 2017-18, CAB provided advice on 59,939 Employment and Support Allowance (ESA) issues, 19,047 Universal Credit issues, 9,822 Jobseekers Allowance (JSA) issues and 4,460 issues related to Income Support.

This response is based on recent case evidence from Scotland's CAB network, together with consultation activity carried out with CAB advisers as part of our response to 'A New Future for Social Security' in 2016<sup>1</sup>. To inform Citizens Advice Scotland's response to the proposal for the Job Grant, we discussed the proposals with CAB advisers as part of a consultation event in September 2016, and included questions about the Grant in an online survey of 43 advisers.

#### Q1. Are the eligibility criteria for the Job Grant clear?

Yes, the eligibility criteria are fairly clear, although CAS would recommend the Scottish Government give further consideration to a number of issues with the criteria themselves:

##### Age range

A number of the participants in our 2016 consultations with CAB advisers felt that the Job Grant would be more effective with different eligibility criteria. Participants in our consultation event

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<sup>1</sup> Response to A New Future for Social Security consultation – Citizens Advice Scotland, October 2016  
<https://www.cas.org.uk/publications/designing-social-security-system-scotland-consultation-new-powers>

commented that the age range (16-24) and timescales (six months or more unemployed) were somewhat 'arbitrary'. A number of respondents to our online survey, as well as some consultation event participants, felt that the Job Grant could be helpful to all workforce returners, regardless of age, and that people aged 25 and over should be eligible as well.

Other survey respondents felt that the lower age should be increased from 16 to 18, to encourage those aged 16 to continue with their education.

### **Potential for multiple grants to be awarded to one individual**

Another issue that was frequently raised by survey respondents was the possibility of multiple grants being made to a single individual. They pointed out that people between the ages of 16 and 24 often find themselves in and out of work, or gain temporary work which quickly comes to an end, and that theoretically people could be eligible for multiple Job Grants which could make the benefit more expensive than originally envisaged.

Restricting it to one Job Grant for every six month period of unemployment could be one way of ensuring individuals do not receive numerous grants, but the possibility still remains of individuals facing multiple periods of long-term unemployment between the ages of 16 to 24. The Scottish Government should consider its approach to dealing with applications for Job Grants from people who have previously received one, and whether it may be appropriate for a person to receive more than one if they experience more than one spell of long-term unemployment between the ages of 16 and 24.

### **Issues related to zero hours, short hours and fluctuating contacts**

As the consultation document rightly points out, employment on a zero hours contract is more prevalent amongst young people than amongst the population at large.

However, due to their nature, it may not be possible to predict at the point of application whether a young person would be working enough hours to qualify. CAB clients have encountered difficulties and hardship due to their working hours changing on an ongoing basis. This can make it difficult to budget, can leave people with too little to live on, and can make it difficult to claim social security support, due to the insecure work.

***An East of Scotland CAB reports of a client whose partner was employed by an agency on a zero hours contract. They may have a week when he works 10-12 hrs shifts and then nothing for several weeks. As a result of this, the couple have difficulty budgeting and planning ahead for expenses. Their fluctuating income makes hard to manage money, and the clients are now in rent arrears and facing eviction.***

***An East of Scotland CAB reports of a client who works in a fast food restaurant with a ‘variation of hours’ paragraph in their contract. When the client first started, they were working 35-40 hours per week, but are now only getting 12 hours per week. The client’s employers will not give further working hours, despite the client requesting them, although other staff members are given extra hours.***

Respondents to our CAB adviser consultation commented on the link to precarious work, and felt that those who were on zero hours contracts or other forms of insecure employment should also be eligible if they have worked less than a certain number of hours. One respondent felt that young people in work at the National Minimum Wage, or on zero hours contracts who are struggling may see it as unfair.

CAS would recommend the Scottish Government give further consideration to the requirement for the job offer to be for an average of 16 hours or more over a four week period, with a view to ensuring that workers on zero hours contracts remain eligible to apply. In addition, CAS would recommend the window for applications should be extended, as detailed in our response to questions 2 and 3 below.

**Q2. 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?**

No, CAS would recommend that applications can be made up to one month after employment has commenced.

