# HEALTHY START

Department of Health

## Consultation on Draft Regulations

# Healthy Start

Consultation on Draft Regulations

## DH INFORMATION READER BOX

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| **Description** | Consultation docuemtn on the draft Regulations for Phase 1 of the new Healthy Start initiative, that will replace the current Welfare Food Scheme. Under Healthy Start, pregnant women, breastfeeding mothers and young children in low income families will receive fixed value vouchers that they will be able to exchange for fruit and vegetables as well as milk and infant formula. |
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| **For Recipient Use** | |

# Contents

# Introduction

1. In October 2002, we published a public consultation paper containing proposals to reform the Welfare Food Scheme. These proposals were based on the findings of an earlier scientific review of the Scheme, and a policy appraisal of the options for increasing the cost-effectiveness of the Scheme as a public health measure.

2. The reform of the scheme will apply in England, Scotland and Wales. Northern Ireland has conducted its own review of the Welfare Food Scheme and will be introducing similar reforms.

3. We received over 500 written responses to the 2002 consultation, which also included a number of well attended active listening events for various groups – industry, health professionals and the voluntary sector for example. A summary of these responses, which indicated overwhelming support for the need for reform, was published in March 2003 (www.dh.gov.uk). We continued to talk to key stakeholders after this summary was published. Proposals for reform were also discussed at length in Parliament during passage of the Health and Social Care (Community Health and Standards) Bill, which contained the legal powers enabling reform.

4. The Government response to the consultation, published in February 2004, reflected the responses to the original public consultation exercise, the listening events and the parliamentary debates (www.dh.gov.uk). It set out our policy intentions for a new Scheme, Healthy Start, the detail of which now has to be set out in regulations.

**Purpose of the consultation**

5. The purpose of this second consultation is to share with our stakeholders the draft regulations for the introductory phase of Healthy Start and to invite views on some specific questions. These are clearly indicated in the text and are also listed at Annex C.

6. Because we have already published our intentions in the Government response of 16 February 2004, this consultation paper is much shorter than the previous one. However, the summary of intentions included in that response is repeated at Annex B for ease of reference. A new partial Regulatory Impact Assessment that will be further developed before the Regulations are laid in Parliament, is also enclosed for information at Annex D.

**Summary of the Background to Reform**

*The Welfare Food Scheme*

7. The Welfare Food Scheme was established in 1940 as a wartime measure. It currently provides tokens for either 7 pints of liquid cow's milk or 900g of infant formula per week to pregnant women and children under 5 years old in families on qualifying benefits. Pregnant and breastfeeding women, and children under 5 years old who qualify for tokens may claim free vitamin supplements.

8. The current Scheme also provides tokens for 7 pints of liquid cow's milk per week to a very small number of families with children aged 5-16 years not registered at any school as a direct result of mental or physical disability, and low price infant formula to some low income families with children under 1 year old. Nurseries and other day-care providers that look after children under five years old for 2 hours or more per day may claim reimbursement through the Scheme for providing the children with 1/3 of a pint of liquid cow's milk (or the equivalent in infant formula) daily. This element of the scheme is universal.

*Rationale for reform*

9. In 1999, a scientific review of the Welfare Food Scheme was carried out by the Panel on Child and Maternal Nutrition of the Committee on Medical Aspects of Food and Nutrition Policy (COMA). The review found that the Scheme did not meet its beneficiaries' broader nutritional

needs and relied too heavily on milk and infant formula. The review recommended a number of changes to the Scheme to address these flaws.

10. Alongside this, an overall goal and options appraisal of the Scheme was undertaken by a Department of Health review group, chaired by the Deputy Chief Medical Officer. The group appraised options for reforming, discontinuing or replacing the Scheme against objective criteria relating to its potential to achieve public health gains and to tackle health inequalities.

11. Both these reviews informed the 14 specific proposals for reform that were included in the October 2002 consultation paper. The proposals have been further refined in the light of the comments received on them from our many stakeholders, and the issues raised by Parliament during passage of the Health and Social Care (Community Health and Standards) Bill.

*Purpose of Reform*

12. The NHS Plan 2000 contained a commitment to reform the Welfare Food Scheme *'to use the resources more effectively to ensure that children in poverty have access to a healthy diet, [with] increased support for breastfeeding and parenting'*.

13. Although proposals for reform were published long before the Government's 2004 consultations on *Choosing Health?* and *Choosing a Better Diet*, they were entirely consistent with the aims of those consultations and the proposals in the White Paper *Choosing Health – Making healthy choices easier*, published on 16 November 2004.

14. Healthy Start will maximise opportunities for healthcare professionals to offer good quality information and advice on nutrition, diet and health to beneficiaries, and to focus on promoting breastfeeding as well as offering practical support to mothers who are breastfeeding. This will enhance their public health role in a way that is consistent with the standards included in the National Service Framework for Children, Young People and Maternity Services, as well as supporting delivery of the White Paper. Further details of this role are at paragraphs 42-45 of this consultation paper.

15. We also wanted to redesign the Welfare Food Scheme to be the kind of Scheme that pregnant women and families participating in it want it to be. This means it has to offer beneficiaries much greater choice and flexibility and support them to make healthy lifestyle choices whilst respecting their rights to make decisions.

*Key features of the new Scheme*

16. Key features of the new scheme will be:

- A broader range of foods (fresh fruit and fresh vegetables are being added to cow's milk and cow's milk based infant formula at the outset, and this range will be kept under review);
- Fixed value vouchers rather than volume-based tokens that can be exchanged in the widest possible range of participating retail outlets, including food co-operatives and community shops as well as supermarkets, milk roundsmen, greengrocers, farmers markets and others;
- Closer links with the NHS enabling the scheme to become the vehicle for delivering advice and information on diet, exercise, and other health issues to qualifying pregnant women and families; and
- Equal value benefits for breastfeeding and non breastfeeding mothers.

**Phased Introduction of Healthy Start**

17. Although the Welfare Food Scheme is now out of date, it has provided valuable support to many families. To ensure that the new scheme works effectively, we have committed to a phased introduction of Healthy Start.

18. The process has already begun, with the introduction from 1 October 2004 of a new application process for pregnant women qualifying for the existing Welfare Food Scheme. This involves them filling in a simple form, getting a health professional to confirm their pregnancy and Estimated Date of Delivery, and then sending the form to our contractor who will process it and issue tokens to them.

19. The next step is to implement the Healthy Start voucher scheme in a defined geographical area (Phase 1). This will allow the operation of the processes underpinning the Scheme – such as supplier registration/reimbursement, voucher exchange at point of sale, and beneficiary application procedures – to be monitored and evaluated before Healthy Start is rolled out nationally.

20. We will not set a time limit on this introductory phase, as it must be flexible enough to respond to experience. However, we anticipate that it will last a minimum of 6 months to allow us sufficient time to evaluate the processes. Monitoring and evaluation of the processes will take place from the beginning of Healthy Start. Once we are satisfied that the processes are working effectively, we would expect to roll the voucher Scheme out across the rest of Great Britain, and introduce new arrangements for the provision of milk or fruit in nurseries. Note: Northern Ireland has its own Welfare Food Scheme, and is reforming it in parallel.

21. During Phase 1, the existing Welfare Food Scheme will continue outside the Healthy Start area. The current Welfare Food Scheme arrangements for reimbursing nursery and day care providers for providing milk will also be unchanged throughout Great Britain during this phase. Women and families moving into or out of the Healthy Start area will be able to swap their Healthy Start vouchers for milk tokens and vice versa, or may be offered payment in lieu if they cannot use the vouchers/tokens they have been issued with.

**Choice of area for introductory Phase**

22. The area is being selected very carefully. To ensure that we maximise the learning from Phase 1, and to ensure that that we minimise cross-border problems between the Healthy Start area and surrounding areas still covered by the Welfare Food Scheme, we have set further criteria. These are that the area should:

- be as geographically self-contained as possible, with borders that do not cut across large urban communities;
- embody a mixture of current approaches to the supply of infant formula through the Welfare Food Scheme, including using pharmacies as well as NHS clinics as distribution points; and
- be large enough to incorporate both urban and rural areas, and small pockets of deprivation as well as larger identifiable disadvantaged populations, but not so large as to be unmanageable.

23. Based on these criteria we are proposing that Devon and Cornwall be selected as the area for Phase 1 of Healthy Start.

***Question 1: Are there any special considerations in relation to Phase 1 introduction of Healthy Start vouchers to Devon and Cornwall that should be taken account?***

**Voucher value**

24. As anticipated, the weekly voucher value is set in the regulations at £2.80, with double vouchers payable to qualifying families with a child aged 0-12 months old, or 0-12 months from its Estimated Date of Delivery (if this is a longer period).

**Healthy Start foods**

25. As we have previously stated, beneficiaries will be able to exchange Healthy Start vouchers for fresh fruit and vegetables as well as liquid milk and infant formula. It is our intention, over time, to expand the range of foods for which

vouchers may be exchanged to include other foods that meet the 5 A DAY composite criteria that are currently being developed. It is anticipated that the composite criteria will have been agreed by late 2005 and then adopted by manufacturers and retailers.

**Entitlement to vouchers**

26. Existing Welfare Food Scheme qualifying criteria are in the main carried forward to Healthy Start. Differences between Welfare Food Scheme and Healthy Start eligibility criteria are set out below.

*Pregnant women under 18 years old*

27. Entitlement to vouchers is also given in Healthy Start to all pregnant teenagers under 18 years old, regardless of whether they are receiving any of the qualifying benefits that older pregnant women must receive.

*Pension Credit guarantee credit (PCgc)*

28. In the Government's response to the Healthy Start consultation, we said that we would review the continued inclusion of Pension Credit guarantee credit as one of the qualifying benefits. In view of the increases in the value of PCgc, we propose to exclude receipt of PCgc as a qualifying criterion for Healthy Start. However, families in receipt of Child Tax Credit as described in Part II of the draft Regulations will be eligible for Healthy Start.

*Asylum Seekers*

29. Healthy Start vouchers will not be provided to asylum seekers. The needs of eligible asylum seekers who would otherwise be destitute are met by the National Asylum Support Service (NASS) or, in some circumstances, by local authorities.

*Children aged 4 years*

30. In the Government response to the Healthy Start consultation, we said that we might decide to reduce the upper age limit for children to receive Healthy Start vouchers from their 5th birthday to their 4th birthday in order to ensure that we can give greatest support to those in greatest need. There is a nutritional basis for the reduction in the maximum age, as COMA considered that the current means tested provision of 1 pint of milk a day to these children, combined with the 1/3 pint of milk per day they receive if they are in nursery or day care is excessive.

31. We have now decided that in order to target resources at the youngest and most vulnerable children, we will reduce the upper age limit for Healthy Start to their 4th birthday. This change will come into effect when Healthy Start is rolled out nationally and will not apply in the Phase 1 area.

32. Children aged 4 years old will be able to benefit from milk or fruit provision in nursery and day care, particularly as the government is increasing the number of nursery places for 3 and 4 year olds and will be considering rolling out the School Fruit and Vegetable Scheme for all 4-6 year olds in LEA registered schools and nurseries.

33. The reduction in the maximum age will enable the Government to implement the new entitlement for all pregnant teenagers under 18 as well as to provide double vouchers for each child up until its first birthday or 12 months from its Estimated Date of Delivery.

*Provision of low cost infant formula*

34. Entitlement to low-cost infant formula for those families with children under 1 year old who have in the past purchased it through the NHS is to be removed across Great Britain at the outset of Phase 1. We have already published our intention to remove this entitlement to reflect the greater value of their Child Tax Credit payments.

*Disabled children aged 5 -16*

35. Nor will Healthy Start provide entitlement to children aged 5-16 not registered at a school as a direct result of their disability. In the Government response to the consultation exercise (Feb 2004), we set out our intention to remove this entitlement as it has no nutritional basis. Our intention is to remove it for all such children throughout Great Britain from the date on which Phase 1 of Healthy Start begins. A one-off goodwill payment is expected to be made to the very small number of families who are claiming this entitlement on that date.

**How qualifying women/families will access Healthy Start**

*Transfer of Welfare Food Scheme Beneficiaries to Healthy Start*

36. As a transitional measure, all those who are entitled to and are receiving Welfare Food Scheme tokens when Healthy Start is introduced will be automatically moved onto Healthy Start if they live in the designated area. They will not therefore have to make a specific application for Healthy Start until or unless their qualifying status changes – for example they become pregnant, or a family that has ceased to qualify for a period of time re-qualifies.

37. During the Phase 1 period, all those who are entitled to and in receipt of Welfare Food Scheme tokens, and who become resident in the Phase 1 area will be automatically transferred onto Healthy Start. Similarly, Healthy Start recipients who become resident outside the Phase 1 area will be transferred onto the Welfare Food Scheme.

*Application procedure*

38. All newly qualifying women and families will be subject to the new application procedure. They will need to complete an application form that includes confirmation from a health care professional that appropriate advice and information on nutrition has been offered. The form will be very similar to that which has been introduced for pregnant women applying for the Welfare Food Scheme.

