

# Restricting Sure Start Maternity Grant

## TUC submission to the Social Security Advisory Committee

### Introduction

1. This document presents the TUC submission to the SSAC consultation on the proposed Social Fund Maternity Grant Amendment Regulations 2011.
2. The TUC is grateful for the opportunity to submit comments to this consultation. The TUC is the voice of Britain at work. With 58 affiliated unions representing more than six million working people from all occupations, we campaign for a fair deal at work and for social justice at home and abroad. We negotiate in Europe, and at home, build links with political parties, business, local communities and wider society.
3. The SSAC consultation document says that the Committee is carrying out a targeted consultation so that the report to the Secretary of State can be completed early in the New Year. The TUC is concerned that the government's haste to put through these Regulations, which has necessitated this short timescale, has made it impossible for the Committee to carry out a wider consultation or to allow longer time for reflection.

### The proposals

4. The draft Regulations would usually restrict eligibility for the Sure Start Maternity Grant (SSMG) to the first child in a family.
5. The changes would apply from 11 April. A claim may be reconsidered under the old rules if it is for a baby due after that date where there is a child under 16, but the birth actually happens before that date.
6. The Equality Impact Assessment says that Social Fund budgeting loans will be extended to cover maternity items, though this support will not be available till "late 2011 at the earliest" and there will be a gap from April when this provision will not be available.

### Comments

7. Government spokespeople have been reluctant to elaborate on the justification for this measure – other than saving £75 million. A DWP "Top Story" for 22 June is very brief on this proposal:

"As part of making the system fair to all families, the Sure Start Maternity Grant of £500 will now be made payable to the first child only. The grant was designed to help with the costs of having a baby – such as buying a pram or cot – yet it was payable for every child and cost the country £73 million a year. Working families will often make use of a pram or cot for a second or third child and we would expect families on benefits to do the same." (Available at <http://www.dwp.gov.uk/newsroom/top-stories/index.shtml>)

8. And that would seem to be it. The Equality Impact Assessment attempts no further justification, though it admits that

"This change will undoubtedly cause hardship for some cases ..."

9. The EIA recognises that women will be disproportionately affected (it would be hard not to recognise this point, it is a maternity provision we are dealing with after all) but ventures no opinion about whether this is a good or bad thing from an equality point of view. Tables on pages 5 – 6 show clearly that some minority ethnic groups will be

disproportionately impacted, especially people of Pakistani or Bangladeshi origin. This is discounted on the ground that the data cannot be extrapolated to completed families (though it seems very unlikely that the pattern would be different) and that the pattern is for the whole population, not people eligible for SSMG. This latter point is weak as we know that members of minority ethnic groups – and especially those of Pakistani and Bangladeshi origin – have *lower* average incomes than the general population and are therefore *more* likely to suffer indirect adverse impact than these tables suggest.

10. The EIA accepts that “child poverty affects some groups disproportionately”; one such group is large families. By the time two or three children have used a cot or pram or other goods they may well be unusable. The Households Below Average Income statistics show that 22 per cent of children generally are in poverty measured on a before housing costs basis, 30 per cent on an After Housing Costs basis. For children in families with three or more children, these figures rise to 31 and 40 per cent. As this measure must inevitably have a harsher effect on larger families it seems unlikely that there will be no effect on child poverty – the impact on the numbers in poverty may be marginal, but the impact on the experience of poverty will be more significant.
11. This policy ignores the reality of life for many modern families – parents with a planned family, where two or three children, one after the other, are expected or likely may well put away some more expensive items for future use. Families where circumstances have changed dramatically are less likely to have done so; this could affect families with unexpected late additions, second families, women escaping violence and migrant families.
12. It will also affect families that have come down in the world, who did not realise that they should have hung on to the cot and pram for fifteen years because one day they might be living on benefits and unable to afford a replacement.
13. Extending budgeting loans to cover maternity items is not an adequate alternative. Loans are not always available and it is unfair that families in need should be at the mercy of happenstance in this way.

## Conclusion

14. The TUC urges the Committee to recommend that these draft Regulations should be withdrawn. They are based on an unrealistic view of families, will have a disproportionate indirect impact on parents from disadvantaged groups, accentuate the impact of poverty on families and have not been adequately justified.