Summary

- This section will discuss the new Best Start Grant, which will replace the existing Sure Start Maternity Grant.

- The support provided through the Best Start Grant will play an important part in reducing inequalities and will help close the gap in educational attainment.

- Our aim is to design a benefit that is easy to access and that provides effective support to families at key transitions in the early years, as part of a wider package of early years support.

- We will use this section to explore the important decisions to be made in designing the new benefit and consider the various options available.

We will replace the current Sure Start Maternity Grant (SSMG) with a new, expanded Best Start Grant (BSG46). The new BSG will pay qualifying families £600 on the birth of their first child and £300 on the birth of any second or subsequent children. Qualifying families will also receive £250 when each child begins nursery, and a further £250 when they start school. The support provided is staggered and each payment has a different focus for giving children the best start in life. For a family with two children, the BSG means £1900 worth of support over the period of their early years, compared to £500 that is available to them now from the SSMG.

The Scottish Government recognises that the earliest years of life are crucial to a child’s development and affect inequalities in health, education and employment opportunities later in life. We are committed to reducing these inequalities and aim to give every child in Scotland the best start in life by identifying and reducing the factors that cause inequality at an early stage. Our approach will involve a combination of universal support, such as the new baby box, and elements of targeted support for low income families, such as the BSG. The BSG will give families on low incomes some additional money when their children make transitions in the early years, adding to the family budget and avoiding the need for borrowing.

46 This was previously referred to as the Maternity and Early Years Allowance
We have heard from families living on low incomes about the frustration and hardship they experience because the current grant no longer provides support for second or subsequent children. The reality for low income families is that many of the costs associated with having a child are not ‘one-off’ expenses, but rather recur when they have second or subsequent children. This change to entitlement has particularly affected vulnerable people, who are less likely to be able to plan ahead, and larger families.

We recognise that the disadvantages of poverty affect children, not just at birth, but also at other key stages of their young lives. So we will support them and their parents through early transitions, reducing the need for debt and money related stress, and the consequences these can have for families. By supporting families through the important transitions as children enter the education system, we can help reduce disadvantages facing children from the poorest households and contribute towards closing the attainment gap.

In this consultation, we are considering how the new BSG will work in practice, and how it will fit with other support provided during early years.

**Operation of Existing Sure Start Maternity Grant**

<table>
<thead>
<tr>
<th>Benefits currently part of the UK Government’s Regulated Social Fund 2014/15 – Key Facts</th>
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<tbody>
<tr>
<td><strong>Cold Weather Payments</strong> – for those receiving certain benefits, for when the temperature is either recorded as or forecast to be an average of 0°C or below over 7 consecutive days.</td>
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<tr>
<td><strong>Funeral Expenses Payments</strong> – for those on low income and needing help to pay for a funeral they are arranging.</td>
</tr>
<tr>
<td><strong>Sure Start Maternity Grants</strong> – a one off payment of £500 to help towards the costs of having your first child. For individuals who are in receipt of certain benefits.</td>
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<th>2014/15 expenditure (£millions)</th>
<th>GB</th>
<th>Scotland</th>
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<tbody>
<tr>
<td>Cold Weather Payments</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Funeral Expenses Payments</td>
<td>44</td>
<td>4</td>
</tr>
<tr>
<td>Sure Start Maternity Grant</td>
<td>34</td>
<td>3</td>
</tr>
</tbody>
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Sources: DWP Outturn & Forecast: Summer Budget 2015.

The existing SSMG provides £500 to qualifying low income families on the birth of their first child. The SSMG uses an award of certain DWP benefits to determine that someone is on a low income. These are:

- Income Support
- Income-based Job Seekers Allowance
- Income-related ESA
• Pension Credit
• Child Tax Credit, at a rate higher than the family element
• Working Tax Credit that includes a disability or severe disability element
• Universal Credit

There were an estimated 10,500 applications in Scotland in 2014/15, resulting in 6,000 awards, with an estimated expenditure of £3 million for the year.