39. As we have previously said, their role in the application process will give health professionals an opportunity to identify those in their community who need extra help to establish a healthy diet and to breastfeed. Health professionals will not be required to endorse applicants declarations about which qualifying benefits they receive – this will be verified when application forms are processed.

40. The application process will also give health professionals the opportunity to remind pregnant women about the Sure Start Maternity Grant (for which a woman can apply when she has reached the 30th week of pregnancy).

***Question 2 (for those who have had direct experience of the pregnancy application process for the Welfare Food Scheme from any perspective): Are the new application forms easy to understand? What changes to the forms might be helpful for Healthy Start?***

**Beneficiaries who cease to qualify/re-qualify for Healthy Start in a short space of time**

41. There are some beneficiaries whose circumstances, and therefore their eligibility for Healthy Start benefit, may change on a regular basis – for example as they move in and out of short-term employment. To ensure that they do not repeatedly have to reapply for Healthy Start, the regulations provide for those who re-qualify for it within 3 months of ceasing to qualify, to begin receiving vouchers again as soon as they have notified the Department's contractors of their re-entitlement and this has been confirmed by, for example, by the Inland Revenue.

***Question 3: Is the proposed time limit of three months for re-entry to Healthy Start without full reapplication reasonable or should this period be longer/shorter?***

**The role of Health Professionals in giving advice on nutrition/breastfeeding**

42. Health professionals will give appropriate advice at the time of application, and at other opportunities that may arise later. However, apart from confirming the pregnancy and signing the application form, their precise role is not enshrined in the regulations.

43. The core standards of the National Service Framework for Children, Young People and Maternity Services sets out the role that health professionals are expected to play in Healthy Start. It says, *"Healthy Start offers Primary Care Trusts and health professionals a tool for identifying local disadvantaged pregnant women and their families, and for ensuring that local services meet their needs. This will assist effective local delivery of services in a way that reduces inequalities."*

44. On 26 November 2004, we published an Infant Feeding and Child Nutrition Resource Pack that has been distributed to all members of the Royal College of Midwives and the Community Practitioners and Health Visitors Association. The pack has been specifically designed so that additional inserts can be provided over time, for example to support delivery of advice on nutrition and health to Healthy Start beneficiaries and other pregnant women and families. It will therefore be the key tool that health professionals will use to deliver their Healthy Start role. The Department of Health will also be discussing with health professional bodies what more needs to be done to ensure that health professionals are equipped to deliver their broader public health role in the context of the White Paper *Making Healthy Choices Easier*.

45. We anticipate that healthcare professionals will be based in a range of settings and it is possible that in disadvantaged areas the midwives/health visitors delivering Healthy Start could be based in Sure Start Schemes or Children's Centres. This could provide opportunities for partnerships between the NHS, Sure Start schemes, voluntary sector and local authority initiatives targeting disadvantaged groups. These might include, for example, community food initiatives in order to provide focused and effective practical support to disadvantaged pregnant women and families with young children.

**Healthy Start Food Outlets**

*Registration process*

46. All Healthy Start foods that vouchers can be exchanged for will be supplied through participating retailers/food outlets. We are aiming to maximise the number and range of food outlets who accept Healthy Start vouchers. There will be a simple registration process set out in the regulations that will require each food outlet to agree to supply one or more of the relevant foods, to abide by the rules of Healthy Start, and to provide details of a bank account into which payments can be made using the BACS system.

47. All existing Welfare Food Scheme suppliers will be contacted and encouraged to register before Healthy Start is introduced into their area. Additional food outlets will be actively recruited through as many routes as possible.

48. Food outlets will continue to be registered as long as they continue to meet these simple criteria, and as long as they are actively accepting vouchers (although a food outlet may be barred if they infringe the rules). However, if a given food outlet has not claimed payment for vouchers for a period of 1 year, and has not notified his intent to remain in Healthy Start, then registration of that food outlet will cease. This will ensure that the central database is up to date and provides an accurate record of the

number, range, and spread of active Healthy Start food outlets.

49. Payment will be at the value of the voucher. Food outlets will be encouraged to submit applications for payment on a regular basis to prevent vouchers that have been exchanged but not submitted for payment building up in retail premises. A time limit of 6 months from the expiry date of vouchers is set in the regulations for claiming payment. We understand that this is consistent with practice in relation to commercial vouchers.

***Question 4: Is the proposed length of time before an inactive supplier's registration is removed (1 year) reasonable?***

***Question 5: Is a 6-month time limit for claiming payment acceptable to suppliers?***

**Vitamin supplements**

50. As we have said previously (Government response to the consultation exercise, Feb 2004), we have been seeking to develop reformulated vitamin supplements for use in Healthy Start. As part of the ongoing process, we are also considering alternative supply routes.

51. In the meantime, the current arrangements will continue to ensure there is access to a suitable vitamin product. This will apply both to those beneficiaries included in the Healthy Start voucher scheme, and those continuing with the Welfare Food Scheme.

**Enforcement/fraud prevention and management**

52. The introduction of value-based vouchers instead of tokens whose reimbursement value varies depending on the retail prices of milk will immediately remove a key cause of fraud in the current Welfare Food Scheme. However, further measures are needed to protect the integrity of Healthy Start and ensure it remains efficient and cost-effective.

53. We are working with the NHS Counter Fraud and Security Management Service (NHS CFSMS) to develop a package of measures to prevent fraud, identify fraud where it may occur, and to take whatever enforcement action is necessary. As a result of the Arms Length Body Review, the NHS CFSMS will, in the future, become part of the NHS Business Services Authority. Allegations of fraud within Healthy Start will be referred to them for investigation and the application of sanctions as considered appropriate. As the Agency's own remit is restricted to England and Wales special arrangements will be made to encompass this role in Scotland.

54. As now, a range of enforcement sanctions will be available and used as appropriate to deal with identified fraud. In addition, these include barring suppliers from participation in the Scheme if they infringe its rules, and legal action against those who deliberately defraud the Scheme whether as suppliers or beneficiaries who claim vouchers to which they are not entitled.

**Local implementation of the introductory phase/monitoring and evaluation**

55. To facilitate the implementation of this introductory phase we propose that a local project manager be appointed in the Phase 1 area.

56. We have committed to specifically evaluating the operation of the voucher scheme in Phase 1, as well as the longer term monitoring and evaluating of Healthy Start. We will establish an expert reference group to oversee this process.

57. The evaluation of Phase 1 will mainly measure processes, for example if our communication routes are effectively reaching potential beneficiaries, and whether our contracts with the companies distributing the vouchers and reimbursing suppliers are operating smoothly. However, it is likely that there will also be some qualitative evaluation with beneficiaries, health professionals and retailers to assess the

Scheme's acceptability eg access to Healthy Start food outlets, acceptability of the voucher etc.

58. We are also committed to the longer term evaluation of the impact on health outcomes of Healthy Start and as stated previously we anticipate establishing an expert steering group to oversee this process.

**How rollout will be achieved**

59. As already mentioned, subject to experience with Phase 1, we expect to roll out Healthy Start across Great Britain as soon as possible. This second, roll out phase is expected to include new arrangements for paying nurseries and day-carers for providing either milk or fruit/vegetables daily. Further legislation will be needed both to roll out the voucher scheme and to make changes to nursery and daycare reimbursement arrangements.

**Nursery and day-care provision**

60. At the time that we initially consulted on the reform of the Welfare Food Scheme , we proposed that the universal provision of milk for children up to the age of 5 years in Local Education Authority (LEA) and Ofsted registered day care, including nurseries, be expanded to provide either milk or a piece of fruit. This change is expected to take place as part of Phase 2 of Healthy Start.

61. Since this initial consultation, the School Fruit and Vegetable Scheme (SFVS) has been rolled out nationally and now offers a free piece of fruit or vegetable to all children aged 4 – 6 years in LEA maintained infant, primary and special schools and any other children in the same class. In schools that have a nursery attached, all the children in the nursery are also eligible.

62. This means that when Healthy Start rolls out nationally there could be an overlap between the two initiatives. We therefore intend to review the position by in mid-2005, following an evaluation of the SFVS due to be completed early in 2005, to look at ways in which we can reduce duplication.

**Payment for nurseries and day-care providers**

63. As we said in the Government response to the Healthy Start consultation, we have been exploring the scope to streamline administration of claims for payment to nurseries and day-carers.

64. The details of any arrangements have yet to be developed. However, it is important that any new arrangements are simple enough to remove the administrative burden for nurseries and daycare providers, but robust enough to discourage abuse or fraud.

***Question 6: What payment method would be most appropriate for nurseries and daycare providers?***

**Timescale for implementation**

65. The timescale for introducing the Healthy Start voucher scheme, and for rolling Healthy Start as a whole out across Great Britain is flexible both in order to respond to experience, and because Parliament, the Scottish Parliament, and National Assembly for Wales will have to fit consideration of the necessary legislation into already busy timetables.

66. However, we are aiming to begin the introductory phase in summer 2005, with the precise date chosen to coincide with the 4-weekly Welfare Food Scheme token issuing cycle. Assuming that we are satisfied with the effectiveness of the new processes by the end of 2005, we may be able to complete full rollout by Spring 2006.

**The draft regulations**

67. A copy of the draft regulations is at Annex A. The draft regulations provide for the introduction of the Healthy Start voucher scheme in a defined area. The area is intended

to be defined in a schedule to the draft regulations on the basis of postcodes.

68. The existing Welfare Food Scheme and the current arrangements for reimbursing nurseries and day-carers for milk are intended to continue in other areas of Great Britain, excluding the provisions relating to disabled children, reduced price infant formula and entitlement based on Pension Credit guarantee credit.

**Next steps**

69. Although this is our second consultation on Healthy Start, we would very much value any further comments you might have. The deadline for your comments is 26 April 2005 but it would be helpful if you could reply earlier than this. We will be considering all comments as they come in so that any necessary adjustments can be accommodated within the current timetable. A list of all the consultation questions is at Annex C for ease of reference.

**How to respond**

70. Responses to the consultation should be sent to:

Healthy Start Team
Department of Health
Room 704
Wellington House
133-155 Waterloo Road
London
SE1 8UG

Or by email to: healthystart@dh.gov.uk

71. Electronic copies of this consultation document and draft regulations can be found at www.dh.gov.uk/consultations or at the government's central register of consultations via UK Online (www.ukonline.gov.uk). The DH website also holds copies of other relevant documents, namely:

Healthy Start – Proposals for reform of the Welfare Food Scheme (October 2002)

Healthy Start – Summary of consultation responses (March 2003)

Healthy Start – Government response to the consultation exercise (February 2004)

# Annex A

*Draft Regulations laid before Parliament under section 13(10) of the Social Security Act 1988 for approval by resolution of each House of Parliament.*

STATUTORY INSTRUMENTS

**2005 No. [ ]**

**FOOD**

The Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005

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|---|---|
| *Made - - - -* | *[ ]* |
| *Laid before Parliament* | *[ ]* |
| *Coming into force -* | *-[ May 2005 ]* |

Whereas a draft of this instrument was laid before Parliament in accordance with section 13(10) of the Social Security Act 1988(**a**) and approved by resolution of each House of Parliament:

Now therefore the Secretary of State for Health, in exercise of the powers conferred on him by sections 13(1), (3), (4), (9) and (11) of the Social Security Act 1988((**b**), and 175(2) to (5) of the Social Security Contributions and Benefits Act 1992 (**c**), and all other powers enabling him in that behalf, and after having consulted the Scottish Ministers and the National Assembly for Wales**,** hereby makes the following Regulations:─

PART I

Preliminary

**Citation and commencement**

**1.** These Regulations may be cited as the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005 and shall come into force on [ May 2005].

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(**a**) 1988 (c. 7). Section 13 was amended by section 21(1) and (2) of, and Schedule 6, paragraph 8(11)(a), and Schedule 7 to, the Social Security Act 1990 (c. 27), section 4 of, and Schedule 2, paragraph 94 of, the Social Security (Consequential Provisions) Act 1992 (c. 6) and section 185 (1) of the Health and Social Care (Community Health and Standards) Act 2003 (c. 43).

(**b**) 1988 (c. 7). Section 13 was amended by section 21(1) and (2) of, and Schedule 6, paragraph 8(11)(a), and Schedule 7 to, the Social Security Act 1990 (c. 27), section 4 of, and Schedule 2, paragraph 94 of, the Social Security (Consequential Provisions) Act 1992 (c. 6) and section 185 (1) of the Health and Social Care (Community Health and Standards) Act 2003 (c. 43).

