



Department
of Health

Healthy Start eligibility and the introduction of an earnings threshold in relation to Universal Credit claimants

Equality Analysis

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Healthy Start eligibility and the introduction of an earnings threshold in relation to Universal Credit claimants

Equality Analysis

Prepared by the Healthy Start Policy Team

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1. Introduction

The Public Sector Equality Duty set out in the Equality Act 2010 requires public authorities, in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

The Public Sector Equality Duty does not specify how public authorities should analyse the effect of their existing and new policies and practices on equality, but doing so is an important part of complying with the Duty. It is up to each organisation to choose the most effective approach for them. This standard template is designed to help Department of Health staff members to comply with the Duty.

Our conclusions in relation to each of the three limbs of the Public Sector Equality Duty are set out in section 7.

2. What are the intended outcomes of this policy?

The policy aim is to adapt the statutory eligibility criteria for Healthy Start so that pregnant women, new mothers¹ and children under the age of 4 in households claiming Universal Credit (UC) and in the greatest need can access the scheme.

The Healthy Start Scheme provides eligible families who meet the Department's qualifying criteria, and who return a correctly completed application form, with vouchers that can be exchanged for fresh or frozen fruit and vegetables, plain milk and infant formula at circa 20,000 participating retailers. Healthy Start beneficiaries² receive: one voucher worth £3.10 for a pregnant woman from the 10th week of pregnancy; two vouchers (worth £6.20 per week in total) for a new mother with a child under the age of 1 and for her child; and one voucher worth £3.10 per week for each child between 1-4 years of age.

The aim is that women and children most in need of additional support because they have very low incomes and are at risk of poor nutritional health can use the voucher towards the cost of their own and their child's dietary needs, and increase their intake of fruit and vegetables. The value of the voucher and the benefits it confers are intended to pass directly to the pregnant women, new mothers and children under the age of four in a family. In 2014/15, around 480,000 beneficiaries received Healthy Start across each of the four week cycles within which Healthy Start benefits are processed. Around 72% of families eligible for the vouchers currently claim and receive them.

At present, eligibility for Healthy Start vouchers is determined through receipt of existing income-based benefits and tax credits. While the scheme continues as a passported benefit, the Department needs to adapt its qualifying criteria to accommodate the introduction of Universal Credit (UC). UC will restructure the benefit system to create one single income-replacement benefit for working-age adults that will gradually replace all existing income-based benefits and tax credits ("legacy benefits"³) that currently make pregnant women, new mothers and children eligible to apply for Healthy Start. UC is not currently a qualifying benefit for Healthy Start vouchers; therefore it is necessary to amend the Regulations to enable UC recipients to be passported to Healthy Start benefits.

A further change included within the Regulations will be to reduce a new mother's minimum age for qualifying for Healthy Start benefits in her own right from 18 to 16, regardless of whether the new mother is claiming legacy benefits or UC.

¹ The term "new mothers" is intended to capture the group of women who are entitled to Healthy Start when they have just given birth, and have babies under one year old, and in particular to emphasise the importance of the first six months after the baby is born when the woman may choose to breastfeed. It is not intended to mean first time mothers.

² Entitlement to Healthy Start (resulting in vouchers being issued to beneficiaries) is determined by: (1) being eligible to apply by virtue of being in receipt of a qualifying benefit/tax credit, (2) meeting the Department's qualifying criteria; and (3) having correctly completed a Healthy Start application.

³ By "legacy benefits" we mean the current income-based benefits and tax credits which UC will eventually replace.

What are the intended outcomes of this policy?

To passport all pregnant women, new mothers and children under the age of 4 in households claiming UC when it is fully rolled out⁴ would be unaffordable to the Department and would not be an effective means of targeting poorer families. Following the publication of the [Social Security Advisory Committee \(SSAC\) report \(2012\)](#) there was agreement across Government to the use of earnings thresholds, at least in the short to medium term, as an effective mechanism for identifying which UC claimants should be eligible for passported benefits. It was accepted that this would enable the delivery of passported benefit schemes under UC in a way that is broadly cost neutral to Departments when compared to arrangements under legacy benefits. It is therefore necessary to set an earnings threshold for UC claimants above which they would not be eligible to receive Healthy Start benefits. The setting of a threshold will necessarily mean that some households on UC will no longer be eligible to apply for Healthy Start, while others will become newly eligible.