**Q3. If no, please provide comments**

An application window which closes 14 days after employment commences runs the risk of excluding a number of young people who would otherwise qualify in a number of scenarios:

- If a young person was paid monthly by their new employers, there will be a considerable ‘lying-in’ time until their first payment. This may lead to the young person paying for their initial costs upfront, and running out of money before their first salary.
- If the young person was initially unaware of the availability of the Grant, and only discovered information about it once they were running short of money. For instance, CAB clients will frequently only seek advice when they are facing an imminent crisis, due to a gap in income lasting several weeks.
- A substantial, and increasing, number of young people who are eligible will receive Universal Credit, which is normally paid monthly.

- Due to the prevalence of zero hours contracts, the consultation proposes averaging the numbers of hours worked over a four-week period to determine if a young person would qualify. However, by the nature of zero hours contracts, the number of hours a young person would be working may not become apparent until the first four weeks have elapsed and it would be too late to apply for a Job Grant.

For these reasons, CAS recommends that the application window should be extended up to one month after a young person's employment has commenced.

#### **Q4. 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?**

Yes, CAS is content with the format of the payment. In particular, we welcome the decision to incorporate the cash equivalent of the three-month bus pass, which had been originally proposed.

CAS evidence highlights that people consider the cost of bus transport important and that it can be a barrier to using bus services. For instance, when asked to record the three most important aspects of bus services, the third most commonly-chosen option was value for money (selected by 39% of respondents). Moreover, 58% of respondents were dissatisfied with value for money.<sup>2</sup>

*"The cost of travelling and the route the bus takes makes the journey into the nearest city too inaccessible...I would never use the bus for work and if the bus service was cheaper, more reliable, direct and regular I would as would lots of people that work in the city. It would be a great way to go to work. But costs need to come down. It costs £9.55 single and £17.20 return for an adult."* Survey respondent

*"The local bus operator recently stopped the off peak return fare for their service...This increase directly affects low income customers, specifically people on zero hour contracts who can't buy a weekly/monthly pass due to shift uncertainty and low wages."* Survey respondent

Previous CAS research has highlighted that, on average, only 9% of workplaces were within walking distance, with a median bus travel time of 30 minutes, at a median cost of £5.20, with longer distances and costs within accessible and remote rural areas.<sup>3</sup>

In addition, giving people receiving the Job Grant the option of a cash payment rather than in-kind support is in keeping with the rights-based principles of the Scottish social security system, and the stipulation in the Social Security (Scotland) Act that people should always be offered

<sup>2</sup> Creating Better Journeys: Findings from the Citizens Advice Scotland bus users survey – Citizens Advice Scotland, March 2018 [https://www.cas.org.uk/system/files/publications/creating\\_better\\_journeys\\_report.pdf](https://www.cas.org.uk/system/files/publications/creating_better_journeys_report.pdf)

<sup>3</sup> Round the Bend: A review of local bus provision by Scottish Citizens Advice Bureaux – June 2016 <https://www.cas.org.uk/publications/round-bend>

the option of a cash payment, although it is not currently proposed that the Job Grant will be covered by the scope of the Act.

**Q6. 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 them to meet the initial cost of starting work?**

Yes, the proposals appear to meet the policy intent. In consultation with CAB advisers Participants raised a number of initial costs that young people who are starting a job after being unemployed for six months or more face. These costs include:

- A gap between benefits ending and wage starting (the 'lying-in' period)
- Purchasing suitable work clothes
- Upfront childcare costs (such as deposits or registration fees)
- Bus or train fares to travel to work
- Tools or other equipment required for particular jobs.

The Job Grant would provide additional means for young people who are out of work to afford some of these additional costs.

However, CAS research has also highlighted that some bus journeys cost considerably more than average, which can represent a substantial portion of a young person's salary if they were earning the National Minimum Wage. For instance, in one example highlighted by Nairn CAB, a person would need to spend £10.85 per day for a return ticket<sup>4</sup>, which if incurred for a month would take up almost the entirety of the Grant, much less than the three months' travel originally proposed. In addition, some jobs commonly employing young people, such as hospitality or bar work can require expensive taxi transport to and from work due to shifts starting or finishing late at night, when public transport is unavailable.