(**c**) 1992 (c. 4). Section 175(2) to (5) is applied by section 15A of the Social Security Act 1988 (c. 7) which section was inserted by section 21(1) of, and Schedule 6, paragraph 8(10) to, the Social Security Act 1990 (c.27) and amended by section 4 of, and Schedule 2, paragraph 96 of , the Social Security (Consequential Provisions) Act 1992 (c.6) and section 185 (2) of the Health and Social Care (Community Health and Standards) Act 2003 (c. 43)

**Interpretation**

**2.**—(1) In these Regulations, unless the context otherwise requires—

"beneficiary" means a person entitled to benefit pursuant to regulations 3 and 4;

"child" means a person under the age of 16;

"family" has the meaning given by section 137(1) of the Social Security Contributions and Benefits Act 1992 for the purposes of Part VII of the Act (income-related benefits);

"food outlet" means a person registered in accordance with regulation 12 to supply Healthy Start food;

"health professional" means a registered medical practitioner, registered nurse or registered midwife, as the case may be(**a**);

"Healthy Start food" means the food prescribed at regulation 5;

"Healthy Start scheme" means the scheme established by these Regulations;

"income-based jobseeker s allowance" has the same meaning as in the Jobseekers Act 1995(**b**);

"income support" means income support under Part VII of the Social Security Contributions and Benefits Act 1992;

"parental responsibility" in England and Wales has the same meaning as in section 3(1) of the Children Act 1989(**c**)[, and in Scotland has the same meaning as in section 1(3) of the Children (Scotland) Act 1995(**d**)];

"period of validity" in relation to a voucher means the period indicated on it in accordance with regulation 8 as that during which it may be exchanged for Healthy Start food in accordance with these Regulations;

"relevant income" has the same meaning as in section 7(3) of Part 1 of the Tax Credits Act 2002(**e**);

"the 1996 Regulations" means the Welfare Food Regulations 1996(**f**);

"voucher" is to be construed in accordance with regulation 8.

(2) Where any provision of these Regulations requires or enables anything to be done by or in respect of a beneficiary and that beneficiary is a child, the provision shall, unless the context otherwise requires, be deemed to refer to a parent with parental responsibility for the child or the child s guardian or the person having care of her.

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(**a**) "Registered" in relation to nurses and midwives is defined in Schedule 1 to the Interpretation Act 1978 (c. 30), and has been amended by the Nursing and Midwifery Order 2001, S.I. 2002/253, Schedule 5 (consequential amendments to primary legislation), paragraph 7, and further amended by the Health Act 1999 (Consequential Amendments) (Nursing and Midwifery) Order 2004, S.I. 2004/1771.
(**b**) (c. 18).
(**c**) (c. 41)
(**d**) (c. 36)
(**e**) (c. 21)
(**f**) S.I. 1996/1434, as amended by the Welfare Food (Amendment) Regulations 2004, S.I. 2004/723. Previous amending instruments were revoked by regulation 7 of S.I. 2004/723, and earlier amending instruments.

PART II

Entitlement to benefit

**Entitlement to benefit**

**3.**—(1) A person described in paragraph (3) is entitled to benefit in accordance with these Regulations with a view to helping and encouraging her to have access to, and to incorporate in her diet, food of a prescribed description.

(2) The benefit to which a person described in paragraph (3) is entitled is Healthy Start food to the value represented by a voucher as provided at regulation 8(2).

(3) For the purposes of paragraph (1), a person so described is a person resident in an area described at Schedule 1 and who is—

(a) a pregnant woman who is not under the age of 18 and has been pregnant for more than ten weeks and who is, or is a member of the family of a person who is entitled to—

(i) income support; or

(ii) an income-based jobseeker s allowance; or

(iii) child tax credit, where the relevant income of the person or persons to whom the award of child tax credit is made under section 14 of the Tax Credits Act 2002(**a**) is determined at the time of the award not to exceed £13,900, and the person is not entitled to working tax credit;

(b) a woman under the age of 18 who has been pregnant for more than ten weeks, provided that she is not a person to whom section 115 (exclusion from benefits) of the Immigration and Asylum Act 1999(**b**) applies;

(c) a mother who—

(i) before the birth of her child, was entitled to and in receipt of a benefit mentioned in paragraph (3)(a); and

(ii) has parental responsibility for that child whose date of birth has not been notified to the Secretary of State or to a person authorised on behalf of the Secretary of State and in respect of whom the period of four months from the estimated date of delivery has not yet passed;

(d) a mother who —

(i) is not under the age of 18,

(ii) has parental responsibility for a child who is under the age of one year, or in respect of whom the first anniversary of the estimated date of delivery has not yet passed, and

(iii) is or is a member of the family of a person who is entitled to income support, an income-based jobseeker s allowance, or child tax credit, where the relevant income of the person or persons to whom the award of child tax credit is made under section 14 of the Tax Credits Act 2002 is determined at the time of the award not to exceed £13,900, and the person is not entitled to working tax credit; or

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(**a**) (c. 21)
(**b**) (c. 33)

(e) a child who is under the age of five years, and who is a member of the family of a person who is entitled to income support, or an income-based jobseeker s allowance, or child tax credit, where the relevant income of the person or persons to whom the award of child tax credit is made under section 14 of the Tax Credits Act 2002 is determined at the time of the award not to exceed £13,900, and the person is not entitled to working tax credit.

(4) A mother who satisfies the requirements for entitlement by virtue of more than one child who is a child mentioned in paragraphs (3)(c) or (d) is entitled to benefit in respect of each such child.

(5) If a mother would otherwise be entitled to benefit under paragraphs (3)(c) or (d) but does not have parental responsibility for a child who is a child mentioned in either of those paragraphs, then any such child is entitled to benefit instead of the mother.

(6) The entitlement of a child under paragraph (5) is in addition to any entitlement of the child under another paragraph of regulation 3.

**Claim for benefit**

**4.**—(1) Except as provided in paragraphs (2) to (4), no person described in regulation 3 may become entitled to benefit unless she first submits to the Secretary of State, or to a person authorised on his behalf, a claim in writing that includes the information, and is supported by the written evidence, declaration, and signatures specified in Schedule 2.

(2) Where a person who has parental responsibility for a child described at regulation 3(e) who is under the age of four months notifies by telephone the Secretary of State or a person authorised on behalf of the Secretary of State of the date of birth of the child, the child may become entitled from the date of her birth.

(3) A mother described in regulation 3(3)(c) may become entitled from the date of birth of her child provided that she has not submitted a claim as a mother described in regulation 3(3)(d) in respect of that child.

(4) A person described in regulation 3 who ceased to be entitled less than three months previously may have her entitlement renewed if she is able to demonstrate to the reasonable satisfaction of the Secretary of State or a person authorised on his behalf that the circumstances that resulted in her ceasing to be so entitled have reverted to those that prevailed when she was so entitled.

(5) Subject to paragraph (1), a beneficiary described at regulation 3(3)(d), (e) or (5) who is or is a member of the family of a person who is entitled to child tax credit will be entitled to benefit from the date that the award of child tax credit was made, or if not so entitled to child tax credit, from the date provided at paragraph (6).

(6) Subject to the provisions of this regulation, a person s entitlement under this regulation and regulation 3 shall begin from the date that her claim complying with the requirements of paragraph (1) is received by the Secretary of State.

**Healthy Start food**

**5.**—(1) Healthy Start food is the food specified in Column 1 (category of food) of Schedule 3 as qualified in Column 2 (qualification) of the Schedule.

(2) If the Secretary of State or a person authorised on his behalf is satisfied that there is no food outlet within a reasonable distance of the home of a beneficiary, he may, instead of

benefit, pay the beneficiary an amount equal to the value represented by the voucher she would otherwise receive.

**Advice on health and nutrition**

**6.** The Secretary of State or a person authorised by him may arrange for a person described at regulation 3 to receive advice on health and nutrition when she receives a voucher or at some other time.

**Cessation of entitlement to benefit**

**7.**—(1) A person s entitlement to benefit under these Regulations shall cease when she ceases to be entitled in accordance with regulation 3.

(2) A person who is no longer entitled to benefit must inform the Secretary of State of the change in her circumstances if she continues to receive vouchers or payments instead of benefit.

PART III

Voucher

**Issue of voucher**

**8.**—(1) For each week that a beneficiary is entitled to benefit under regulation 3 the Secretary of State or a person authorised by him shall issue or cause to be issued to that beneficiary a voucher to enable the beneficiary to obtain the benefit to which she is entitled.

(2) The value represented by the voucher in respect of which the voucher may be exchanged under regulation 9 for Healthy Start food, is £2.80.

(3) The Secretary of State or a person authorised by him shall ensure that the following are indicated on the face of the voucher:

(a) the value represented by the voucher;

(b) a description of Healthy Start food; and

(c) the period of validity**.**

**Use of voucher**

**9.**—(1) A beneficiary may exchange a voucher within the period of validity for Healthy Start food.

(2) A voucher issued to a beneficiary may be used only by the beneficiary for whom it was issued.

(3) Healthy Start food to which a beneficiary is entitled may be for consumption by the beneficiary s mother if the beneficiary is a child and the mother is breast-feeding the child.

(4) No person shall buy or sell or otherwise use—

(a) a voucher; or

(b) Healthy Start food;

except in accordance with such provisions of these Regulations as are applicable.

**Failure to receive benefit represented by the voucher**

**10.**—(1) If a beneficiary fails to receive benefit as a result of a failure to receive a voucher, she may so notify in writing the Secretary of State or a person authorised on his behalf.

(2) If a beneficiary who is entitled to benefit under regulations 3 and 4 receives a voucher in accordance with regulation 8, and

(a) the voucher is lost or stolen or accidentally destroyed before it is exchanged for Healthy Start food; or

(b) there is no food outlet within a reasonable distance of the beneficiary s home; or

(c) the beneficiary is a child under the age of one year and there is no food outlet within a reasonable distance of the child s home at which a voucher can be exchanged for Healthy Start food consisting of infant formula as described at Schedule 3;

the beneficiary may so notify in writing the Secretary of State or a person authorised on his behalf.

(3) A beneficiary who so notifies in the circumstances described—

(a) in paragraph (1) must do so within four weeks of the date that she was entitled to receive the voucher; or

(b) in paragraph (2) must do so before expiry of the period of validity of the voucher.

(4) If the Secretary of State or a person authorised on his behalf is satisfied—

(a) on a notification pursuant to paragraph (1), or otherwise, that a beneficiary did not receive a voucher because of some act or omission on the part of the Secretary of State, or on the part of a person issuing vouchers on his behalf,

(b) on a notification pursuant to paragraph (2)(a), that the voucher has been lost or stolen or accidentally destroyed, or

(c) on a notification pursuant to paragraph (2)(b) or (c), that there is no food outlet within a reasonable distance of the beneficiary s home,

he shall either, as he considers appropriate, issue or cause to be issued to that beneficiary a voucher or pay the beneficiary an amount equal to the value represented by the voucher.

**Property in voucher**

**11.**—(1) Every voucher is and shall remain the property of the Secretary of State.

(2) Any person in possession of a voucher shall, if so requested by the Secretary of State, produce or deliver it to the Secretary of State within such time and to such place as the Secretary of State may direct in writing.

Part IV

Food Outlets

**Application for registration of food outlet**

**12.**—(1) A person carrying on a business of the supply of food who wishes to supply Healthy Start food in exchange for a voucher and to receive payment from the Secretary of State or a person authorised to make payment on his behalf for such supply shall apply in writing to the Secretary of State or to such a person to be registered as a food outlet.

(2) A person who applies under paragraph (1) shall provide the information, supported by the declaration specified in Schedule 4.

(3) The Secretary of State or a person authorised by him shall register an applicant as a food outlet if he is satisfied that the information and declaration provided by the applicant are accurate and complete.

(4) A food outlet shall notify the Secretary of State or a person authorised by him of any material change that may affect the information provided pursuant to this regulation or his ability to supply benefit.

(5) A person shall cease to be a food outlet if the Secretary of State or a person authorised by him determines that the person—

(i) has failed to provide any information or evidence required under these Regulations;

(ii) is in persistent breach of his duties under the Healthy Start scheme; or

(iii) has not submitted a claim for payment pursuant to regulation 14 for a period of one year.

(6) The Secretary of State or a person authorised by him may determine that a person who has been convicted of an offence punishable by at least six months imprisonment shall cease to be a food outlet.

**Duties of food outlet**

**13.**—(1) A food outlet who accepts a voucher from a beneficiary shall supply the beneficiary with Healthy Start food of the value indicated on the face of the voucher and in accordance with these Regulations.

(2) Where a food outlet supplies Healthy Start food pursuant to paragraph (1) and the value of the Healthy Start food supplied is less than the value indicated on the face of the voucher, the food outlet shall not provide the beneficiary with anything other than Healthy Start food.

(3) A food outlet shall not accept payment of any sort other than a voucher from a beneficiary in connection with the supply of Healthy Start food under these Regulations.

(4) If a food outlet accepts a voucher and fails on that occasion to supply Healthy Start food to a beneficiary, the food outlet shall, within the period of validity of the voucher or as soon as possible after that period—

(a) supply the beneficiary with the Healthy Start food; or

(b) credit the beneficiary with an amount equal to the value indicated on the face of the voucher towards the next purchase by the beneficiary of food of a description similar to that of Healthy Start food.

**Payment of food outlet**

**14.**—(1) A food outlet who wishes to receive payment shall submit to the Secretary of State or a person authorised by him a claim in writing that includes the information set out in Schedule 5 together with the vouchers to which the claim relates.

(2) If the Secretary of State or a person authorised by him is satisfied that the information provided by the food outlet pursuant to paragraph (1) is accurate and complete, he shall pay the food outlet an amount equal to the value indicated on the face of each voucher submitted.