In making the change to Healthy Start eligibility criteria the key objectives are to:

- target vouchers to those pregnant women, new mothers and children under the age of 4 most in need of additional support because they have the lowest incomes;
- achieve, as far as possible, a break-even position where the numbers of children in families becoming newly eligible are equal to the number of children in families whose eligibility ceases when UC is fully rolled out at “steady state”
- achieve cost-neutrality as far as is possible and with minimal transitional costs⁵; and
- make changes that are simple to communicate, and easy for claimants to understand.

The Public Sector Equality Duty set out in the Equality Act 2010 requires public authorities, in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

In exercising the Public Sector Equality Duty, the equality analysis in this document seeks to identify any differential impacts or adverse consequences, for those who share one of the relevant protected characteristics defined in the Equality Act 2010, as a result of the Healthy Start policy change made necessary by the introduction of UC through the introduction of a threshold of £408 per month/£4,900 per annum. The Department of Health is proceeding with the policy decision to implement this particular earnings threshold as the Department's analysis of figures provided by the Department of Work and Pensions ("DWP") against other options

⁴ Note that the quantitative analysis in this document focuses on the impact of the introduction of a threshold once Universal Credit reaches steady state. Steady state is the DWP term which refers to the future point in time (estimated to be 2021) when UC is the default benefit system for in and out of work families and the benefits that currently exist (legacy benefits) have been abolished.

⁵ By transition costs we mean supporting those newly eligible before others cease to be eligible. We expect most of these costs to fall in financial years 2018/19 and 2020/21.

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shows it is the one closest to achieving the key objectives for Healthy Start eligibility stated above.

Similarly, the equality analysis considers any differential impacts or adverse consequences for those who share a relevant protected characteristic as a result of reducing a new mother's minimum age for qualifying for Healthy Start benefits in her own right from 18 to 16, regardless of whether the new mother is claiming legacy benefits or UC. Note that pregnant women who are under the age of 18 will be entitled to Healthy Start vouchers regardless of income.

Our conclusions in relation to each of the three limbs of the Public Sector Equality Duty are set out in section 7.

The Family Test⁶

Evidence of any impact on family relationships and functions was considered as part of the evaluation of the likely impact of this policy change. Available evidence pertaining specifically to Healthy Start benefits suggests that the changes made by these Regulations are likely to have a neutral or minimal impact on family life.

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/368894/family-test-guidance.pdf

3. Who will be affected?

The affected people are: women more than 10 weeks pregnant, mothers of children under the age of 1, and children under the age of 4 who:

- are currently supported by Healthy Start but will no longer be eligible after moving from income-based benefit and tax credits to UC⁷ as a result of the level at which the earnings threshold is set;

OR

- are already in receipt of UC and are currently supported by a discretionary payment (paid in lieu of Healthy Start vouchers pending amendment of the Regulations), but will no longer be eligible after moving from discretionary payments to the statutory scheme as a result of the level at which the earnings threshold is set;

OR

- are not currently in receipt of Healthy Start support but would have met the qualifying criteria for Healthy Start had UC not been introduced. Some of those who cease to be eligible do so because they no longer qualify for UC. It is not possible to disaggregate this group from the total number of families ceasing to be eligible for Healthy Start;

OR

- are not currently eligible for Healthy Start but are (or will be) in receipt of UC and have an earned household income below the earnings threshold.

Additionally, mothers aged 16 and 17 who would currently not be entitled in their own right, but who will become eligible regardless of whether they are claiming UC or legacy benefits.

⁷ This movement over the UC transition period is entirely dependent on UC roll out schedule and pace of natural migration to UC as a result of a change in circumstance and when managed migration commences. Estimates of transition costs arising from supporting those newly eligible before others cease eligibility indicate that most of these will fall from 2018/19 to 2020/21, although this is subject to some uncertainty.

4. Evidence & analysis

Evidence from a range of sources has been considered to assess the impact of the proposed changes overall and for groups with protected characteristics. This includes data from the DWP Policy Simulation Model (PSM)⁸, the Healthy Start Management Information System, published (peer-reviewed) research articles and other relevant literature such as existing Healthy Start scheme evaluations, plus stakeholder consultations, as outlined below.