We have been told by service users and their representatives that the existing benefit is viewed positively in so far as it is relatively straightforward and meets an identified need. However, we have also heard that information about the grant is poor, that narrowing of the entitlement to the first child was unfair, and that the application window is too short. More information can be found in our publication on Creating A Fairer Scotland.47

Proposals for identifying eligible families

We are considering whether there are particular groups that the BSG can support and how those groups can best be reached through eligibility criteria. For example, looked after children and young parents. We are also considering the roll out of Universal Credit and the effect that will have on eligibility. Some families who do not work enough hours to qualify for Working Tax Credits will be eligible for Universal Credit, and therefore for the BSG once they transition. However, some families who would currently qualify for the BSG under Tax Credits will not qualify under Universal Credit, because the upper threshold for Universal Credit is lower.

We recognise that social security in Scotland must be delivered in a difficult financial context. This means that we have to allocate our financial resources where the need is greatest, and where they can have greatest impact. That is why we are thinking about which low income families the BSG should be paid to and how best to identify these families. For example, it could be paid to:

• Families on very low incomes – e.g. those entitled to free early learning and childcare at two years of age. This criteria includes approximately 27% of two year olds and would produce a broadly similar result when applied across the three BSG payments. An alternative but similar approach would be to use the free school meals criteria
• Families who are on slightly higher incomes, eg who are at or below the living wage of £8.25 an hour, which equates to an income of approximately £16000 per year for one adult working full time. This would be around 37% of all children but would be more complicated to administrate, as incomes fluctuate

47 http://www.gov.scot/Publications/2015/10/3498/5
Anyone in receipt of any Tax Credit or Universal Credit, which can include families with incomes of over £30,000 in some circumstances. This is closest to the current eligibility for the SSMG, although there are currently limitations on the Tax Credit criteria that this would remove, simplifying eligibility. It would cover around 45% of all children.

Questions

What are your views on who should receive the Best Start Grant?

Proposals on identifying who is responsible for a child

Currently a claimant is considered to be responsible for a child if they receive Child Benefit for that child or, where there is no Child Benefit, if they live with the child.

The SSMG can currently be awarded more than once for the same child in some limited circumstances. The BSG will be a longer term benefit than the current SSMG, and will follow the child as they progress through early years. Children may move nursery and school reasonably often. Because of this difference, we are considering making each of the three payments payable only once per child, although it may be necessary to make exceptions in certain circumstances.

Questions

Should we continue to use the same system to determine who is responsible for a child for the purposes of the BSG application?

Yes  No

Please explain why

Do you agree that each of the three BSG payments should only be made once for each child?

Yes  No

If no, what exceptions would you make to this rule?

Proposals on the maternity payment

The BSG will re-introduce payments for second and subsequent children, but at a lower rate, so we will need to identify whether a child is the first in the household. The SSMG does this by identifying whether there is a child in the household already under the age of 16 rather than looking at family relationships.
Currently, in order to receive the SSMG, a certified health professional must confirm that the mother has received medical advice. There is a clear correlation between poorer pregnancy outcomes, including higher rates of maternal and infant deaths in women who book later for antenatal care, attended infrequently or never attend for care. At present in Scotland, women and babies who are at the greatest risk of poor health outcomes are the least likely to access it. We are keen to reinforce the importance of attending for antenatal care and therefore plan to retain the requirement for mothers to have received medical advice in order to qualify for the BSG maternity payment.

Questions

Should we continue to use the same method as the SSMG to determine whether a child is the first child in a household?

Yes

No

Please explain why

If no, what alternative method should we use?

Do you agree that we should retain the requirement to obtain advice from a medical professional before making a maternity payment?

Yes

No

Please explain your answer

Proposals on the nursery payment

The BSG will pay low income families £250 to support them as their children begin early learning and childcare. We want to provide support when people need it, but the practicalities may be difficult as everyone’s situation is different and plans for nursery and childcare can change right up until the last minute. We would like to understand the pressures that families face, when they face them and how the payment can add most value, without becoming too complicated.