(3) The Secretary of State or a person authorised by him may pay a food outlet in respect of a greater or lesser number of vouchers than are indicated as included with a claim made

pursuant to paragraph (1) where it is clear on the face of the documents that an error has been made.

(4) The Secretary of State or a person authorised by him shall not be obliged to make a payment in respect of a voucher included in a claim pursuant to paragraph (1) if the date of the claim is more than six months after the period of validity on the face of the voucher.

(5) If the Secretary of State or a person authorised by him is satisfied that—

(a) a food outlet submitted a claim in writing together with a voucher pursuant to paragraph (1); and

(b) the food outlet received the voucher in exchange for Healthy Start food provided to a beneficiary in accordance with these Regulations,

the Secretary of State or person authorised by him may pay the food outlet an amount equal to the value indicated on the face of the voucher, notwithstanding that the claim has not been received.

**Requirement to furnish information**

**15.**—(1) The Secretary of State or a person authorised by him may require a food outlet to furnish him with such information or evidence as may reasonably be needed in connection with the administration of the Healthy Start scheme.

(2) A person to whom a person is required to furnish information or evidence shall produce to that person evidence of his authority from the Secretary of State, if requested.

(3) Any document produced pursuant to paragraph (1)—

(a) shall be provided in a legible form;

(b) may be copied or extracts may be taken from it, and

(c) shall be explained by the person producing it, or, where that person is a body corporate, any other person who is a present or past officer of, or is employed by the body corporate, if so requested by the Secretary of State or a person authorised by the Secretary of State.

(4) A person who has failed to produce information or evidence required pursuant to paragraph (1) shall state, to the best of his knowledge and belief, where it is held.

Part V

Final Provisions

**Amendment of the 1996 Regulations - Healthy Start Scheme**

**16.** The 1996 Regulations are amended as follows:—

(a) in regulation 3 (entitlement to free milk) in paragraph (1), after "paragraph (2)" there is inserted "other than a person who resides in an area specified in Schedule 1 of the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005,";

(b) in regulation 4(1) (child under the age of one year – entitlement to free dried milk or milk), after "Great Britain", there is inserted "other than a child who resides in an area specified in Schedule 1 of the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005,";

(c) in regulation 5 (entitlement to free vitamins)—

(i) in paragraph (3A), after "expectant mother" there is inserted, ", other than a pregnant woman who resides in an area specified in Schedule 1 of the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005,"; and

(ii) in paragraph (3B), at the beginning, there is inserted, "Other than in the case of a pregnant woman who resides in an area specified in Schedule 1 of the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005,";

(d) in regulation 22 (application of enactments)—

(i) in paragraph (1), for "purpose", there is substituted "purposes", for "scheme" there is substituted "schemes", and after "Regulations", there is inserted "and the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005";

(ii) in paragraph (2), after "regulation 14(4)," there is inserted, "or the following provisions of the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005, namely—

regulation 7(2);

regulation 9(4);

regulation 11(2);

regulation 13(1);

regulation 13(3),";

(e) in Schedule 6 to the 1996 Regulations (enactments applied for the purposes of these Regulations)—

(i) in the modifications in relation to section 111 of the Social Security Administration Act 1992 (delay, obstruction etc. of inspector), after "and", there is inserted, ", in subsection (1)(b),", and for ""under section 13 of the Social Security Act 1988"", there is substituted "in accordance with the Welfare Food Regulations 1996 or the Healthy Start Scheme and Welfare Food (Amendment) Regulations 2005";

(ii) in the modifications in relation to section 112 of the Social Security Administration Act 1992 (false representations for obtaining benefit), after "welfare food", there is inserted, ", Healthy Start food,", and for ""that scheme"", there is substituted, "such a scheme".

**Transitional provision**

**17.** Any person described at regulation 3(3) who, at the date of coming into force of these Regulations, is entitled to and in receipt of milk in accordance with regulations 3(2)(a) or (b) (entitlement to free milk) or 4 (child under the age of one year – entitlement to free dried milk or milk) of the 1996 Regulations, shall be treated as a person entitled to Healthy Start food for the purposes of these Regulations.

**Other amendments and revocations**

**18.**—(1) In regulation 2(1) (interpretation) of the 1996 Regulations—

(a) in the definition of "vitamins", for "A, C and D", there is substituted "appropriate for the beneficiary who receives them"; and

(b) the definition of "guarantee credit" is deleted.

(2) Regulations 3(2)(a)(iii), (c), (3) and (4) (entitlement to free milk), 5(2)(a)(iii), (b)(iii), and (4)(a)(iii), (entitlement to free vitamins), 6(1)(iii), (inability to obtain free vitamins), 7

(purchase of dried milk at a reduced price), and 8 (inability to purchase dried milk at a reduced price) of the 1996 Regulations are revoked.

## SCHEDULE 1

Regulation 3(3)

Area of the Healthy Start scheme

[DN: Probably by reference to post codes]

## SCHEDULE 2

Regulation 4(1)

Application for Benefit

**Information needed for application for benefit**

**1.** A claim for benefit in respect of a pregnant woman, mother, or child, pursuant to regulation 3 shall contain the following information—

(a) the name and address of the pregnant woman, mother or child;

(b) the name, address, and national insurance number of the person of whose family the pregnant woman, mother or child is a member and who is entitled to a social security benefit or tax credit mentioned in regulation 3 unless the person entitled is the pregnant woman or mother;

(c) the national insurance number of the pregnant woman or mother, or, if the person in respect of whom the claim is made is aged under 18, that person s date of birth.

**Evidence in writing needed for application for benefit**

**2.** A claim in respect of a pregnant woman shall be accompanied by evidence in writing of the expected date of delivery of the pregnant woman signed by a health professional.

**3.** A claim in respect of a child under the age of four months shall be accompanied by evidence in writing of the existence and age of the child, unless the claim is made by telephone as provided at regulation 4(2).

**Declaration needed for application for benefit**

**4.** (1) A claim in respect of a pregnant woman, mother, or child, shall include a declaration signed by the claimant that:—

(a) the person in respect of whom the claim is made or a member of that person s family is entitled to—

(i) income support;

(ii) an income based jobseeker s allowance; or

(iii) child tax credit, where the relevant income of the person or persons to whom the award of child tax credit is made under section 14 of the Tax Credits Act 2002 is determined at the time of the award not to exceed £13,900, and the person is not entitled to working tax credit; and

(b) the claimant understands the rules of the scheme contained in these Regulations and will abide by her obligations under the scheme.

(2) If a claim is made by a pregnant woman under the age of 18, the declaration described at paragraph 4(1) is not necessary.

**Countersignature of a health professional**

**5.** A claim pursuant to regulation 4 must be countersigned by a health professional.

## SCHEDULE 3

Regulation 5

Healthy Start food

| *Category of food* | *Qualification* |
|---|---|
| Milk | Liquid cow s milk, including long-life, pasteurised or ultra heat treated varieties of milk, but not milk to which chemicals, vitamins, flavours or colours have been added or removed. |
| Infant formula | A food based on cow s milk intended for particular nutritional use by infants in good health during the first four to six months of life, and satisfying by itself the nutritional requirements of such infants. |
| Fresh fruit and vegetables | Fresh fruit and vegetables including loose, pre-packed, whole, sliced, chopped, and mixed fruit or vegetables, but not fruit or vegetables to which salt, sugar, herbs, or other flavouring has been added. |

## SCHEDULE 4

Regulation 12(1)

Application for Registration as a food outlet

**Information needed for application for registration as a food outlet**

**1.** An application for registration as a food outlet shall contain the following information—

(a) the name and address of the proposed food outlet;

(b) the address from which the proposed food outlet will supply the Healthy Start food, or, if this is not appropriate, the correspondence address in relation to that supply;

(c) the name, address, sort code, and account number of the bank of the proposed food outlet and any other details necessary for payment to be made to the bank account of the proposed food outlet; and

(d) the category of Healthy Start food that the proposed food outlet is able to supply.

**Declaration needed for application for registration as a food outlet**

**2.** An application for registration as a food outlet shall include a declaration signed by the proposed food outlet that he understands the rules of the Healthy Start scheme contained in these Regulations and that he will abide by his obligations under the scheme.

## SCHEDULE 5

Regulation 14(1)

Information for claim for payment of food outlet

The information to be provided by a food outlet on a claim for payment in relation to vouchers is—

(a) the name and address of the food outlet;

(b) the address at which the food outlet exchanged Healthy Start food for the vouchers to which the claim relates; and

(c) the number of vouchers included with the claim.

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

# Annex B

**SUMMARY OF GOVERNMENT PROPOSALS FOLLOWING CONSULTATION** (previously published in the Government's response to the consultation, Feb 2004)

| Original proposals | Issues raised/considered | Final proposals |
|---|---|---|
| **1 To widen the nutritional basis of the scheme** | • The nutritional case for change<br>• A desire for families on the scheme to have greater choice supported by information/advice<br>• The need for the range of foods available to be simple and clearly defined on vouchers to assist participating retailers | (i) To add fresh fruit and vegetables to the liquid milk and infant formula already available through the current scheme<br>(ii) To evaluate this new range and modify it over time if appropriate |
| **2 To retain the current age range covered by the scheme** | • A desire for the new scheme to include as wide an age group of children as possible<br>• The need to ensure that the amount of benefit received by individual families is meaningful<br>• A desire to target resources at those in greatest nutritional need and, in particular, for the youngest children on the scheme to get the greatest support<br>• Strong support for continuation of universal provision to children in nursery school, and recognition that from April 2004 all children aged 3 and 4 will be entitled to a Government funded Early Years place | (i) To explore further how, within the existing budget, we can ensure that the youngest children get the greatest support and that the value of the scheme to individual families remains at a meaningful level<br>(ii) To consider whether the age range for children to receive vouchers should be reduced downward from age 5, possibly to age 4 in order to provide more support for infants<br>(iii) To continue universal nursery provision for children under 5, with modifications<br>(iv) To give access to the new scheme to all pregnant women under age 18, regardless of whether their families meet financial eligibility criteria<br>(v) To cease providing vouchers to families of disabled children aged 5-16 who are not attending any school, and to make a one-off payment to the very few families in this position who benefit from the current scheme |

| Original proposals | | Issues raised/considered | Final proposals |
|---|---|---|---|
| 3 | **To introduce a fixed face voucher instead of the current token** | • The desire to equalise the value of the scheme to breastfeeding and non-breastfeeding mothers<br>• The need to introduce greater flexibility over where families can exchange tokens, and to encourage them to seek value for money<br>• The need to encourage participation amongst retail outlets by making reimbursement procedures as straight-forward as possible<br>• The need to reduce opportunities for supplier fraud that volume-based tokens offer | (i) To introduce vouchers with a fixed face value that can be exchanged through any participating retail outlet<br>(ii) To cease routinely supplying infant formula in exchange for vouchers through NHS child health clinics<br>(iii) To cease allowing certain families claiming Tax Credits to purchase low-cost infant formula for children under age 1 |
| 4 | **Voucher value to be broadly equivalent to the value of 7 pints of liquid milk** | • The need to keep within the current budget of approximately £142m per annum across Great Britain<br>• The need to provide a safety net of provision for families with very young children who are bottle-fed, and for mothers who are breast-feeding<br>• The need to ensure that the new vouchers are not devalued over time | (i) To provide families with children aged 0-12 months from Estimated Date of Delivery with vouchers worth at least £5.60 per week per child in this age range<br>(ii) To provide pregnant women and children over 12 months with a voucher worth at least £2.80 per week<br>(iii) To put in place a mechanism for reviewing voucher value periodically, and up-rating it as necessary to reflect retail price increases |
| 5 | **To launch a Healthy Start public education and information campaign** | • The importance of ensuring that good information and advice on health and nutrition for families is integral to the new scheme<br>• The necessity of information and advice being delivered in ways that families find most helpful, and are likely to be most receptive to<br>• The need for health professionals to be provided with support and training to deliver information and advice to families on the scheme | (i) To put relevant and accurate information and advice for families at the centre of the new scheme<br>(ii) To give health professionals the ability to deliver this information and advice in a way that builds on existing national and local good practice, and which best meets the needs of local populations<br>(iii) To ensure that appropriate training materials are available to health professionals<br>(iv) To support the role of health professionals by providing readable and friendly information on health issues directly to families on the scheme along with their vouchers |