While the DWP PSM analysis provided to the policy team was useful to broadly characterise families gaining and losing eligibility to Healthy Start benefits through the introduction of the UC earnings threshold, it did not enable an in-depth analysis of differential impacts or adverse consequences for the different protected characteristic groups. The Department's policy team therefore consulted with a range of stakeholders including DWP to try and identify additional data sources that could help to provide further insight into which groups will be differentially affected by the change in policy. Because no additional data sources were available with samples large enough to draw robust conclusions on groups exhibiting protected characteristics, we also identified and reviewed the published literature to identify which groups are most likely to be in greatest need and would therefore benefit more than others from support through the scheme.

Data sources used to inform this analysis

DWP Policy Simulation Model

The Department performed analysis on data from the DWP PSM to model the impact of introducing an earnings threshold on families eligible for Healthy Start, and to estimate the number of those newly eligible, retaining eligibility and those no longer eligible to Healthy Start entitlement in UC steady-state by type of legacy benefit and household type (children by age up to 4 years). The data is based on forecasts of numbers expected to be on UC, legacy benefit data and household earnings as reported in the Family Resources Survey (FRS). The most recent data set was provided to the Department by DWP in July 2015.

Due to small sample sizes in the FRS for low-income households with children under the age of 4 and inherent uncertainties within the modelling, such as the pace of UC rollout and economic conditions, there is a risk of making inaccurate forecasts. To address this, the Department's analysis provided upper and lower estimates as well as a central estimate of costs and numbers of children becoming newly eligible and those no longer eligible for Healthy Start as a result of the transition to UC.

While this data enabled broad characterisation of those retaining, becoming newly eligible and those no longer eligible with regard to the number and ages of children, the lack of data disaggregation meant that it was not possible to undertake an in-depth analysis, nor draw firm conclusions, of any differential impacts of the UC earnings threshold on those sharing a relevant protected characteristic, other than in relation to age in the case of children and pregnancy/maternity.

Healthy Start Management Information

⁸ The PSM combines DWP forecast data for the number of people on UC when it is fully rolled out and data from the Family Resources Survey.

Evidence & analysis

The Department performed analysis on Healthy Start Management Information derived from the Healthy Start Issuing Unit database. This includes data on the total number of households receiving vouchers, total number of beneficiaries, number of beneficiaries by UK country/Local Authority area, beneficiaries entitled by source (income-based benefit/tax credit type), age, pregnancy and number of children. This data about Healthy Start (produced monthly) does not currently provide any breakdown by protected characteristics other than numbers of pregnant women and children's age groups.

Healthy Start scheme evaluations

Healthy Start scheme evaluations⁹ which provide evidence of the difference the benefit makes to recipients' lives.

DWP policy documents

DWP policy documents supporting work on welfare reform: [Universal Credit Impact Assessment](#) and [Universal Credit Equality Impact Assessment](#)

The Department will review the threshold in the future (potentially in 2017) and make adjustments if necessary to ensure that Healthy Start is both affordable to the Department and meeting policy objectives. This review would take account of any post Budget changes in relation to measures that might impact on family income along with Healthy Start Management Information to identify trends in numbers on UC passported to Healthy Start via the new eligibility threshold. However, we do not currently expect there to be any additional data in 2017 which would enable a detailed analysis of the differential impact on those sharing a protected characteristic.

Analysis of those who become newly eligible, retain eligibility and cease to be eligible

The overall analysis of the recommended threshold using DWP data indicates that, under the central estimate, in England there will be an estimated 49,000 children under the age of 4 in UC households who will be newly eligible for Healthy Start and an estimated 48,000 children under the age of 4 in UC households who will cease to be eligible for Healthy Start. At the UK level, the estimated number of children newly eligible is 58,000 with an estimated 57,000 children becoming ineligible as a result of the change.

Due to small sample sizes and uncertainties within the modelling (as described earlier), the analysis provides upper and lower estimates as well as a central estimate. We estimate between 44,000 and 53,000 children in England newly eligible (52,000 to 64,000 for UK) and between 43,000 and 53,000 children in England ceasing to be eligible (52,000 to 63,000 for UK).

