

Job Grant Consultation

Child Poverty Action Group (CPAG) in Scotland response

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

No. Some aspects of the eligibility criteria are unclear and do not seem to meet the policy intention.

It is not clear if the intention is to focus on means-tested benefits only, or if people on contributory JSA and ESA will be eligible. If young people in receipt of contributory benefits are to be eligible it is not clear why young people claiming carer's allowance or other benefits intended to replace earnings are excluded.

In regard to the 16 hours threshold, this could have the unintended consequence of a young person not taking opportunities that would further their chances of getting into long term work, for example an internship with shorter hours. The status of people doing 'permitted work' for ESA (the amount of hours an individual can work before it impacts their ESA) should also be clarified. It appears that someone who does such work would not be eligible for a grant due to this threshold. This may push some young people to begin working 16 hours or more a week immediately, which may prove unsustainable for some. It is also worth noting that 16 and 17 year olds are less likely to meet a 6-month unemployment qualifying period as they are likely to have recently left education.

Due to the target group, a definition of 'unemployed' is needed that is wide enough not to exclude those who don't receive universal credit (UC) or other means-tested benefits. Some young people do not qualify for UC (e.g. most under 18s), whilst some will fail to claim it. It has been estimated that about 38 per cent, or around 75,500, of 18-to 24-year olds are eligible but not in receipt of benefits and living independently from parents without any apparent form of financial support, such as a student loan.¹ One study also found a range of barriers preventing young people who need support from claiming benefits, including not having the right documents, not wanting to engage with the system, and not being able to navigate it. It was also found that non-claimants had higher barriers to employment than the population at large, therefore those who need this support the most may not receive it unless the system takes this into account.²

While many 16 and 17 year olds cannot receive universal credit, the qualifying benefits as set out are of particular concern for care leavers. Most 16 and 17 year old care leavers are excluded from universal credit, income support and income-based JSA, therefore the current proposals would result in these young care leavers not being able to access the job grant. This is in spite of the consultation indicating that this particular group of young people actually require additional assistance (see paragraphs 21 and 22) and the proposed rules, in some ways, treating care leavers more generously (not having to have been out of work for 6 months and being able to access the grant up to age 26).

In order to remedy both these issues for 16 and 17 year olds, there should be different qualifying criteria for this age group that ensures they do not have to be receiving a qualifying benefit.

¹Social Security Advisory Committee (2018) *Young People Living Independently*. Available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf

² London Youth (2018) *Hidden in Plain Sight: Young Londoners unemployed yet unsupported*

The definition of 'care leaver' to be used is also currently not set out. We believe that the definition should mirror that used for the care-experienced bursary. A young person is deemed eligible for this if they have ever been looked after by any local authority in the UK.

Question 2: We have proposed applications for Job Grant can be made 14 days in advance of the employment start date and up to 14 days after employment has commenced. Do you think that the proposed application period for Job Grant is suitable? Y/N Question 3: If no, please provide comments

No. It may be impractical for a young person to know if they meet the eligibility criteria in the timeframe as currently set out.

For example, if a young person has a zero hours contract and works 14 hours a week in the first two weeks, then 20 hours in the second two weeks, they would average 17 hours a week over 4 weeks and be eligible. However, as they would have to claim within the first 2 weeks of working they would not know this. This seems likely as ONS statistics report that people on a zero-hours contract are more likely to be young: 36% of people on zero-hours contracts in the UK are aged 16 to 24 years.³ In order to ensure all those intended to be eligible receive the grant, we would recommend that the application period be lengthened to eight weeks.

Question 4: We have proposed that Job Grant consists of one payment of £250, or £400 for young people with children. Do you agree with the proposed format of the payment? Y/N Question 5: If no, please provide comments

We welcome the policy of providing assistance towards the costs of transport rather than providing a bus pass. It is important to ensure this keeps pace with rising costs, so the amount of the job grant should be annually reviewed to ensure that its value keeps pace with inflation.

We also welcome the additional amount for young people with children, which recognises the increased cost pressures that has.

We do not agree that an individual should only be able to apply once. As set out, the policy intention is to help smooth the transition into work for young people on low incomes aged 16 – 24 (or up to 25 for care leavers). Given the increasingly insecure nature of work, particularly for young people, it would be useful to allow more than one application if a young person experiences other periods of unemployment. We believe the job grant should be at least as supportive as the Flexible Support Fund, which can be accessed more than once.

Question 8: Can you identify any potential unintended consequences which we have not considered in these proposals? Yes/No Question 9: If yes, please provide details

Yes.

Question 9: Please provide details.

While we welcome the job grant, there are some aspects that we do not believe yet meet the policy intent.

³<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contractsthatdonotguaranteeaminimumnumberofhours/april2018#what-are-the-characteristics-of-people-employed-on-zero-hours-contracts>

Lack of appeal rights

We are concerned that there are no appeal rights attached. This is particularly important given the rights-based approach Scottish Government has committed to in regard to social security and the principles of the Social Security (Scotland) Act 2018. We believe that there should be a right of appeal, as there is for the young carers grant.

16 and 17 year olds and universal credit

As set above, many 16 and 17 year olds cannot receive universal credit. There are limited exceptions - for example, a young person with a dependent child or who is 'without parental support'. Of particular concern is that most 16 and 17-year old care leavers are excluded from universal credit, income support and income-based JSA. Instead the local authority is responsible for supporting them financially. The current proposals would result in these young care leavers not being able to access the job grant despite the consultation noting that this group of young people actually require additional assistance.

To ensure 16 and 17 year olds are able to access the job grant, there should be different qualifying criteria for this age group that ensures they do not have to be receiving a qualifying benefit.

16-hour threshold

The threshold could have the unintended consequence of a young person not taking opportunities that would eventually further their chances of getting into long term work. It is also worth noting that 16 and 17 year olds are less likely to meet a 6-month unemployment qualifying period as they are likely to have recently left education.

Eligibility criteria and timeframe

As set out in more detail above, it may be impractical for a young person to know if they meet the eligibility criteria in the timeframe as currently set out. In order to ensure all those intended to be eligible receive the grant, we would recommend that the application period be lengthened to eight weeks.

Repeat applications

We believe the job grant should be at least as supportive as the Flexible Support Fund, which can be accessed more than once. Given the increasingly insecure nature of work, particularly for young people, allowing only one payment could disadvantage those young people who have only been able to access more insecure work.

Use of administrative power

We do not believe that an administrative power is appropriate to deliver the job grant. This results in a lack of parliamentary scrutiny, both of the proposals and how they are being implemented (unlike the types of assistance under the Social Security (Scotland) Act 2018). Importantly, the lack of legislation means that there is no statutory right to challenge a decision. We do not agree that a complaints procedure is a suitable substitute, and judicial review requires a young person to have access to legal advice.

Interaction with other benefits



Consideration needs to be given to whether people can still access the Flexible Support Fund when receiving the job grant.

For any further information, please contact Jen Gracie, Policy and Parliamentary Officer:

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