| Original proposals | | Issues raised/considered | Final proposals |
|---|---|---|---|
| **6** | **To offer a choice of milk or a piece of fruit to nursery school children** | • Concern that milk and fruit have different nutritional benefits and that both should therefore be provided by nurseries<br>• The desire to target resources at those who have the greatest nutritional need, and recognition that universal provision of both milk and fruit through nurseries would increase the amount of the scheme's budget that would be spent on a non-targeted benefit<br>• Concern that the choice of milk or fruit should be simple for nursery providers to administer | (i) To offer a choice of milk or fruit to children in nursery school<br>(ii) To look at ways of simplifying the administration of the scheme for nursery providers |
| **7**<br>**8**<br>**9** | **To retain vitamins in the new scheme and promote their uptake**<br>**To invite expressions of interest from industry in developing reformulated vitamin supplements for the scheme**<br>**To deliver the vitamins separately from the fixed face voucher scheme** | • The unpopularity with health professionals of the vitamin supplement products available through the current scheme<br>• The lack of awareness on the part of many families about the availability of vitamin supplements through the scheme<br>• Difficulties with existing contracts for the manufacture/supply of vitamin supplements for the scheme | (i) To work with industry to reformulate vitamin supplements for use in the scheme, and to secure reliable contracts for their manufacture and supply<br>(ii) When new contracts are in place, to promote actively the uptake of vitamin supplements by families on the scheme and to encourage health professionals to do so<br>(iii) To continue to make vitamin supplements available through NHS Child health clinics and through health professionals at appropriate contact points<br>(iv) To keep the supply route for the supplements under review |
| **10** | **To build better links between the NHS and the mothers and children covered by Healthy Start** | • Evidence that there are improved outcomes when mothers receive appropriate antenatal care and that disadvantaged groups have fewer antenatal contacts<br>• Concern that the new scheme should build on the role that health professionals already play in the lives of pregnant women and families<br>• Concern that links with the NHS should not be such that families are deterred from applying for the scheme | (i) To create links between the new scheme and the NHS that will complement the services that health professionals are providing, and that build on/encourage local initiatives to improve their relationships with unemployed families<br>(ii) To provide information about NHS services directly to families on the scheme along with their vouchers |

| Original proposals | Issues raised/considered | Final proposals |
|---|---|---|
| **11 That mothers-to be should register for Healthy Start through an early antenatal booking visit**<br>**12 To carry forward benefits until a review at an early child health clinic within the first three months of the birth of the child** | • The importance of encouraging links between families and the NHS from the earliest stages of a woman's pregnancy<br>• The operational need (due to the introduction of Tax credits) to create a mechanism for identifying pregnant women who are eligible for the scheme, and providing them a means of accessing it from November 2004<br>• Concerns about the form that registration might take, and that any conditions that might be attached to it could deter families from applying for the scheme or damage their broader relationships with health professionals<br>• The fact that current scheme users canvassed through focus groups have said that they would not mind registering for the scheme through a health professional if they could then receive vouchers through the post<br>• The importance of minimising administrative burdens on health professionals | (i) To offer pregnant women the opportunity to apply for the new scheme, using a simple form, at the history-taking appointment with a midwife around 12 weeks into pregnancy<br>(ii) To devise, and test, the application process with pregnant women on the current Welfare Food Scheme and to modify it in the light of piloting if necessary<br>(iii) To explore scope for linking the application process during pregnancy with that for the Sure Start Maternity Grant<br>(iv) To carry forward scheme benefits at the lower level until an application is made for increased benefits once the child is born, and to withdraw them only if no such application is made and no claim is made for Child Tax Credit within 4 months of the birth |
| **13 To call the new scheme Healthy Start**<br>**14 That this change in identity should be accompanied by more effective promotion of the scheme** | • The importance of signalling a change in emphasis from welfare to health with a change in name<br>• The need for a robust communications strategy aimed at families and all those involved in delivering aspects of the scheme | (i) To name the new scheme "Healthy Start"<br>(ii) To put in place, and evaluate, a communications strategy aimed at:<br>a) Pregnant women and unemployed families<br>b) health professionals<br>c) retailers, nurseries, and other suppliers |

# Annex C

**The consultation questions**

***Question 1: Are there any special considerations in relation to Phase 1 introduction of Healthy Start vouchers to Devon and Cornwall that should be taken account?***

***Question 2 (for those who have had direct experience of the pregnancy application process for the Welfare Food Scheme from any perspective): Are the new application forms easy to understand? What changes to the forms might be helpful for Healthy Start?***

***Question 3: Is the proposed time limit of three months re-entry to Healthy Start without with full reapplication reasonable or should this period be longer/shorter?***

***Question 4: is the proposed length of time before an inactive supplier's registration is removed (1 year) reasonable?***

***Question 5: is a 6-month time limit for claiming repayment acceptable to suppliers?***

***Question 6: What reimbursement method would be most appropriate for nurseries and daycare providers?***

# Annex D
# Partial Regulatory Impact Assessment:

## TITLE OF PROPOSED MEASURE

1. Regulations to implement Phase 1 of the Healthy Start initiative.

## INTRODUCTION

### Issue and objective

*Issue*

2. Implementation, in phases, of Healthy Start. The regulations that this Regulatory Impact Assessment accompany relate only to Phase 1 of implementation which will partially introduce the new Scheme. However, figures and assumptions made in this assessment apply to full implementation. The figures offered in this draft version will also be amended as new information becomes available.

*Objective*

3. To use the resources of the Welfare Food Scheme more effectively to ensure that children in poverty have access to a "healthy" diet and to provide increased support for breastfeeding and parenting (NHS Plan, 2000)

### Background

4. This partial RIA builds on the RIA on the reform of the Welfare Food Scheme, which was published alongside the Health and Social Care (Quality and Standards) Bill 2003.

5. In October 2002, we published a public consultation paper containing proposals to reform the Welfare Food Scheme. These proposals were based on the findings of an earlier scientific review of the Scheme, and a policy appraisal of the options for increasing the cost-effectiveness of the Scheme as a public health measure.

6. The reform of the scheme will apply in England, Scotland and Wales. Northern Ireland has conducted its own review of the Welfare Food Scheme and will be introducing similar reforms.

7. We received over 500 written responses to the 2002 consultation, which also included a number of well attended active listening events for various groups – industry, health professionals and the voluntary sector for example. A summary of these responses, which indicated overwhelming support for the need for reform, was published in March 2003 (www.dh.gov.uk). We continued to talk to key stakeholders after this summary was published. Proposals for reform were also discussed at length in Parliament during the passage of the Health and Social Care (Community Health and Standards) Bill, which contained the legal powers to enable reform.

8. The Government response to the consultation, published in February 2004, reflected the responses to the original public consultation exercise, the listening events and the parliamentary debates. It set out our policy intentions for a new Scheme, Healthy Start, the detail of which now has to be set out in regulations.

## THE PROPOSED NEW HEALTHY START SCHEME

9. Healthy Start will maximise opportunities for healthcare professionals to offer good quality information and advice on nutrition, diet and health to beneficiaries, and to focus on promoting breastfeeding as well as offering practical support to mothers who are breastfeeding. This will enhance their public health role, in a way that is consistent with the standards included in the National Service Framework for Children, Young People and Maternity Services, as well as supporting delivery of the White Paper. Further details of this role are at paragraphs 42–45 of the consultation paper.

10. We also wanted to redesign the Welfare Food Scheme to be the kind of Scheme that pregnant women and families participating in it want it to be. This means it has to offer beneficiaries much greater choice and flexibility and support them

to make healthy lifestyle choices whilst respecting their rights to make decisions.

11. Key features of the new scheme will be:

- A broader range of foods (fresh fruit and fresh vegetables are being added to cow's milk and cow's milk based infant formula at the outset, and this range will be kept under review);
- Fixed value vouchers rather than volume-based tokens that can be exchanged in the widest possible range of participating retail outlets, including food co-operatives and community shops as well as supermarkets, milk roundsmen, greengrocers, farmers markets and others;
- Closer links with the NHS enabling the scheme to become the vehicle for delivering advice and information on diet, exercise, and other health issues to qualifying pregnant women and families; and
- Equal value benefits for breastfeeding and non breastfeeding mothers.

**Phased Introduction of Healthy Start**

12. To ensure that the new scheme works effectively, we have committed to a phased introduction of Healthy Start. The process has already begun, with the introduction from 1 October 2004 of a new application process for pregnant women qualifying for the existing Welfare Food Scheme. This involves them filling in a simple form, getting a health professional to confirm their pregnancy and Estimated Date of Delivery, and then sending the form to our contractor who will process it and issue tokens to them.

13. The next step (Phase 1) is to implement the Healthy Start voucher scheme in a defined geographical area. This will allow the operation of the processes underpinning the Scheme – such as supplier registration/reimbursement, voucher exchange at point of sale, and beneficiary application procedures – to be monitored and evaluated before Healthy Start is rolled out nationally.

14. Monitoring and evaluation of the processes will take place from the beginning of Healthy Start. Once we are satisfied that the processes are working effectively, we would expect to roll the voucher Scheme out across the rest of Great Britain, and introduce new arrangements for the provision of milk or fruit in nurseries (Phase 2).

**Voucher value**

15. As anticipated, the weekly voucher value is set in the regulations at £2.80, with double vouchers payable to qualifying families with a child aged 0-12 months old, or 0-12 months from its Estimated Date of Delivery (if this is a longer period).

**Healthy Start foods**

16. As we have previously stated, beneficiaries will be able to exchange Healthy Start vouchers for fresh fruit and vegetables as well as liquid milk and infant formula. It is our intention, over time, to expand the range of foods for which vouchers may be exchanged to include other foods that meet the 5 A DAY composite criteria that are currently being developed. It is anticipated that the composite criteria will have been agreed by late 2005 and then adopted by manufacturers and retailers.

**Entitlement to vouchers**

17. Existing Welfare Food Scheme qualifying criteria are in the main carried forward to Healthy Start. Differences between Welfare Food Scheme and Healthy Start eligibility criteria are set out below.

*Pregnant women under 18 years old*

18. Entitlement to vouchers is also given in Healthy Start to all pregnant teenagers under 18 years old, regardless of whether they are receiving any of the qualifying benefits that older pregnant women must receive.

*Pension Credit guarantee credit (PCgc)*

19. In the Government's response to the Healthy Start consultation, we said that we would review the continued inclusion of Pension Credit guarantee credit as one of the qualifying benefits. In view of the increases in the value of this PCgc, we propose to exclude receipt of PCgc as a qualifying criterion for Healthy Start. However, families in receipt of Child Tax Credit as described in Part II of the draft Regulations will be eligible for Healthy Start.

*Asylum Seekers*

20. As we have said before, Healthy Start will not provide vouchers to asylum seekers. The needs of eligible asylum seekers who would otherwise be destitute are met by the National Asylum Support Service (NASS) or, in some circumstances by local authorities. The regulations therefore make no reference to asylum seekers.

*Children aged 4 years*

21. In the Government response to the Healthy Start consultation, we said that we might decide to reduce the upper age limit for children to receive Healthy Start vouchers from their 5th birthday to their 4th birthday in order to ensure that we can give greatest support to those in greatest need. There is a nutritional basis for the reduction in the maximum age, as COMA considered that the current means tested provision of 1 pint of milk a day to these children, combined with the 1/3 pint of milk per day they receive if they are in nursery or day care is excessive.

22. We have now decided that in order to target resources at the youngest and most vulnerable children, we will reduce the upper age limit for Healthy Start to their 4th birthday. This change will come into effect when Healthy Start is rolled out nationally and will not apply in the Phase 1 area.

23. Children aged 4 years old will be able to benefit from milk or fruit provision in nursery and day care, particularly as the government is increasing the number of nursery places for 3 and 4 year olds and will be considering rolling out the School Fruit and Vegetable Scheme for all 4-6 year olds in LEA registered schools and nurseries.

24. The reduction in the maximum age will enable the Government to implement the new entitlement for all pregnant teenagers under 18 as well as to provide double vouchers for each child up until its first birthday or 12 months from its Estimated Date of Delivery.

*Provision of low cost infant formula*

25. Entitlement to low-cost infant formula of those families with children under 1 year old who have in the past purchased it through the NHS is to be removed throughout Great Britain at the outset of Phase 1. We have already published our intention to remove this entitlement for to reflect the greater value of their Child Tax Credit payments.

*Disabled children aged 5 -16*

26. Nor will Healthy Start provide entitlement to children aged 5-16 not registered at a school as a direct result of their disability. In the "Government response to the consultation exercise" (Feb 2004), we set out our intention to remove this entitlement as it has no nutritional basis. Our intention is to remove it for all such children throughout Great Britain from the date on which Phase 1 of Healthy Start begins. A one-off goodwill payment is expected to be made to the very small number of families who are claiming this entitlement on that date.

**How qualifying women/families will access Healthy Start**

*Transfer of Welfare Food Scheme Beneficiaries to Healthy Start*

27. As a transitional measure, all those who are entitled to and are receiving Welfare Food Scheme tokens when Healthy Start is introduced will be automatically moved onto Healthy Start

if they live in the designated area. They will not therefore have to make a specific application for Healthy Start until or unless their qualifying status changes – for example they become pregnant, or a family that has ceased to qualify for a period of time re-qualifies.

28. During the Phase 1 period, all those who are entitled to and in receipt of Welfare Food Scheme tokens, and who become resident in the Phase 1 area will be automatically transferred onto Healthy Start. Similarly, Healthy Start recipients who become resident outside the Phase 1 area will be transferred onto the Welfare Food Scheme.

*Application procedure*

29. All newly qualifying women and families will be subject to the new application procedure. They will need to complete a simple application form that includes confirmation from a health care professional that appropriate advice and information on nutrition has been offered. The form will be very similar to that which has been introduced for pregnant women applying for the Welfare Food Scheme.