⁹ [Healthy Start: Understanding the Use of Vouchers and Vitamins](#) – University of York, University of Dundee, Food Matters, HERG, Brunel University, (March 2014); [Healthy Start Vouchers Study: The Views and Experience of Parents, Professionals and Small Retailers in England](#) - University of Bristol and Institute of Education, (March 2013)

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The analysis suggests there will be a change to the profile of families that Healthy Start supports when they come on to UC because it is structured on the basis of net earnings, unlike Tax Credits which operate on the basis of hours worked as well as gross income.

Analysis of groups ceasing to be eligible

Under UC, those families no longer eligible for Healthy Start were previously eligible because they were on Child Tax Credits, had at least one child under the age of 4 and earned less than £16,190 (the current gross taxable earnings threshold for Healthy Start for those on Child Tax Credits). Under UC these families lose eligibility either because they will be earning over the UC earnings threshold of £408 net per month or they will not have an entitlement to Universal Credit for other reasons, such as holding savings and assets above a certain threshold (see DWP policy documents linked on previous page).

Analysis of newly eligible groups

The earnings threshold appears to capture a group of families who are in work but have very minimal earnings. Families in receipt of Child Tax Credit and Working Tax Credit under the legacy benefit system¹⁰ are not eligible for Healthy Start. However, families in this group with earned income below the threshold will become eligible for Healthy Start, indicating that Healthy Start will become better targeted towards families in work but on very low incomes. Pregnant women and children in these families will be newly passported into Healthy Start where previously they were not. They will replace those who received Child Tax Credits but were not amongst the very poorest families.

Nutritional needs of low income groups

Outcomes of poor nutrition are an important public health concern in the United Kingdom, with maternal and child obesity reaching epidemic proportions.¹¹ Good nutrition during pregnancy and while breastfeeding is particularly important as it not only affects the health of the mother, but also the child.¹² Many influences determine dietary habits and socioeconomic factors play an important role. In high income countries, poverty and low income are associated with obesity and having a diet that is energy dense, nutrient poor, and characterised by low intake of fruit and vegetables.^{13,14,15,16}

¹⁰ These are families working enough hours to qualify for Working Tax Credit (with one person working over 16 hours per week or a couple working over 24 hours per week between them with at least one of them working over 16 hours)

¹¹ O'Reilly JR, Reynolds RM. The risk of maternal obesity to the long-term health of the offspring. *Clin Endocrinol (Oxf)*. 2013;78(1):9–16.

¹² Ramakrishnan U, Grant F, Goldenberg T, Zongrone A, Martorell R: Effect of women's nutrition before and during early pregnancy on maternal and infant outcomes: a systematic review. *Paediatr Perinat Epidemiol* 2012, 26(Supplement 1):285–301.

¹³ Irala-Estevéz JD, Groth M, Johansson L, Oltersdorf U, Prattala R, Martínez-González MA: A systematic review of socio-economic differences in food habits in Europe: consumption of fruit and vegetables. *Eur J Clin Nutr* 2000, 54(9):706–714.

¹⁴ Nelson M, Ehrens B, Bates B, Church S, Boshier T: Low income diet and nutrition survey. Executive summary. London: The Stationery Office; 2007.

Earlier evaluations of the Healthy Start programme have suggested that food subsidy programmes can provide an important nutritional safety net and potentially improve nutrition for pregnant women and young children living on low incomes.¹⁷ People who spend less money on food consume less fruit and vegetables and it has been shown that this is particularly pronounced for those with the lowest educational attainment.¹⁸ Studies have also shown that constraining food budgets can lower the nutritional adequacy of the diet¹⁹ and together this suggests that the nutritional quality of the diet of mothers with low incomes and low educational attainment and their children will be particularly compromised when their budget available for food is reduced.

The Healthy Start Scheme aims to encourage healthy nutrition for pregnant women and new mothers, alongside breastfeeding, and the introduction of fruit and vegetables into babies' diets at weaning. Considering the nutritional needs of families on low incomes, the proposed changes to the eligibility to the scheme have the potential to bring the programme more in line with the policy objective of Healthy Start - to support the very lowest income groups.

23,000 families with children less than 1 year of age become newly eligible, compared to 2,000 families with children under the age of 1 who cease to be eligible. This means that relatively more families with very young children will benefit during the early years which are so important for laying the foundations of good health. There has been a strong Government commitment to the early years enacted through a wide range of policy initiatives, including Sure Start Children's Centres, the Healthy Child Programme and the forthcoming Children's Life Chances Strategy. Giving every child the best start in life is crucial to reducing health inequalities across the life course and was the stated highest priority recommendation from the [Marmot Review "Fair Society Healthy Lives"](#), published in 2010.