The welcome creation of the Job Grant should be complemented by further action by the Scottish Government to reduce the costs of travelling to work<sup>5</sup>, and by the UK Government to equalise and increase the National Minimum Wage for young people.

**Q8. Can you identify any potential unintended consequences which we have not considered in these proposals?**

Yes. Please see comments below.

**Q9. If yes, please provide details**

<sup>4</sup> Ibid.

<sup>5</sup> Creating Better Journeys: Findings from the Citizens Advice Scotland bus users survey – Citizens Advice Scotland, March 2018 [https://www.cas.org.uk/system/files/publications/creating\\_better\\_journeys\\_report.pdf](https://www.cas.org.uk/system/files/publications/creating_better_journeys_report.pdf)



In addition to our comments above, there are a number of further issues that CAS recommends the Scottish Government give consideration to.

### **Job Grant's place in Scotland's social security system**

The consultation document indicates that, unlike the other payments delivered by Social Security Scotland, the Job Grant will not be delivered by regulations, but by a Section 63 Order to give the Scottish Government powers to deliver the Job Grant under the Employment and Training Act 1973. As it is delivered in this manner, it is unclear whether the Job Grant would be subject to the social security Charter, the scrutiny and oversight of the Scottish Commission on Social Security, or the principled, rights-based approach taken to the delivery of other payments under the Social Security (Scotland) Act.

CAS would recommend that the Job Grant is considered to be part of the new Scottish social security system for these purposes, with its delivery shaped by the principles of dignity, respect and fairness, and should be subject to the Charter, and other legislative commitments such as the duty to use an inclusive communication standard. The Scottish Commission on Social Security should have the same powers of scrutiny and oversight over the Job Grant as they have for other social security entitlements delivered by the Scottish Government.

### **Appeal rights**

The consultation document also suggests that there is not intended to be any appeal rights for Job Grant. CAS would be very concerned about this proposal. As shown in the table below, Scotland's CAB network provides a substantial amount of advice on reconsiderations and appeals for social security benefits, including on those due to be devolved.

**Table – Appeal and reconsideration issues in Scottish CAB, 2017/18**

<b>Benefit</b>	<b>Reconsideration</b>	<b>Appeal</b>
Attendance Allowance	750	246
Carers Allowance	92	49
Child Benefit	121	88
Child Tax Credits	595	353
DLA - Care component	634	986
DLA - Mobility component	536	869
Employment and Support Allowance	9,118	14,917
Housing Benefit	993	775
Income Support	202	167
Industrial Injuries Disablement Benefit	66	70
Jobseekers Allowance	433	254
Pension Credit	166	92
PIP - Daily living	8,317	13,401
PIP - Mobility	7,191	11,701
Social Fund - Budgeting Loan	30	19
SWF - Community Care Grant <sup>6</sup>	461	88
Social Fund - Cold Weather Payment	1	1
SWF - Crisis Grant <sup>7</sup>	337	32
Social Fund - Funeral Payment	71	48
Social Fund - Sure Start Maternity Grant	35	16
Social Fund - Winter Fuel Payment	1	0
State Retirement Pension	N/A	23
Universal Credit	894	663
Working Tax Credits	521	327
<b>TOTAL</b>	<b>31,565</b>	<b>45,185</b>

From the issues raised elsewhere in this response it would appear to be likely that there may be situations where young people who may be eligible to receive Job Grant have their application declined and wish to appeal. For instance, if they are incorrectly determined not to have been on a qualifying benefit for more than six months, not to have been ordinarily resident in Scotland, or that their job offer is not of a sufficient length or of sufficient hours, they would have good grounds for a successful appeal.

Perhaps more importantly, providing no route of appeal for people against determinations by Social Security Scotland is incompatible with the rights-based approach taken by the Scottish Government in the development of the new social security system. The Scottish Government has gone to significant lengths to ensure a robust re-determination and appeals system for the

<sup>6</sup> Figures for First and Second Tier Reviews

<sup>7</sup> Figures for First and Second Tier Reviews

assistance being delivered under the Social Security (Scotland) Act, and the social security Charter<sup>8</sup> promises to:

- 'look at your application again if you disagree with a decision. This is called a re-determination. When we do this someone different will look at it as if it was a completely new application'
- 'explain how you can appeal if you still don't think the right decision has been made after a re-determination'
- 'refer you to independent advice and support if you want extra help with your application and appeal'

CAS strongly recommends that decisions on Job Grant applications should be subject to the same re-determination and appeal system as for the other social security assistance paid by Social Security Scotland.

