

# **Restricting Payment of the Sure Start Maternity Grant to the First Child**

Equality Impact Assessment

January 2011

# Restricting Payment of the Sure Start Maternity Grant to the First Child Introduction

The Department for Work and Pensions has carried out an equality impact assessment on the proposal to introduce restricting the payment of the Sure Start Maternity Grant to the first child, assessing the proposal in line with the current public sector equality duties.

This process will help to ensure that:

- the Department's strategies, policies and services are free from discrimination;
- the Department complies with current equality legislation;
- due regard is given to equality in decision making and subsequent processes; and
- opportunities for promoting equality are identified.

## Brief outline of the policy

Sure Start Maternity Grants are currently payable for each child expected, born, adopted or who are subject to various care orders to families in receipt of certain income related benefits or tax credits. The payment is £500. As part of the Government's deficit reduction plan it was announced in the June 2010 emergency budget that this payment would be restricted to the first child only in order to generate annual savings of around £73m for DWP. The measure will affect around 150,000 families a year who will no longer be eligible for a Sure Start Maternity Grant when their second or subsequent child is born. This measure will apply to babies expected or born on or after 11 April 2011.

As a budget measure the savings on the Sure Start Maternity Grant scheme were covered by the budget Impact Assessment published by HMT.

Restricting access to the Sure Start Maternity Grant scheme is a savings measure which contributes to the addressing of the public finance deficit. The policy change will reduce the number of payments by just over half. Maintaining payments for the birth of a first child only will continue to encourage the take-up of antenatal advice and the provision of maternity and baby items to poorer households.

In designing the new scheme there were a number of considerations around defining the meaning of first child for example the obvious definition would be the first child a woman has. However, taking account of the wide range of family composition amongst the Sure Start Maternity Grant group this would be unfair in some family circumstances for example where the couple have the father's children from a

previous relationship living with them but the woman is pregnant with her first child a payment would be due but if the circumstances were reversed, and it was the man's first child, a payment would not be due. It also raised difficult issues around families where their first child was still born or had died shortly after birth. On a strict interpretation this group would not be eligible for a Sure Start Maternity Grant for a further child whether or not they had been awarded a Sure Start Maternity Grant for their first. On balance Ministers agreed that eligibility for Sure Start Maternity Grants should be based on the baby being the only child under 16 in the household. The only exception to this will be teenage mothers having their first child but who remain dependants of their parents; in this scenario the parents will claim on their daughter's behalf but any other children in the household under 16 will be ignored.

Providing for eligibility to be linked to families who do not have another child in their household will:

- ensure eligibility for families that experienced an initial stillbirth and go on to have a second successful pregnancy;
- ensure eligibility for those who experience a series of stillbirths before having a successful pregnancy;
- allow a subsequent payment to be made following the death of the first child;
- provide for payment to parents whose older children are not members of their family i.e. they do not live in the same qualifying benefit family unit;
- treats second families in the same way regardless of whether the children are from the man or woman's previous relationship

Around 150,000 families in receipt of a qualifying benefit at the point they have a second or subsequent child will be affected by this measure. To help mitigate the effects for some of these families we are currently taking measures in the forthcoming Welfare Reform Bill to open up the social fund budgeting loan scheme to enable loans for maternity items to be made available. There will, however, be a period between the introduction of the new restrictions to Sure Start Maternity Grants, (April 2011) and the date the Bill becomes an Act of Parliament (end of 2011 at the earliest). Families will therefore not be able to take advantage of the extended access to Budgeting Loans during this period. In addition some families may not have been in receipt of benefit for the required 26 week qualifying period.

## Consultation and involvement

As a deficit reduction measure there was no consultation exercise before the announcement. However, following the announcement Ministers received representations, for example from organisations representing multiple births, and these were considered during the detailed policy development and reflected in the final policy design.

## Other options for reducing Sure Start Maternity Grant expenditure considered

The estimated spend and savings for various options that were considered are given in the tables.