Prenatal exposure to excess or insufficient nutrition also appears to result in a lifelong predisposition to obesity and adult disease, such as type 2 diabetes²⁰. Because pregnancy and the early postnatal period are times when women have regular contact with the health care system and may be more receptive to health messages, this is an important opportunity to target pregnant women and new mothers. This specifically applies to those in greatest need of

¹⁵ Black AP, Brimblecombe J, Eyles H, Morris P, Vally H, O'Dea K: Food subsidy programs and the health and nutritional status of disadvantaged families in high income countries: a systematic review. *BMC Public Health* 2012, 12:1099.

¹⁶ Bates, B., Lennox, A. & Swan, G. (2010) The National Diet and Nutrition Survey: Headline Results from Year 1 of the Rolling Programme (2008/2009): <http://www.food.gov.uk/science/dietarysurveys/ndnsdocuments/ndns0809year1>

¹⁷ McFadden et al. *BMC Public Health* 2014, 14:148

¹⁸ Mackenbach JD et al. Does the importance of dietary costs for fruit and vegetable intake vary by socioeconomic position? *Br J Nutr.* 2015 Nov 14;114(9):1464-70.

¹⁹ Drewnowski A & Darmon N (2005) Food choices and diet costs: an economic analysis. *J Nutr* 135, 900–904.

²⁰ Woo Baidal JA, Locks LM, Cheng ER, Blake-Lamb TL, Perkins ME, Taveras EM. Risk Factors for Childhood Obesity in the First 1,000 Days: A Systematic Review. *Am J Prev Med.* 2016 Feb 8. pii: S0749-3797(15)00752-7. doi: 10.1016/j.amepre.2015.11.012. [Epub ahead of print] Review.

Smith CJ, Ryckman KK. Epigenetic and developmental influences on the risk of obesity, diabetes, and metabolic syndrome. *Diabetes Metab Syndr Obes.* 2015 Jun 29;8:295-302. doi: 10.2147/DMSO.S61296. eCollection 2015. Review. PMID: 26170704

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dietary education and interventions aiming to improve dietary quality and reduce calorie overconsumption²¹.

Summary of analysis

Introducing a threshold will have a positive impact on those on the very lowest incomes which is where the Healthy Start scheme budget will be re-focussed. It will also have a positive impact on children under the age of 1 and new mothers because they will receive proportionately more of the scheme's budget under UC conditions than they would under the legacy benefit conditions. Some pregnant women who have not previously had access to Healthy Start could also potentially benefit.

²¹ Carolan-Olah M, Duarte-Gardea M, Lechuga J. A critical review: early life nutrition and prenatal programming for adult disease. *J Clin Nurs*. 2015 Dec;24(23-24):3716-29. doi: 10.1111/jocn.12951. Epub 2015 Aug 9.

5. Differential impact on those sharing a protected characteristic

This section considers in turn each of the relevant protected characteristics as defined in the Equality Act 2010.

Disability

The DWP data that has been analysed by the Department does not provide a breakdown of the impact of earnings thresholds by disability. The data on legacy benefit claimants who are newly eligible under UC indicates that those families who were previously entitled to contribution-based ESA (Employment Support Allowance) will become newly eligible to Healthy Start because contributory ESA is not a qualifying benefit for Healthy Start under the legacy system. Receipt of ESA would indicate that there is an adult with a disability or medical condition in the family. However, those with a short-term medical condition will also get ESA and may not consider themselves to share the protected characteristic of disability. The data used does not identify parents or carers of children with disabilities. What the analysis does indicate is that an estimated 2,000 children under the age of 1 in families previously in households claiming contributory ESA will be newly eligible to Healthy Start. The value of Healthy Start vouchers is double (£6.20 per week) to a family with a new mother and baby under the age of 1, which equates to approximately £322 per annum additional benefit value to household incomes where a member of the family has an illness or disability.

The [Universal Credit Impact Assessment](#) and [Universal Credit Equality Impact Assessment](#) do not provide direct evidence of the impact of the Healthy Start policy change. The equality analysis does contain information about disability but it is not possible to connect any changes to eligibility under UC generally with changes to those eligible for Healthy Start who may also have a disability.