30. As we have previously said, their role in the application process will give health professionals an opportunity to identify those in their community who need extra help to establish a healthy diet and to breastfeed. Health professionals will not be required to endorse applicants declarations about which qualifying benefits they receive – this will be verified when application forms are processed.

31. The application process will also give health professionals the opportunity to remind pregnant women about the Sure Start Maternity Grant (for which a woman can apply when she has reached the 30th week of pregnancy).

*Beneficiaries who cease to qualify/re-qualify for Healthy Start in a short space of time*

32. There are some beneficiaries whose circumstances, and therefore their eligibility for Healthy Start benefit, may change on a regular basis – for example as they move in and out of short-term employment. To ensure that they do not repeatedly have to reapply for Healthy Start, the regulations provide for those who re-qualify for it within 3 months of ceasing to qualify, to begin receiving vouchers again as soon as they have notified the Department's contractors of their re-entitlement and this has been confirmed by, for example, by the Inland Revenue.

**The role of Health Professionals in giving advice on nutrition/breastfeeding**

33. Health professionals will give appropriate advice at the time of application, and at other opportunities that may arise later. However, apart from confirming the pregnancy and signing the application form, their precise role is not enshrined in the regulations.

34. The core standards of the National Service Framework for Children, Young People and Maternity Services sets out the role that health professionals are expected to play in Healthy Start. It says, *"Healthy Start offers Primary Care Trusts and health professionals a tool for identifying local disadvantaged pregnant women and their families, and for ensuring that local services meet their needs. This will assist effective local delivery of services in a way that reduces inequalities."*

35. On 26 November 2004, we published an Infant Feeding and Child Nutrition Resource Pack that has been distributed to all members of the Royal College of Midwives and the Community Practitioners and Health Visitors Association. The pack has been specifically designed so that additional inserts can be provided over time, for example to support delivery of advice on nutrition and health to Healthy Start beneficiaries and other pregnant women and

families. It will therefore be the key tool that health professionals will use to deliver their Healthy Start role. The Department of Health will also be discussing with health professional bodies what more needs to be done to ensure that health professionals are equipped to deliver their broader public health role in the context of the proposals contained in the Department's *Choosing Health – Making Healthier Choices Easier* (November 2004) on improving people's health.

36. We anticipate that healthcare professionals will be based in a range of settings and it is possible that in disadvantaged areas the midwives/health visitors delivering Healthy Start could be based in Sure Start Schemes or Children's Centres. This could provide opportunities for partnerships between the NHS, Sure Start schemes, voluntary sector and local authority initiatives targeting disadvantaged groups. These might include, for example, community food initiatives in order to provide focused and effective practical support to disadvantaged pregnant women and families with young children.

### Healthy Start Food Outlets

*Registration process*

37. All Healthy Start foods that vouchers can be exchanged for will be supplied through participating retailers/food outlets. We are aiming to maximise the number and range of food outlets who accept Healthy Start vouchers. There will be a simple registration process set out in the regulations that will require each food outlet to agree to supply one or more of the relevant foods, to abide by the rules of Healthy Start, and to provide details of a bank account into which payments can be made using the BACS system.

38. All existing Welfare Food Scheme suppliers will be contacted and encouraged to register before Healthy Start is introduced in their area. Additional food outlets will be actively recruited through as many routes as possible.

39. Food outlets will continue to be registered as long as they continue to meet these simple criteria, and as long as they are actively accepting vouchers (although a food outlet may be barred from the Healthy Start Scheme if they infringe the rules). However, if a given food outlet has not claimed payment for vouchers for a period of 1 year, and has not notified his/her intent to remain on Healthy Start, then registration of that food outlet will cease. This will ensure that the central database is up to date and provides an accurate record of the number, range, and spread of active Healthy Start food outlets.

40. Payment will be at the value of the voucher. Food outlets will be encouraged to submit applications for payment on a regular basis to prevent vouchers that have been exchanged but not submitted for payment building up in retail premises. A time limit of 6 months from the expiry date of vouchers is set in the regulations for claiming payment. We understand that this is consistent with practice in relation to commercial vouchers.

## RISK ASSESSMENT

41. The first scientific review of the Welfare Food Scheme since its inception was undertaken in 1999 by the Panel on Maternal and Child Nutrition of the Committee on the Medical Aspects of Food and Nutrition Policy (COMA).

42. COMA concluded that whilst the Scheme retained great potential for improving the health of nutritionally vulnerable pregnant women, mothers and young children, there were significant flaws within it. The review said that it:

- does not meet the wider nutritional needs of pregnant women and young children, who would benefit from a wider choice of foods to help address health inequalities;
- is a disincentive to breastfeeding;

- provides up to twice as much infant formula as 6-12 month olds need;
- may provide too much milk for 1-5 year olds; and
- does not effectively promote awareness or uptake of free vitamin supplements.

*Potential adverse nutritional outcomes*

43. The COMA review considered those adverse nutritional outcomes that are more frequently associated with the most vulnerable groups such as those in lower social classes and those on low incomes. Failure to meet the wider nutritional needs of beneficiaries in these groups could potentially increase the risk of these adverse nutritional outcomes:

*Breastfeeding and the provision of health advice*

44. The COMA review also concluded that the current Scheme is a disincentive to breastfeeding.

45. There is clear evidence that breastfeeding confers both short and long term health benefits for both the mother and the infant/s. Breastfeeding appears to have a protective effect against the most common infectious illnesses that require infants to be admitted to hospital. For example, babies who receive infant formula are five and half times more likely to be admitted with gastro-enteritis when compared with breastfed babies.

46. There is also a correlation between social class and breastfeeding: only 57% of babies born to mothers in social class V % in England were initially breastfed (2000), compared to 91% in social class 1.

47. The Scheme in its current form acts as a disincentive to breastfeeding as the value of the benefit for non-breastfeeding mothers (who are entitled to 900g of infant formula) outweighs the value of the 7 pints of liquid milk provided to breastfeeding mothers.

48. Scope for encouraging breastfeeding within the Scheme is also very limited as milk tokens are either sent directly to beneficiaries or collected from a Post Office. Contact with the NHS and primary care services is therefore not a core component of the Scheme and valuable opportunities for linking the provision of the benefit to health advice are being missed.

## OPTIONS

49. There are four options:

*Option 1 – Implement the Healthy Start Regulations*

| Group | Adverse nutritional outcomes |
|---|---|
| Pregnant women and mothers | lower uptake of peri-conceptional folic acid supplements<br>lower dietary intake during pregnancy<br>vitamin D deficiency |
| Infants | lower levels of breastfeeding (see below)<br>earlier introduction of solids (see below)<br>increased risk of failure to thrive. |
| Young children | increased risk of iron deficiency anaemia<br>increased risk of vitamin D deficiency<br>increased risk of dental caries |
| School aged children | poor dietary patterns<br>increased risk of obesity in childhood and in the longer term |

*Option 2 – Retain the existing Welfare Food Scheme*

*Option 3 – End the means tested element of the Welfare Food Scheme, but increase cash benefits to compensate*

*Option 4 – End the means tested element of the Welfare Food Scheme, with no compensation to beneficiaries.*

## BUSINESS SECTORS AFFECTED

50. The dairy industry as a whole would be affected by the proposed changes as milk supplied under the Scheme accounts for around £92m of milk sales (GB). In particular, they would have an impact on doorstep deliverers as 40% of WFS liquid milk is supplied in this way to milk token beneficiaries by around 8,400 doorstep deliverers.

51. Around 14,600 other retailers across GB would also be affected by the Regulation. This includes small stores and conveniences (which supply approximately 25% of liquid milk to beneficiaries under the Scheme), large multiple grocers (22% of sales) and small multiple grocers and other outlets (13% of sales). The Regulation will also have implications for childminders and day carers who currently account for 68% of the total £17m expenditure on 'nursery' milk and independent nurseries which account for 1.5% of the total.

52. Infant formula manufacturers who currently gain over £32m of sales through the Welfare Food Scheme and the pharmaceutical industry, which gains around £28K through vitamin supplies, will also be affected.

53. Voluntary organisations and charities are not normally involved in the scheme at present, although some independent and grant maintained nurseries may operate or be on a charitable or voluntary basis.

## EQUITY AND FAIRNESS

54. Sir Donald Acheson's *Independent Inquiry into Inequalities in Health* (1998) showed that a child's long term health is related to the nutrition and physique of its mother:

- low birth-weight is closely associated with death in infancy as well as being associated with increased risk of coronary heart disease (CHD), diabetes and hypertension in later life;
- infants whose mothers are obese have a greater risk of developing coronary heart disease in later life; and
- obesity is more prevalent in lower social groups and particularly in women – 28% of women in social class V in England are obese, compared to 14% in social class I (1998).

55. Accordingly, the Inquiry emphasised the importance of policies aimed at reducing health inequalities and recommended that *"improving the health and nutrition of women of childbearing age and their children, with priority given to the elimination of food poverty and the reduction of obesity"*.

56. Further risks were highlighted by an economic review group chaired by Dr Pat Troop, Department of Health's Deputy Chief Medical Officer in 2000, which considered:

*"options for the future of the Welfare Food Scheme that would provide children, expectant and nursing mothers in low income families with access to a high quality diet, and to reduce health inequalities".*

57. The review group estimated that the absence of the Scheme would result in a significant reduction in beneficiaries' incomes, which could be assumed to harm health.

58. The COMA review assessed the contribution of the current Scheme to the prevention of adverse nutritional outcomes for the most vulnerable

groups (see above). It concluded that whilst the effectiveness of the Scheme was difficult to assess due to the absence of any comparable baseline cases, it nevertheless:

- meets all of the nutritional requirements of young infants (0-6 months);
- provides an important safety net for the 0-6 month group who have high growth potential and vulnerability to disease; and

## COSTS AND BENEFITS

59. This section has been informed by the views of key stakeholders, including the dairy industry, doorstep deliverers and other retailers and small businesses, a summary of which can be found in *Healthy Start: The results of the consultation exercise,* published in March 2003. *The Government response to the consultation exercise*, that took account of the responses to the consultation and other views that emerged through parliamentary debate, was published in February 2004. Further amendments will be made in light of responses to the consultation early 2005 on the draft regulations for the implementation of Healthy Start.

### *Benefits*

**Option 1 – implement the Healthy Start regulations**

*Social benefits*

60. The fixed face value voucher will equalise the benefits for breastfeeding mothers and will give beneficiaries greater choice about how they meet their families' nutritional needs. The voucher will potentially enable them to shop around for best value and purchase a more varied basket of "healthy" goods (although this may in practice be dependent upon the range and accessibility of retail outlets in their locality).

61. The "healthy" food voucher, the widening of the nutritional basis of the Scheme, and incentivisation of contact with health professionals will provide greater opportunities for the NHS to provide active support for pregnant and nursing mothers and young children through the provision of timely and relevant nutritional and health advice. This in turn could improve rates of breastfeeding amongst low income groups, especially as NHS clinics will no longer be giving a mixed message by supplying infant formula at the same time as promoting breastfeeding. It should, over time, also increase take-up of vitamins.

The implications of these changes for NHS staff are therefore that:

- NHS staff would spend more time providing health education and nutritional advice and less on supplying or selling infant formula, together with associated administration;
- This advice would be targeted at low income and other vulnerable groups in line with existing NHS priorities;
- This would be a call on the time various staff, that could include nurses and midwives, staff in ante-natal and post-natal/infant clinics, Health Visitors, GPs and practice nurses and nutritionists and health educators;
- Staff in NHS clinics would no longer have to spend any time distributing, or selling infant formula or carrying out related administration;
- Staff in NHS clinics over time distribute vitamins, but would do so in the context of existing contacts and so the increase in workload would be minimal.

62. We do not consider that there would be any significant environmental or economic benefits or any significant impact on the promotion of race equality, although we would welcome comments on this.

**Option 2 – retain the current token based Welfare Food Scheme;**

*Economic benefits*

63. The existing 23,000 suppliers would continue to benefit if the Scheme was unchanged and the dairy industry would maintain a guaranteed market of around £92 million worth of milk sales in GB.

*Social benefits*

64. A nutritional 'safety net' for young infants would be maintained and some of the nutritional needs of older infants and mothers would be met by the Scheme's contribution to their overall diet.

65. We do not consider that there would be any significant environmental benefits or any significant impact on the promotion of race equality, although we would welcome comments on this

**Option 3 – end the means tested element of the Scheme, but increase cash benefits to compensate;**

*Social benefits*

66. Nursery milk, which is a universal benefit, would be maintained. This option would be much simpler to administer than the current Scheme, but would incur start up costs for the Department of Work and Pensions.

67. We do not consider that there would be any significant environmental or economic benefits or any significant impact on the promotion of race equality although we would welcome comments on this.

**Option 4 – end the Scheme, with no compensation to beneficiaries;**

*Social benefits*

68. This option could result in the release of up to around £140m [per year] for other public health initiatives. However, there is no guarantee that those initiatives would reach the current target group of the Scheme's beneficiaries and therefore contribute to reducing health inequalities.

69. We do not consider that there would be any significant environmental or economic benefits, or any significant impact on the promotion of race equality although we would welcome comments on this.