Estimated spend (£m)	2011-12	2012-13	2013-14
Status quo	140	140	140
£250 per baby	70	70	70
£500 for first child, nothing for subsequent children	67	67	67
£250 for first child, nothing for subsequent children	34	34	34
£500 for first child, £250 for subsequent children	103	104	104
Restrict to income related benefits, £500 per baby	68	68	68

Estimated savings (£m)	2011-12	2012-13	2013-14
£250 per baby	70	70	70
£500 for first child, nothing for subsequent children	73	73	73
£250 for first child, nothing for subsequent children	106	106	107
£500 for first child, £250 for subsequent children	36	36	36
Restrict to income related benefits, £500 per baby	72	72	72

### Notes

- The status quo is based on the latest forecasts by the Forecasting Division.
- It has been assumed that when a first maternity results in a multiple birth, the first child payment will be made for each baby.
- The proportion of all births which are first children is not available, but has been estimated from IS and JSA(IB) Quarterly Statistical Enquiries.
- Figures may not sum due to rounding.

## Impact of the restricting Sure Start Maternity Grants to the first child

By their nature take up of Sure Start Maternity Grants varies amongst equality groups due to:

- A higher proportion of females applying for the grants
- Differential take up for ethnic minorities
- Differential take up for different age groups

## **Data sources**

The Department does not have accessible individual level data on recipients of the Grant. This is largely because the Grant has not been subject to major policy changes since its introduction.

The remainder of the document draws together information from external sources which may be of relevance.

## **General Impact**

Office for National Statistics information on the number of live births which are for a first child is available only for births within marriage. The number of maternities that are for a first child has therefore been estimated from the Department for Work and Pensions Income Support and Jobseeker's Allowance Quarterly Statistical Enquiries, by analysing families with a child (or children) aged less than one. Using this data, it is assumed that when Sure Start Maternity Grants are restricted to the first child, the number of awards will be reduced to 48 per cent of current projections.

Current regulations state that an award is conditional on the production of evidence that the pregnant mother has been given advice on the health needs and general welfare of the baby and, if the claim is made before the baby is born, on maternal health. There is no available evidence to suggest that this level of conditionality or payment has had an impact on the health of the mother or the baby. Whilst we acknowledge that for second and subsequent babies there will no longer be a financial incentive to avail themselves of professional advice, we have no evidence to suggest that this will be the case. The vast majority of those who will lose access to Sure Start Maternity Grants will be eligible for healthy start vouchers from the National Health Service. The award of these vouchers is conditional on the application form having been signed by a health visitor or midwife.

We do not have any information to suggest there are currently accessibility issues with the service at the moment and therefore this is unlikely to alter as a result of the restrictions.

The outcome does not change based on membership of one or multiple equality groups.

We are unclear at this point due to insufficient data whether the changes will impact on one particular group over another as we do not have any facilities to examine in detail the profile of mothers of second and subsequent births.

We have no evidence to suggest this will impact on any groups in an unlawful manner.

At present we offer a variety of ways to access the service meeting different needs and this will not change as a result of the legislation.

## Child poverty

Child poverty affects certain groups disproportionately. In 2008/09, there were 2.8 million children living in UK households with below 60 per cent of contemporary median net disposable household income before housing costs and 3.9 million after housing costs and a child living in a lone parent household is at higher risk of living at poverty<sup>1</sup>.

Sure Start Maternity Grants are provided in recognition of the financial difficulties experienced by parents on income-related benefits and certain tax credits and we accept that these payments help deal with the additional costs of maternity and the birth of a child<sup>2</sup>. This change will undoubtedly cause hardship for some cases however this is unlikely to impact on the experiences of child poverty as Sure Start Maternity Grants are one-off lump sum payments which do not significantly contribute to annual income and in the majority of cases additional finance can be found (for example budgeting loans).

## Gender

We do not have individual level data to assess the impact. However, we expect that the majority of recipients of the Sure Start Maternity Grant are female and therefore likely to be affected disproportionately. We also know that in 2009/10 59,000 of the 274,400 recipients were lone parents representing 21.5% of the total. However, we do not know what proportion of second or subsequent births are to a lone parent.

## Age

We do not have individual level data to assess the impact in age terms. However, using live birth rates within marriage from ONS and assuming there are similar rates to birth outside of marriage a higher proportion of 30 to 34 year olds have a second or subsequent child each year.

## Disability

We do not have individual level data. However, we know that in 2009/10 10,600 of the 274,400 recipients were disabled. This represented 3.9% of the total. However, we do not know what proportion of second or subsequent births are to disabled people.