Sex

There is no evidence of a differential impact on gender equality as a result of this policy change because the scheme continues to be targeted at pregnant women, new mothers and children under the age of 4. The introduction of the earnings threshold and granting of eligibility to UC recipients does not change this.

Race

There is no evidence of a differential impact on those sharing the protected characteristic of race as a result of this policy change, so we do not at this time consider there to be any differential impact of the earnings threshold on this protected characteristic group. We are not able to identify how ethnicity splits across the groups who will either continue to be eligible, be newly eligible or cease to be eligible.

Age

Department of Health modelling showed that 95% of the estimated 49,000 children (central estimate) under the age of 4 in UC households in England (58,000 across the UK) gaining

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eligibility to Healthy Start were in families eligible for, or in receipt of, both Child Tax Credit and Working Tax Credit. Of the estimated 54,000 children in families previously in receipt of Child Tax Credit and Working Tax Credit, an estimated 23,000 are under the age of 1 resulting in a greater number of under 1 year olds receiving Healthy Start vouchers. Healthy Start grants entitlement to mothers aged 18 and over with a child under 1 year and to their child, allowing for 2 vouchers to be issued to the family during this period from birth to age 1 in recognition of this double entitlement. This makes a positive contribution to the goal of supporting new mothers and babies in the very early stages by encouraging healthy eating, alongside breastfeeding, and the introduction of fruit and vegetables into babies' diets at weaning. Beyond this, there is no evidence of any differential impact on different ages of women over 18 or children under the age of 4 as a result of the introduction of an earnings threshold.

Under 18s who are pregnant remain eligible for Healthy Start vouchers regardless of their income and are hence protected from any changes in criteria.

Entitlement will be extended to young mothers aged 16 and 17 with a child under the age of 1 regardless of whether they qualify via legacy benefits or UC. The impact of this change will be extremely small and insufficient data exists to undertake any analysis of this specific change upon protected groups.

Gender reassignment

We do not consider there to be any differential impact of setting a threshold for this group.

Sexual orientation

We do not consider there to be any differential impact of setting a threshold for this group.

Religion of belief

We do not consider there to be any differential impact of setting a threshold for this group.

Pregnancy or maternity

Maternity refers to the period of 26 weeks after the birth, which reflects the period of a woman's ordinary maternity leave entitlement in the employment context. As per the statements under the 'age' protected characteristic, we expect more children under the age of 1 to benefit from Healthy Start under UC and the Healthy Start eligibility earnings threshold. This would therefore have a positive impact on new mothers who gain eligibility to Healthy Start in the maternity period.

Whilst DWP data is not broken down according to numbers of legacy claimants who are pregnant or in receipt of maternity allowance or statutory maternity pay, those newly eligible for Healthy Start include women who would previously have been in receipt of maternity allowance and with an entitlement to Working Tax Credit arising from that. This indicates that some pregnant women who have not previously had access to Healthy Start could benefit. Whilst this cannot be quantified accurately, if some pregnant women who were not previously eligible receive the benefits from Healthy Start, this has the potential for a positive impact representing a new contribution towards the nutritional health of pregnant women.

Differential impact on those sharing a protected characteristic

The [Universal Credit Equality Impact Assessment](#) (p35-38) indicates that, while DWP doesn't have adequate data to assess the impact of UC on pregnancy or maternity, it does not envisage that any differential impact will be significant.

Carers

We do not consider there to be any differential impact of setting a threshold for this group.

Other identified groups (different socio-economic groups, area inequality, income, resident status (migrants) and other groups experiencing disadvantage and barriers to access)

We do not consider there to be any differential impact of setting a threshold on other groups who may be socially disadvantaged.

The threshold for Healthy Start eligibility under UC balances the numbers of newly eligible children with those ceasing to be eligible and achieves broad cost-neutrality while re-focusing the Healthy Start budget on those with the lowest incomes, i.e. those with the greatest need.

Those families ceasing to be eligible will come from the group earning above the new UC earnings threshold. Whilst many of these families would still be considered to be on a low income (i.e. between £4,900 and £16,190) it would not be possible to make the scheme available to this group as well without considerably increasing the scheme's budget.

6. Engagement and involvement

This work was not subject to the requirements of the cross-government [Code of Practice on Consultation](#).