### **Application and decision-making process**

As part of our consultation on the Job Grant, we asked CAB advisers how the application process could be made as easy as possible for eligible people to receive support in a timely manner. Several options were suggested by participants:

A number of 'Designing a Social Security System for Scotland' survey respondents thought that **an automatic application system** would be best. They generally suggested the payment should be triggered by an eligible person closing their JSA claim if the reason is due to finding employment, or alternatively through making a phone call in response to an automated offer, through completing an application or receiving a note at their last visit to the Jobcentre.

This option was also initially favoured by participants at the consultation event, although further discussion revealed a number of drawbacks. Participants had advised clients who had been made apparent offers of work which were subsequently withdrawn or 'did not materialise'. They were concerned about those moving into temporary work or 'pushed into self-employment'.

In addition whilst CAS did not directly ask advisers who should administer the Job Grant, an automated system would appear to require close information sharing from DWP, if not directly administered by them. It would be difficult to see how an automatic system could operate without the agency administering the system having access to benefit 'off-flow' data, as well as personal information about the claimant (such as their age and length of claim).

Other survey respondents emphasised **a simplified application process**. Several respondents emphasised the need for simple, straightforward and clear application forms. One respondent felt that the claim should be made online or by phone without forms, with another suggesting a face-to-face interview in a local office, such as a council office.

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<sup>8</sup> Our Charter – Scottish Government, January 2019 <https://www.gov.scot/publications/charter/>



Following discussion, a specific application that was as straightforward as possible was also the preferred option of consultation event participants.

CAS recommends that the Scottish Government should explore options for making Job Grant payments automatically without a specific application required, through a data-sharing agreement with the Department for Work and Pensions. Alternatively, if this is not possible, CAS recommends that people are given the option of applying for the Job Grant online, in person, or over the phone. Any application form should be as simple and straightforward as possible, and be designed to meet the highest standards of inclusive and accessible communication, in keeping with the duty placed on the Scottish Government in the Social Security (Scotland) Act.

### **Promotion, information and advice**

In addition to a straightforward application process, ensuring that the Job Grant is widely promoted to young people, together with information and independent advice being available to help to claim, will be essential to ensure maximum take-up of the new payment.

CAS recommends that the provision of quality advice and information is included in the communications strategy for the Job Grant. In addition, we would also recommend the Scottish Government explore options for promotion of the Job Grant through employers, who could play an important role by notifying any 16-24 olds they employ who have been unemployed for six months or more beforehand.

### **Overpayments and repayments**

The consultation document does not make mention of any provision for overpayments, or repayment of the Job Grant by any individual who has received one. CAS recommends the Scottish Government clarify its approach to situations where a person may have received a Job Grant, or the wrong payment in error (such as if someone received the higher £400 payment, when they had no dependent children and should have received the £250 payment).

The Scottish Government should base their approach to handling overpayments on the provisions in the Social Security (Scotland) Act. In line with this, if the overpayment is as a result of an official error, a person should not be required to repay it, and if it is as a result of claimant error, that a full assessment should be made of the individual's financial circumstances, before any amount is required to be repaid.

### **Quality of jobs and employer issues**

Several participants in our consultations with CAB advisers raised the issue of the quality of work entered into by young people who have been unemployed for six months or more. Participants at our consultation event raised concerns about employers not co-operating with the scheme, not putting job offers in writing, withdrawing job offers, as well as general concerns about young people entering jobs where unfair or poor employment practices were carried out.

Decent work, or fair work has been an ongoing concern for Citizens Advice Scotland, based on the large quantity of advice on problems at work that citizens advice bureaux provide. CAS has previously reported on the employment issues that bureaux advise on<sup>9</sup> and have contributed evidence<sup>10</sup> to the Fair Work Convention<sup>11</sup> and UWS-Oxfam Scotland's research on priorities for low-paid workers<sup>12</sup>. CAS would recommend the Scottish Government explore ways to use the Job Grant to advance the Fair Work agenda and promote decent work, to ensure that young people can access jobs that guarantee fair pay, reasonable job security and where they are treated with dignity and respect.