***Costs***

**Option 1 – implement Healthy Start Regulations**

*Economic costs*

70. If the voucher results in a substantial shift in buying patterns, this may adversely affect doorstep deliverers (who currently receive 40% of milk tokens), those retailers not able to offer the full range of permissible products or smaller businesses who may find difficulty in competing with larger retailers and supermarkets. It could particularly affect the 1% of doorstep deliverers who have stated in their applications that welfare milk accounts for over 7.5% of their total sales. However, this must be balanced against the new opportunities that will be created for businesses that have hitherto not been able to participate in the Welfare Food Scheme. This could include, for example, greengrocers, farmer's markets and local community food initiatives.

71. Infant formula manufacturers could be adversely affected if breastfeeding rates increase, but they also stand to benefit as infant formula is to be made more widely available in retail outlets and pharmacies. They will also benefit from the removal of restrictions on the specific brands and pack sizes of infant formula which may be supplied, as well as the inclusion of ready to feed versions. The discontinuation of supply of reduced price infant formula through the NHS will also lead to increased sales in retail at full retail price.

72. We estimate that the total spending within the food and retail industry as a whole would be maintained at over £125m per year.

*Social costs*

73. Option 1 should not create extra work for healthcare professionals staff although there will be a cost in terms of educating health professionals about Healthy Start. There are existing standards for the provision of advice on diet and nutrition to pregnant women and families. This option aims to encourage Healthy Start beneficiaries to understand their entitlement to advice and support and to take advantage of their rights to time with health service staff.

74. Option 1 assumes that the provision of nutritional advice, leading to increased uptake of breastfeeding and vitamins, could be accomplished within routine contacts at clinics, in the community, or in homes, with a Health Visitor. This could also be achieved through parenting classes, group sessions, or peer support. It is not envisaged that any more time would be required, but that the quality of existing contacts is improved.

75. We expect that time would be freed up as NHS staff would no longer have to distribute infant formula to Welfare Food Scheme/Healthy Start beneficiaries. In addition they would no longer be required to sell it at reduced price to certain families on certain benefits, on production of evidence of entitlement. There may be a small additional time burden due to increased take up of vitamin entitlement but we do no think that this will be significant as vitamins are distributed only every 13 weeks and not to all beneficiaries.

76. We do not think that there would be any significant environmental costs or any impact on the promotion of race equality, although we would welcome comments on these issues.

**Option 2 – retain the current token based Welfare Food Scheme;**

*Economic costs*

77. Exclusively maintaining milk, infant formula and vitamins within the Scheme would also disadvantage other areas of the food industry which would not be able to access the market, worth over £100m per year, if the Scheme did not extend to a wider range of "healthy" foods.

*Social costs*

78. The Scheme's recipients would, however, bear the costs of the status quo being maintained, as they would be denied access to a choice of "healthy" foods and could not meet their wider nutritional needs via the Scheme. Scope for encouraging breastfeeding and healthier eating within the existing Welfare Food Scheme is very limited as milk tokens are sent directly to beneficiaries without any contact with the NHS. Contact with the NHS and primary care services is therefore not a core component of the WFS and valuable opportunities for linking the provision of the benefit to health advice are being missed.

79. We do not consider that there would be any significant environmental costs or any impact on the promotion of race equality, although we would welcome comments on these issues.

**Option 3 – end the means tested element of the Scheme but increase cash benefits to compensate;**

*Economic costs*

80. The impact on industry could potentially be severe, although the £17m Government spending on nursery milk would be retained as this is a universal benefit. Some existing spending on milk could be maintained if beneficiaries were compensated through increased cash benefits, but as the funds would not be ring-fenced, there is no guarantee that that the benefits would be spent on foods. The

absence of ring-fenced funds for "healthy" foods could also result in a widening of health inequalities. Although there would be minimal ongoing costs for the Department of Work and Pensions, start up costs would be in the region of of around £1 million.

81. In addition, there would be costs to government of educating Welfare Food Scheme beneficiaries about healthy diets for themselves and their families.

82. We do not think that there would be any significant environmental costs or any impact on the promotion of race equality, although we would welcome comments on these issues.

**Option 4 – end the Scheme, with no compensation to beneficiaries;**

*Economic costs*

83. Ending the Welfare Food Scheme would have a disproportionate effect on existing suppliers, particularly doorstep deliverers, the dairy industry and rural economies as over £100m of government spending would be taken out of the market altogether. Although not the key factor in decline of doorstep sales of milk, it could hasten the existing 8-9% p.a. decline in such sales as welfare milk accounts for 5% of all doorstep sales in the UK. According to the industry, this would be equivalent to the loss of between 500-1500 milk rounds and would affect a total of 630,000 customers. The industry estimates that only 75% of these sales would transfer to larger shops and supermarkets, resulting in a permanent and immediate loss of sales to the industry of approximately £35m per annum.

84. The Scheme also accounts for over £32m of infant formula and around £28,000 of vitamin sales, which could be adversely affected if the Scheme were not in existence.

*Social costs*

85. Ending the Scheme with no compensation would have a disproportionate impact upon low income families and could stand to widen health inequalities. Opportunities for linking to health advice and breastfeeding support would be lost.

86. We do not consider that there would be any significant environmental costs or any impact on the promotion of race equality, although we would welcome comments on these issues.

## CONSULTATION WITH SMALL BUSINESS: THE SMALL FIRMS' IMPACT TEST

87. As previously stated, the proposed Scheme could have a disproportionate effect on a small number of doorstep deliverers if the introduction of the fixed face value voucher resulted in a major shift of buying patterns away from milk and away from doorstep deliverers who are currently involved in the Scheme.

88. Welfare milk sales currently account for around 5% of all doorstep milk sales in the UK. The dairy industry estimates that this is broadly equivalent to around 500-1500 milk rounds, based on an assumption that all beneficiaries would no longer purchase milk at all from these suppliers and that each individual round would lose a third of sales.

89. In practice however, the proportion of deliverers who may actually be dependent on welfare milk sales to remain viable is likely to be much lower. According to the information provided by those suppliers which submit applications for the Scheme, less than 1% of the 8400 doorstep deliverers involved in the Scheme rely on Welfare milk to provide over 7.5% of their total sales. Welfare milk may account for up to 40% of total sales for a very small number of individual suppliers.

90. In view of the existing 8-9% per annum decline in doorstep milk sales the introduction of the fixed face value voucher could bring new opportunities for doorstep delivery businesses if they were able to diversify and deliver a wider range of products.

91. Some small retail businesses could be adversely affected by the reform if beneficiaries chose to shop around to obtain best value. However, small retail businesses could also stand to benefit if they could provide a wider range of goods. There will also be new opportunities for suppliers providing even only one of the range of permissible foods, and this will benefit a variety of small business and community food access initiatives, particularly in rural areas.

92. Registration arrangements for those wishing to participate in the scheme will remain simple. Mechanisms for paying suppliers for vouchers redeemed will be more straightforward than now, and no discount will be deducted from the voucher value (as is currently the case with milk tokens), which will help small businesses.

## COMPETITION ASSESSMENT

93. It is likely that the proposals for a fixed face value voucher would increase price sensitivity amongst beneficiaries and lead to greater competition between food suppliers.

94. The introduction of the fixed face value voucher could alter existing buying patterns as beneficiaries would be able to purchase a more varied basket of "healthy" goods and also shop around for best value. This could have an impact on small businesses, and doorstep deliverers in particular, who could lose out to larger retailers if the shift in buying patterns was significant.

95. A high proportion – around three quarters – of the foods likely to be available under the new Scheme is currently bought from supermarkets. This would have the greatest impact on the doorstep deliverers who have stated in their applications that Welfare Milk accounts for more than 7.5% of their total sales.

96. There would be nothing in principle to stop doorstep deliverers or smaller retailers broadening the range of goods they offer, but in practice it may be unlikely that doorstep deliverers would be able to compete with the buying power of major supermarkets or have access to the necessary supply chains. The costs and practicalities of adapting to offer a wider range of foods may also impinge upon doorstep deliverers' ability to benefit from the new Scheme, although this may be less of an issue for other small retail outlets.

97. Widening the range of foods will however bring new opportunities to other sectors of the food industry such as producers and suppliers of fresh fruit and vegetables. Infant formula manufacturers could benefit if the formula was made more widely available than at present, but could also lose out if breastfeeding rates increase. The pharmaceutical industry would stand to benefit in the longer term from the plans to reformulate vitamin supplements and improve rates of take-up within the Scheme.

98. The UK infant formula market is relatively concentrated with the top three firms possessing more than 50% of the market share (Mintel, 2002). Existing arrangements limit the infant formula brands that beneficiaries may obtain in exchange for their token and require WFS beneficiaries to obtain the infant formula from NHS clinics. The new scheme will enable beneficiaries to exchange their token for infant formula at any retailer and their will be no limitations on which brand they must use.

99. Whilst this may have an impact on the sales of brands that are currently recognised for the purposes of the Welfare Food Scheme, the new arrangements will give more choice to consumers and enable vouchers to be exchanged for brands that are currently

unavailable to Welfare Food Scheme beneficiaries. Although expanding the number of infant formula providers might increase concentration and have a slight distortionary effect on competition within the wider market for infant formula, it is not clear that this would have a significant impact on competition within this market.

## RURAL PROOFING

*Beneficiaries' access to retail outlets*

100. The introduction of the fixed face value voucher is intended to provide greater choice and flexibility for beneficiaries in terms of which "healthy" foods they purchase and from where. In practice, however, choice and spending power may be dependent upon local factors, such as the accessibility and range of retail outlets which are available and the quality and extent of transport links.

101. Although these issues are not restricted to rural areas ("food deserts" are also a feature of peripheral urban areas), we recognise that rural areas may be disproportionately affected by the absence of local food outlets. According to the Department for Environment, Food and Rural Affairs, 78% of rural settlements do not have a general store and this figure rises to 91% in settlements with fewer than 100 people.

102. Whilst the overall strategy for improving access to services in rural areas falls within the remit of the Department for Environment, Food and Rural Affairs, we will work to ensure that beneficiaries in rural areas are not disadvantaged by the reformed Scheme. Similarly, we will ensure that the action we take with the food industry and others supports the Government's Strategy for Sustainable Farming and Food. We will make those links, in particular, through the Food and Health Action Plan, which co-ordinates our work on nutrition, within the context of sustainable farming and food.

103. All retailers, including small businesses, will be eligible to participate in the Scheme. We will not restrict participation to those who can supply the full range of foods, but will also accept those who can supply one of the range, including milk roundsmen, greengrocers, farmers' markets, retail pharmacies, and community food access initiatives. We will particularly encourage food access initiatives who could work with small businesses to provide to provide innovative services to beneficiaries, which could in turn help to support the economic viability of small businesses.

*Impact on land based industries and the rural economy*

104. Total spending on the Scheme is expected to be maintained at its current level, enabling the food industry as a whole to benefit from a guaranteed market of over £100m per year. Sectors of the food industry which are not currently involved in the Scheme therefore stand to benefit from the proposal to widen the range of foods which can be purchased.

105. The proposals will also help to address the concerns contained in the report of the Policy Commission on Farming and Food (2002) chaired by Sir Donald Curry, which highlighted diet and health as key considerations in the future of the farming and food industries and noted the prevalence of poor nutrition amongst children and in poorer families.

106. However, the proposed reforms will bring about a shift in buying patterns and as a consequence the milk sales worth around £92m a year which are generated by the existing Scheme for the dairy industry could no longer be guaranteed. Although UK milk consumption as a whole is not dependent upon the Welfare Food Scheme, the changes could exacerbate the 8-9% per annum decline in doorstep sales. The changes could particularly affect the 95 doorstep deliverers who have stated in their applications

that Welfare milk accounts for over 7.5% of their sales.

107. The reforms could also have knock-on effects for dairy farmers, depot managers, relief roundsmen, drivers, clerical and support staff if the shift in buying patterns and decline in sales was significant. The dairy industry estimates that the extent of job losses in these sectors would be approximately 20% of the number of self-employed franchisees, bottled milk buyers and roundsmen. These estimates are, however, based upon the assumption that all doorstep welfare milk sales (5% of the GB total) would be lost.

108. The overall impact on the dairy industry will be dependent upon the industry's ability to adapt to changing market conditions, and potentially to diversify, in order to arrest the decline. Some sectors of the industry have already adapted their business model and have successfully diversified to offer a range of other food products and also mail delivery. Where diversification is impractical, participation will still be possible, and this will cushion the impact of reform on those businesses affected.

## ENFORCEMENT AND SANCTIONS

109. As with any cash or in kind benefit, there is a risk of fraud with all four options. For example, a cash only benefit could lead to generic benefit fraud, or the use of the postal service could lead to vouchers being stolen or mis-delivered, or beneficiaries could sell their vouchers.

110. The proposed scheme would reduce opportunities for certain types of fraud by introducing the fixed face value voucher. Under the current scheme, which provides 7 pints of milk whatever their overall cost, suppliers can inflate the prices they charge for reimbursement or give the customer less than the full 7 pints which they are entitled to. As suppliers would be reimbursed for a fixed amount, fraud based upon the overstatement of milk prices would be eliminated.