The Department is not intending to formally consult on the adaption of the Healthy Start Scheme's qualifying criteria to accommodate the introduction of Universal Credit (UC).

The Social Security Advisory Committee (SSAC) was asked to review the impact of UC on passported benefits. Their review included a public consultation, focus groups and a call for evidence from interested organisations. The resulting report "[Universal Credit: the impact on passported benefits](#)" was published in March 2012 and we have considered their findings in this equality analysis (see below).

We have also engaged DWP in gathering evidence. They have provided us with legacy benefit system data to improve our analysis, although the data has provided only very limited insight into the impact on equalities.

Social Security Advisory Committee (SSAC) review on impact of Universal Credit on passported benefits

The Social Security Advisory Committee (SSAC) was asked to look at the impact of UC on the various passported benefits, such as Help with Health Costs, Healthy Start, Free School Meals and Legal Aid. The SSAC provided advice and options on how passported benefits might be targeted considering the cost constraints. They explored the following issues:

- The importance of Healthy Start as a health benefit to recipients;
- Preferences for universal provision as opposed to means-tested/passported provision;
- Continuity of benefits when recipients enter the workplace versus the cliff-edge of complete removal of the benefit;
- How "fairness" will be achieved and how benefit-level will be maintained as Healthy Start is issued in an earnings disregard system; and
- The potential replacement of Healthy Start vouchers with cash as part of the UC award.

As part of their review the SSAC conducted a public consultation, set up focus groups and invited evidence from stakeholder groups. The SSAC raised a number of risks and concerns from stakeholders. These are summarised below with commentary (in italics) on how these have been considered so far in the policy development process:

- Concerns about "fairness" under an earnings disregard scheme, due to the different ways in which earnings disregards are calculated between different types of household.
- The threshold will need to be calculated to meet the object of cost-neutrality. This means that any extension of eligibility would result in the budget being spread more thinly. This has implications for the policy objectives.

The recommended threshold level has been chosen because it balances the number newly eligible and those ceasing to be eligible and achieves broad cost-neutrality. The value of the voucher is reviewed annually, but will not change in 2016/17, so benefit-level will be maintained. The threshold is expected to be reviewed in future so that any adjustment to its level can be made to maintain broad cost-neutrality. The value of the voucher is also reviewed annually.

Engagement and involvement

- The "cliff-edge" associated with Healthy Start vouchers is relatively small, but to take account of this a small run-on period could be considered.
- Some period of run-on or for a tapered approach to withdrawal would be beneficial for people who were entitled to Healthy Start vouchers under the legacy system but who lose the entitlement under the UC.

As mitigation against the fact that those whose earnings are close to the threshold could qualify one month and not the next, and then requalify shortly after that through small fluctuation in earnings, a short run-on period will be introduced to ensure families entitled to Healthy Start vouchers under UC get additional protection for 8 weeks after the Healthy Start Issuing Unit has been notified that they have gone above the earnings threshold. This measure provides a short buffer against the "cliff edge".

- While "cashing-up" the Healthy Start scheme (i.e. simply paying additional cash to UC recipients in place of Healthy Start vouchers) would be perfectly possible within UC because the sums involved are predictable and time limited, many respondents were unhappy about simply providing cash rather than vouchers.

The intention is that Healthy Start vouchers would continue to be issued under UC.

7. Summary of analysis & conclusions

The limitations of the data we have identified prevent us from making a thorough analysis of any differential impacts this policy may have on protected characteristic groups.

We can however draw the following conclusions:

- We estimate that the earnings threshold will result in more under one year olds benefiting from the Healthy Start scheme. This can be seen as a positive impact because it means new mothers (including those in the 26 week maternity period) and babies are receiving proportionally more support. Some pregnant women who have not previously had access to Healthy Start could also potentially benefit.
- The recommended threshold will re-focus the Healthy Start budget on those with the very lowest incomes, i.e. those with the greatest need - this is one of the Healthy Start policy objectives. Introducing a threshold under UC may therefore help the Department achieve its Healthy Start policy objective more fully. Those ceasing to be eligible will come from the group earning above the threshold. Many of these people would still be considered to be on a low income, i.e. between £4,900 and £16,190, however, it would not be possible to make the scheme available to this group as well without considerably increasing the scheme's budget.