## Ethnicity

We do not have individual level data to assess the impact on ethnicity. However there is data available from the Office for National Statistics on family size and ethnicity summarised in the tables below. To assess the impact of the Sure Start

---

<sup>1</sup> Household Below Average Income Survey - <http://statistics.dwp.gov.uk/asd/index.php?page=hbai>

<sup>2</sup> The use of the social fund by families. Finch and Kemp 2004.

Maternity Grant measure on families by ethnicity we would ideally look at the size of completed families, but such data is not available. The available data is given in the tables below. This can not necessarily be extrapolated to completed families. There could be other factors affecting the data, for example the age at which people have children. Also the data is for the entire population, not people who are potentially eligible for a Sure Start Maternity Grant. When a Sure Start Maternity Grant application is made, ethnicity data is not required. The data presented below is from the 2001 Census which is the most relevant data set available. We would not expect family patterns to have changed significantly in the intervening period.

<b>Households in England and Wales in the 2001 census</b>	
Ethnic group of household reference person	Number of households with two or more dependent children as proportion of all households with dependent children
All people	58.1%
White: British	57.8%
White: Irish	54.7%
White: Other White	56.0%
Mixed: White and Black Caribbean	52.8%
Mixed: White and Black African	55.5%
Mixed: White and Asian	57.5%
Mixed: Other Mixed	54.4%
Asian or Asian British: Indian	61.5%
Asian or Asian British: Pakistani	73.0%
Asian or Asian British: Bangladeshi	75.8%
Asian or Asian British: Other Asian	62.5%
Black or Black British: Black Caribbean	49.9%
Black or Black British: Black African	61.7%
Black or Black British: Other Black	53.0%
Chinese or Other Ethnic Group: Chinese	55.3%
Chinese or Other Ethnic Group: Other Ethnic Group	58.8%

Source: analysis of 2001 Census table S106 for England and Wales, from [www.statistics.gov.uk](http://www.statistics.gov.uk). Please note a dependent child is a person in a household aged 0 – 15 (whether or not in a family) or a person aged 16 – 18 who is a full-time student in a family with parent(s).

<b>Families in the United Kingdom in the 2001 Census</b>		
Ethnic group of Family Reference person	Families with two children as proportion of all families with one, two or five or more children	Families with five or more children as proportion of all families with one, two or five or more children
All Family Reference Persons	37.6%	0.8%
White	37.5%	0.6%
Mixed	36.7%	1.4%
Indian	42.4%	0.8%
Pakistani	40.5%	6.7%
Bangladeshi	40.7%	8.7%
Other Asian	41.5%	1.8%
Black Caribbean	32.2%	0.7%
Black African	38.6%	2.9%
Other Black	34.5%	1.5%
Chinese	39.5%	0.6%
Other Ethnic Group	40.6%	1.7%

Source: analysis of 2001 Census table C0613 for the United Kingdom, obtained direct from the Office for National Statistics.

Please note the following:

- The census table counts all families with children (dependent and non dependent) and the ethnic group is that of the family reference person.
- A family comprises a group of people consisting of a married or cohabiting couple with or without child(ren), or a lone parent with child(ren). It also includes a married or cohabiting couple with their grandchild(ren) or a lone grandparent with his or her grandchild(ren) where there are no children in the intervening generation in the household. Cohabiting couples include same sex couples. Children in couple families need not belong to both members of the couple.



- In a lone parent family, the Family Reference Person (FRP) is taken to be the lone parent in a lone parent family. In a couple family, the FRP is chosen from the two people in the couple on the basis of their economic activity (in the priority order; full-time job, part-time job, unemployed, retired, other). If both people have the same economic activity, the FRP is identified as the elder of the two or, if they are the same age, the first member of the couple on the form.
- There is no age limit on the term child. For example, a married couple living with their son aged 40 would be classified as a family consisting of a married couple and their child unless the son has a spouse, partner or child living in the household.

## Sexual orientation

There is no evidence of, and the Government do not envisage any, unequal treatment on these grounds.

## Monitoring and evaluation

At present we do not intend to monitor the impact of the policy as this is part of Government wider deficit reductions measure. Gathering further information would mean a disproportionate cost to the Department to develop suitable databases.

## Contact details

Mary Curran

Email: [mary.curran@dwp.gsi.gov.uk](mailto:mary.curran@dwp.gsi.gov.uk)

Phone: 020 7449 5657

.