111. As with the current scheme, it would be an offence to trade for other than the goods specified and standard counter-fraud procedures would be used to investigate any claims of malpractice. The Department of Health will consult and work with suppliers on the practicalities of introducing the fixed face value voucher to ensure that the Scheme is as efficient and easy to administer as possible.

112. We are working with the NHS Counter Fraud and Security Management Service (NHS CFSMS) to develop a package of measures to prevent fraud, identify fraud where it may occur, and to take whatever enforcement action is necessary. As a result of the Arms Length Body Review, the NHS CFSMS will, in the future, become part of the NHS Business Services Authority. Allegations of fraud within Healthy Start will be referred to them for investigation and the application of sanctions as considered appropriate. As the Agency's own remit is restricted to England and Wales special arrangements will be made to encompass this role in Scotland. In the meantime, the NHS CFSMS is advising us on how Healthy Start processes should be fraud-proofed.

113. As now, a range of enforcement sanctions will be available and used as appropriate to deal with identified fraud. In addition, these include barring suppliers from participation in the Scheme if they infringe its rules, and legal action against those who deliberately defraud the Scheme whether as suppliers or by claiming vouchers to which they are not entitled.

## MONITORING AND REVIEW

114. As anticipated in the Government's response to the Healthy Start consultation, the next step will be to introduce the Healthy Start voucher scheme into a defined geographical area. This will allow the operation of the processes underpinning the Scheme – such as supplier

registration/reimbursement, voucher exchange at point of sale, and beneficiary application procedures – to be monitored and evaluated. We are not setting an absolute time limit on this introductory phase as it must be sufficiently flexible to respond to experience. However, we anticipate that it will last around 6 months and then, subject to satisfactory results, we would expect to roll the voucher Scheme out across the rest of Great Britain, and introduce new arrangements for the provision of milk or fruit in nurseries, in one go. Northern Ireland has its own Welfare Food Scheme, and is reforming it in parallel.

115. During the introductory phase, the existing Welfare Food Scheme will continue outside the Healthy Start area. The current Welfare Food Scheme arrangements for reimbursing nursery and day care providers for providing milk will also be unchanged throughout Great Britain. Women and families moving into or out of the Healthy Start area will be able to swap their Healthy Start vouchers for milk tokens and vice versa, or may be offered payment in lieu if they cannot use the vouchers/tokens they have been issued with.

116. We have committed to specifically evaluating the operation of the voucher scheme in Phase 1. We have also committed to monitoring and evaluating Healthy Start over time, and to setting up an expert reference group to oversee this.

117. We expect that evaluation for the purposes of assessing whether the voucher scheme is working well in Phase 1 will largely measure processes. For example, it will need to consider whether our communications routes are effective in reaching potential beneficiaries, and whether contracts for issuing Healthy Start vouchers to beneficiaries, and for reimbursing retailers who accept them are operating efficiently. Some qualitative evaluation with beneficiaries, health professionals, and retailers to assess the Scheme's acceptability will also be helpful.

118. We are exploring whether we could commission a specific project to evaluate Phase 1 from an academic institution. This project would link in with the local Phase 1 manager, drawing on their practical experience with Phase 1 as well as carrying out evaluation of its own, including sample surveys of beneficiaries, health professionals and retailers.

119. For the longer term, monitoring and evaluation will have to consider not just processes and acceptability, but the impact of Healthy Start on health and on behaviour, and the extent to which the Scheme should be modified in response to emerging information about dietary needs.

120. This longer term monitoring and evaluation will require the establishment of baseline data against which to measure change over time. It is this longer term evaluation that will also require the expert steering group that we have promised Parliament that we will establish.

121. We propose that the project we commission to evaluate Phase 1 should lay the ground for longer term monitoring and evaluation by establishing some baseline data, identifying further baseline requirements, and by developing an overall monitoring and evaluation strategy incorporating recommendations for a reference group. We also propose to consider over coming months whether there are existing tools that we could use to establish baselines and monitoring change against them – for example the National Infant Feeding Survey and the dietary assessment tool being developed for the School Fruit and Vegetable Scheme.

122. Once the new Scheme has been rolled out across GB and is fully operational we intend to review the Regulations and this RIA within three years.

## CONSULTATION

### Within government

123. The review group which undertook a full economic appraisal on options for the future of the Welfare Food Scheme comprised officials from the Department of Health, the Department of Social Security, the Department for Education and Employment, HM Treasury and the Devolved Administrations. The Department for the Environment, Food and Rural Affairs, the Small Business Service and the Office of Fair Trading have also been consulted on the proposals.

### Informal consultation

124. The views of health professionals and beneficiaries were canvassed during the 1999 review and helped to shape the proposals for the new Scheme.

125. The focus groups conducted by the Department of Health following the COMA review reported that parents:

- were unanimous in their approval of the tokens because they said *"that way you always know that the baby gets the milk"*; but
- thought that there were problems in exchanging 7 pints of milk for single token because some milk could become unusable by the end of the week.

Further focus groups with parents highlighted several key points including:

- the lack of knowledge and information about the Scheme – even among health professionals;
- breastfeeding mothers should get the same benefits as other mothers; and
- the need for greater flexibility in delivering the scheme benefits – in particular, there should be more outlets for infant formula.

126. A conference convened by the Maternity Alliance:

- endorsed many of the COMA review recommendations, including the proposal to widen the range of foods in the Scheme;
- reiterated the Scheme's importance for mothers and young children and emphasised the need for greater flexibility in delivery;
- suggested improved support for breastfeeding, the wider availability of infant formula (to ensure that NHS was not giving out mixed messages about the benefits of breastfeeding) and reduced entitlement to infant formula for infants over 6 months, as recommended by COMA;
- highlighted some support for abolishing nursery milk to free up resources in the Scheme for better targeting; and
- identified an opportunity to add value to the tokens through better public health and information.

### Public consultation

127. The proposals for the new Scheme, launched for public consultation on 28 October 2002 explored the options for action within the overall framework. As part of the consultation process, the Department of Health convened meetings with the diary industry, retailers, infant formula manufacturers, health professionals, beneficiaries, doorstep deliverers and small retailers during the consultation period to explore ways of making the proposed Scheme work effectively.

128. A summary of the responses to the consultation that ended in December 2002 was published in March 2003(www.dh.gov.uk). Overall, the responses indicated that while there were some differences on the nature of reform, there was broad consensus on the need for reform.

129. The Government's response to the consultation, published in February 2004, set out its intentions in broad terms (www.dh.gov.uk)

130. Enabling powers for the introduction of one or more schemes to replace the Welfare Food Scheme were included in the Health and Social Care Bill 2002. During the passage of this Bill, the Government agreed to consult on the draft Regulations for the implementation of Healthy Start.

## SUMMARY AND RECOMMENDATION

### Summary

131. The attached table 1 sets out the estimated economic costs and benefits of the four options identified.

### Recommendation

132. The introduction of the fixed face value voucher, Option 4, is the preferred route.

133. In addition to having a net economic benefit of over £100 million per year Option 4 will allow a range of valuable non-monetary benefits to be passed on to beneficiaries. It would:

- ensure that funds were ring-fenced specifically for "healthy foods" (unlike Option 3);
- provide opportunities for meeting the wider nutritional needs of beneficiaries and would give them greater choice about the range of "healthy" foods which they could purchase (unlike Option 1);
- equalise the benefits for breastfeeding mothers and remove the disincentive to breastfeed which is inherent in the existing Scheme (Option 1);
- enable closer links to be established between beneficiaries and the NHS, which in turn could improve the take-up of breastfeeding amongst low income groups and also overcome the adverse nutritional outcomes which are frequently associated with the most vulnerable groups; and
- support efforts to reduce health inequalities.

134. We recognise that Option 4 would do little to reverse the long-term decline in doorstep milk sales, but on balance believe that the basis of the Scheme does need to be changed in order ensure that the wider nutritional needs of beneficiaries are met. Option 4 will retain milk as an integral part of the Scheme (unlike Options 2 and 3, which would have worse implications for the dairy industry) and we will work with industry to look at ways of enabling all existing suppliers to play a full role in the revised Scheme.

**Table 1 – Overall Costs and Benefits**

Weighting factor: 2

| OPTION | Costs to government £M | Monetary value to beneficiaries £M | Weighted monetary value to beneficiaries £M | Net economic benefit £M | Life-years gained |
|---|---|---|---|---|---|
| 1. Healthy Start food voucher | | | | | |
| Vouchers paid | £110.8 | £110.8 | £221.5 | £110.8 | |
| Vitamins | £1.6 | £1.6 | £3.3 | £1.6 | |
| Education | £1.4 | | | -£1.4 | |
| Nursery milk/fruit | £19.6 | £19.6 | £19.6 | £0.0 | |
| Administration | £9.6 | | | -£9.6 | |
| Sub-total | £143.0 | £132.0 | £244.4 | £101.4 | |
| NHS administration | £0.3 | | | -£0.3 | |
| NHS: infant gastroenteritis | -£0.3 | | | £0.3 | |
| Total | | | | £101.4 | 64 |
| **2. Maintain WFS** | | | | | |
| Liquid milk | £80.7 | £80.8 | £161.5 | £80.9 | |
| Formula | £33.5 | £38.9 | £77.7 | £44.3 | |
| Vitamins | £0.03 | £0.03 | £0.06 | £0.03 | |
| Nursery milk | £19.6 | £19.6 | £19.6 | £0.0 | |
| Central admin. | £8.9 | | | -£8.9 | |
| Sub-total | £142.6 | £139.3 | £258.9 | £116.3 | |
| NHS administration | £5.4 | | | -£5.4 | |
| NHS: infant gastroenteritis | £0.3 | | | -£0.3 | |
| Total | | | | £110.6 | -64 |
| 3. Cash Benefits | | | | | |
| Benefits paid | £113.7 | £113.7 | £227.3 | £113.7 | |
| Vitamins | £0.7 | £0.7 | £1.4 | £0.7 | |
| Education | £4.1 | | | -£4.1 | |
| Nursery milk | £19.6 | £19.6 | £19.6 | £0.0 | |
| Administration | £4.8 | | | -£4.8 | |
| Sub-total | £142.8 | £134.0 | £248.3 | £105.6 | |
| NHS administration | £0.1 | | | -£0.1 | |
| NHS: infant gastroenteritis | £0.0 | | | £0.0 | |
| Total | | | | £105.4 | 0 |
| 4. No Scheme | £0 | £0 | £0 | £0 | 0 |

NB: FIGURES TO BE ROUNDED (EG TO NEAREST MILLION)

Notes:

Most of the benefits of the WFS, and of Options 3 and 4, are targeted at the poorest 20% of children. HM Treasury's Green Book gives advice on weighting benefits by income groups. It suggests a weight of around 2 for the poorest quintile of the population. This is why the 3rd column of the Table doubles the benefit values for those benefits that are targeted (but not for nursery milk which is not targeted).

*Option 1*: Assumes that the take-up of vitamins would increase in line with an educational programme linked to health advice. Administration would reduce due to NHS clinics no longer having to distribute infant formula and the expected decrease in supplier fraud. Assumes that the total value to beneficiaries will remain approximately the same as the present Scheme. The profile over time would change as we are proposing to give more support to younger infants. There may be some change in milk buying from doorstep delivery to other retailers. The worst case scenario for doorstep retailers could be that all WFS doorstep delivery sales (5% of GB total) could be lost – but the scenario that no beneficiaries at all spend their food vouchers on doorstep milk seems highly unlikely. Continued sales of milk bought with the vouchers would mean that other parts of the dairy industry would continue to benefit.

*Option 2*: Under Option[1], the beneficiaries receive liquid and formula milk worth, to them, about £119m. (The monetary value of the formula milk to the beneficiaries is based on its retail price – this is greater than the price at which the WFS is currently able to purchase formula milk, but then the WFS and NHS incur other administrative costs distributing the formula milk.)

*Option 3*: This option keeps government expenditure roughly the same. It is assumed that nursery milk would be retained as this is not a means-tested benefit. Administration costs would reduce if the current Scheme were effectively wound-up. This option would encourage people to use the opportunity to talk to a health care professional and obtain good quality nutritional advice.

*Option 4*: This is the baseline "do nothing" option, which has no costs and no benefits.

The final column of the Table subtracts the costs of provision from the (weighted) value of the benefits, to give a net economic value. The 'No Scheme' option has zero net value. But the other three Options all have a net value of over £100 million per year. In addition there are further unquantified benefits to health and equality – for these see descriptions of options in sections 2, 4, 8 and below.

1 "Broadly, the empirical evidence suggests that as income is doubled, the marginal value of consumption to individuals is halved: the utility of a marginal pound is inversely proportional to the income of the recipient. In other words, an extra £1 of consumption received by someone earning £10,000 a year will be worth twice as much as when it is paid to a person earning £20,000 per annum." A5.12, *Green Book*, HM Treasury, TSO, 2003. (Weighting is strongly encouraged: "Where appraisers decide not to adjust explicitly for distributional impacts, they must provide a justification for this decision." 5.41.)


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