The policy decisions taken to date align to stakeholder feedback coordinated by the SSAC, i.e. physical vouchers will continue to be issued; and the value of the vouchers will be maintained at their current value in 2016/17 (with value reviewed annually thereafter). The SSAC recommendation for a run-on period will be introduced in Regulations to provide an 8 week period of protection for people whose earnings fluctuate around the threshold.

As a result of this limited analysis, we have drawn the following conclusions in relation to the three limbs of the Public Sector Equality Duty.

Eliminate discrimination, harassment and victimisation

To the extent that analysis has been possible, in summary, the Department has identified positive impacts for those sharing the protected characteristics of age and pregnancy/maternity, and has not identified any negative impacts.

The Department has not identified evidence that the policy change will impact either negatively or positively in relation to providing any opportunity to eliminate discrimination, harassment and victimisation in relation to the protected characteristics.

Advance equality of opportunity

The positive impacts that the Department has identified for those sharing the protected characteristic of age - specifically, that more children under the age of 1 will benefit from Healthy Start, and that entitlement to Healthy Start is being extended to young mothers aged 16 and 17 with a child under 1 year old - means that this policy change will advance equality of opportunity of these particular age groups.

In relation to the other protected characteristics, the Department has not identified evidence that the policy change will impact either negatively or positively in relation to an opportunity to advance equality of opportunity.

Summary of analysis & conclusions

Promote good relations between groups

The Department has not identified evidence that the policy change will impact either negatively or positively in relation to an opportunity to promote good relations between groups sharing a protected characteristic and those who do not.

What is the overall impact?

Introducing a threshold under Universal Credit will have a positive impact on those on the very lowest incomes which is where the Healthy Start scheme budget will be re-focussed. It will also have a positive impact on children under the age of 1 and women in the maternity period because they will receive proportionately more of the scheme's budget under Universal Credit conditions than they would under the legacy benefit conditions. Some pregnant women who have not previously had access to Healthy Start could also potentially benefit.

Beyond this we do not believe the proposed changes have any clearly discernible differential impact on those who share a protected characteristic.

Addressing the impact on equalities

We do not believe that any significant inequalities have been robustly identified at this stage and so we are not intending to take any action. However, we recognise that the Public Sector Equality Duty is an ongoing duty.

The Department will review the threshold in the future (potentially in 2017) and adjust it if necessary to ensure broad cost-neutrality and in light of policy objectives.

We will monitor feedback from stakeholder groups to assess whether there are unintended consequences for the protected groups, and whether the introduction of the earnings threshold itself results in adverse consequences for particular groups.

8. Action planning for improvement

We do not believe that any inequalities have been robustly identified at this stage and so we are not intending to take any actions to address inequalities, though we recognise that the Public Sector Equality Duty is an ongoing duty.

The implications of Budget decisions on benefit eligibility, and consequently on passporting for Healthy Start still need to be assessed. The impacts of these announcements on passported benefits, including Healthy Start, have yet to be modelled by HMRC and DWP. This will be undertaken over the coming months and any necessary changes to threshold levels considered when the Regulations are next reviewed.

We will consider how best to communicate any changes to the public and to professionals.

Next steps, challenges and opportunities

Work on monitoring and assessing the longer term direction of passported benefits will continue through the DWP-hosted cross government working group. The Department will continue to liaise with DWP and other Departments to monitor the impacts of earnings thresholds in UC.

The Department will examine options for the threshold to be reviewed in future (potentially in 2017) and adjusted if necessary to ensure broad cost-neutrality is maintained. This review would take updated DWP data that takes account of any post budget and SR (Spending Review) changes in relation to National Living Wage and UC entitlement and Healthy Start Management Information to monitor trends in the numbers eligible for Healthy Start coming from UC system. However, this administrative data does not currently provide any robust data on protected groups other than numbers of pregnant women and children broken down by age group. We do not expect there to be any additional data in 2017 which would enable a detailed analysis of the differential impact on protected characteristic groups.

We will monitor feedback from stakeholder groups to assess whether there are unintended consequences for the protected groups, and whether the introduction of the earnings threshold under UC results in differential impacts for particular groups.

For the record

9. For the record

Name of person who carried out the assessment:

Rebeca Matthews

Date assessment completed:

30 June 2016

Name of responsible Director/Director General:

Mark Davies, Director, Global & Public & Directorate, DH

Date assessment was signed:

October 2016