There are a range of early learning and childcare options available to parents in Scotland, funded both publicly and privately. There are also a range of childcare settings, such as child minders and informal childcare.

We need to work out what conditions a family would need to meet to qualify for the nursery payment. Every child in Scotland is entitled to Free Early Learning and Childcare from age three onwards, with some children qualifying at age two. One
option is to use entitlement for a funded early learning and childcare place as the trigger for entitlement to the nursery element of the BSG.

Questions

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<thead>
<tr>
<th>Are there other points during the first five years of a child’s life when families face greater pressure than at the start of nursery (other than birth and the start of school)?</th>
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<tbody>
<tr>
<td>What are your views on defining ‘the start of nursery’ as the point of entitlement to a funded early learning and childcare place, for the purposes of making the second payment?</td>
</tr>
<tr>
<td>Are there any particular issues related to the nursery payment that you think we should consider?</td>
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Proposals on the school payment

The BSG includes a third payment when children begin school for the first time. For some children this will be at the age of four, while for others it will be at the age of five, depending on the month of their birth. Children will not always follow the same pathway into school, and will not always begin their education at the same age. We want to make sure that the benefit design acknowledges and accommodates these differences.

Questions

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<th>Are there any particular issues related to the school payment that you think we should consider?</th>
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<tr>
<td>Should the school payment be payable to all eligible children who begin primary school for the first time in Scotland, or should an upper age limit be included?</td>
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Proposals for the application process

The current SSMG has a single application for a single payment. The BSG will be made up of three payments over a five year period. Some families will not receive the initial maternity payment, but will then meet criteria for later payments, either because of a change of circumstances or because they were eligible but did not apply for the initial payment. We think that the three payments should be treated separately because of the time lapse between them and the likelihood that people’s circumstances will change.

For the existing SSMG, the claim must be made within the prescribed timeframe. The grant can be claimed from 29 weeks into the pregnancy until three months after
birth. We have heard concerns that the relatively short application window following birth contributes to difficulty in accessing the grant, particularly for those who qualify through Child Tax Credit which can only be applied for after birth. We propose to extend the application window for the first payment to six months after birth.

There will be some overlap in eligibility between the BSG and Healthy Start vouchers, powers over which are also devolved to Scottish Ministers by the Scotland Act 2016. Healthy Start vouchers are intended to improve nutrition for mothers and children. There is an opportunity to streamline the provision of information about and application processes for the two benefits.

**Questions**

What are your views on our proposals in relation to the BSG application process?

What are your views on establishing an integrated application process for the BSG and Healthy Start?

What are the advantages and disadvantages of this approach?

**Proposals for alternative support**

Currently the DWP makes payments to the claimant, via bank details specified in the application form. While we know that providing items rather than money without a choice would be inconsistent with some views on dignity and respect, a choice of alternative provision could add value in some cases. For example, a catalogue of items for people who can’t travel to shops, adapted items for disabled people or help in the house rather than a cash payment.

For some families, managing a large lump sum could present a challenge. A catalogue of items could also be useful for a support worker who is helping someone to make choices. The collective purchasing power involved in this approach could also offer value for money if take up were sufficient.

However, we understand the importance of flexible support to service users and that any alternative forms of support should remain optional.

**Questions**

Would the option to receive items rather than a cash payment as part of the BSG have benefits?

Yes  
No
Please explain why

**Proposals for Improving take up**

We know that there is a patchy awareness of the SSMG and that take up is low. It is important that people are able to access and receive the support that they are entitled to. We think that we can improve take up of the BSG by ensuring that it is promoted by services commonly used by people who will need support, for example the family nurse partnership and health visitors. We also think that the new baby box which will be available for all new mothers will be a good opportunity to raise awareness of the BSG.

**Questions**

Which services should promote awareness of the BSG to ensure that claimants know about it at the relevant time?