**Q10. Are you aware of any impacts on groups who share protected characteristics we have not identified here?**

No.

**Q12. Are you aware of any impacts on children's rights and wellbeing which are not identified here?**

No.

**Q14. Are you aware of any impacts on businesses which are not identified here?**

Yes

**Q15. If yes, please provide details**

In addition to the impact identified in the response, CAS would also suggest there could be an important role for employers in promoting the Job Grant by notifying any 16-24 olds they employ who have been unemployed for six months or more beforehand.

CAS agrees with the acknowledgement in the Business and Regulatory Impact Assessment that "the introduction of a Job Grant could cause additional requests for information and support from existing advice services." As detailed in our response to the Scottish Government's 2016 consultation on social security<sup>13</sup>, this is for a number of reasons:

<sup>9</sup> Fair Enough? Protecting Scotland's Workers From Unfair Treatment – Citizens Advice Scotland, February 2015 <http://www.cas.org.uk/publications/fair-enough>

<sup>10</sup> Seeking Decent Work: An analysis of employment advice provided by Scotland's CAB network – Citizens Advice Scotland, April 2016 <http://www.cas.org.uk/publications/seeking-decent-work>

<sup>11</sup> Fair Work Framework 2016 – Fair Work Convention, April 2016 <http://www.fairworkconvention.scot/framework/FairWorkConventionFrameworkFull.pdf>

<sup>12</sup> Decent Work for Scotland's Low-Paid Workers: A job to be done – UWS-Oxfam Partnership, September 2016 <http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotlands-low-paid-workers-a-job-to-be-done-619740>

<sup>13</sup> See pages 177 - 181, A New Future for Social Security consultation – Response from Citizens Advice Scotland, October 2016 [https://www.cas.org.uk/system/files/publications/social\\_security\\_consultation\\_-\\_response\\_from\\_citizens\\_advice\\_scotland.pdf](https://www.cas.org.uk/system/files/publications/social_security_consultation_-_response_from_citizens_advice_scotland.pdf)

- The introduction of a new system in Scotland – alongside the UK system – has the potential to increase complexity for claimants
- Changes to benefits make clients concerned, as recent changes have involved reassessments and/or reductions in payments
- Two substantial benefit changes – Universal Credit and Personal Independence Payment – are still be rolled out to hundreds of thousands of claimants in Scotland. Demand for advice on these issues will inevitably increase at the same time as the new Scottish system is embedded
- Tens of thousands of claimants are likely to be worse off as a result of the UC and PIP roll out<sup>14 15 16</sup>
- The move to digital public services will cause access problems to those who lack online access and skills<sup>17</sup>

With particular regard to the Job Grant, there is the potential for increased demand for advice from young people who are starting work after a long period of unemployment, who are not currently eligible for similar support.

#### **Q16. Are you aware of any impacts on island communities which are not identified here?**

No.

<sup>14</sup> P. 232, Green Budget 2016 – Institute for Fiscal Studies <https://www.ifs.org.uk/publications/8129>

<sup>15</sup> Universal Credit in East Lothian: Impact on Client Income – Musselburgh and Haddington Citizens Advice Bureaux, August 2017 [https://www.cas.org.uk/system/files/28.09.17\\_report\\_for\\_website.pdf](https://www.cas.org.uk/system/files/28.09.17_report_for_website.pdf)

<sup>16</sup> Up to 31 October 2017, 16,970 claimants in Scotland were not awarded PIP under normal rules after undergoing a DLA to PIP reassessment. Response to Freedom of Information request, Department for Work and Pensions, May 2018 <https://assets.documentcloud.org/documents/4493586/Letter-From-Department-of-Work-and-Pensions.pdf>

<sup>17</sup> Disconnected: Understanding digital inclusion and improving access – Citizens Advice Scotland, February 2018 [https://www.cas.org.uk/system/files/publications/cas\\_disconnected\\_report.pdf](https://www.cas.org.uk/system/files/publications/cas_disconnected_report.pdf)