

**EXPLANATORY MEMORANDUM TO
THE HEALTHY START SCHEME AND WELFARE FOOD (AMENDMENT)
REGULATIONS 2009**

2009 No. 295

1. This explanatory memorandum has been prepared by the Department of Health and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

- 2.1 The Regulations increase the value of Healthy Start vouchers to £3.10, and the income threshold for families with children qualifying for the scheme through receipt of Child Tax Credits to £16,040.
- 2.2 The Regulations also improve the drafting of the principle regulations in response to comments made by the Joint Committee on Statutory Instruments.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 Statutory Instrument 2008 No. 408 was reported for defective drafting by the Joint Committee on Statutory Instruments in its 15th Report dated 31st March 2008 (HL Paper 87 HC 38 – xv). This Statutory Instrument corrects the defective drafting in accordance with the text drafted by the Committee. These changes are contained in regulations 2(3) and (4; regulation 4 of this Statutory Instrument and serve to clarify the effect of the exception created by regulation 3(7) of the principal Regulations (SI 2005 No. 3262).

4. **Legislative Context**

- 4.1. The Regulations implement a routine, annual uprating of the value of Healthy Start vouchers, and of the income thresholds applied to those qualifying through receipt of Child Tax Credit.

5. **Territorial Extent and Application**

- 5.1 This instrument applies to Great Britain.

6. **European Convention on Human Rights**

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- *What is being done and why*

- 7.1 The Regulations increase the monetary value of Healthy Start vouchers from £3.00 to £3.10 per voucher. The amount of increase takes account of price increases in Healthy Start foods in the year to September 2008, the value of other support provided to low-income families through tax credits and other benefits, and Government spending priorities. Whilst the enabling powers contain no specific requirement for the Government to increase the value of vouchers over time, Ministers have committed to reviewing the value at least annually, and increasing it when appropriate to do so.
- 7.2 The new voucher value will apply to vouchers issued on or after 6 April 2009, for periods beginning on or after that date. It will not apply to re-issues of vouchers for earlier periods, or backdated payments made lieu of vouchers for earlier periods. Vouchers are routinely issued to all existing beneficiaries by post 4-weekly and so existing beneficiaries will first receive £3.10 vouchers for the 4 weeks beginning on 13 April 2009. For those newly entitled from 6 April, £3.10 vouchers will be issued immediately.
- 7.3 The Regulations also increase the income threshold for families qualifying for the scheme through receipt of Child Tax Credit from £15,575 to £16,040. This increase is in order to ensure that the scheme continues to support all families getting Child Tax Credit (but not Working Tax Credit) at the highest rate, and without Working Tax Credit, when the relevant tax credit thresholds are increased on 6 April 2009.
- 7.4 In response to the Healthy Start and Welfare Food (Amendment) Regulations 2008 (SI 2008/408), the Joint Committee on Statutory Instruments commented that the effect of Regulation 2.4 in that instrument would have been clearer if the relevant text had read "*either is not entitled to working tax credit or is treated as not being so entitled by virtue of paragraph 7*". This change has been included in the Regulations.

- *Consolidation*

- 7.5 No timetable has yet been set for consolidation of the principle Regulations.

8. Consultation outcome

- 8.1 Proposals for establishing a new welfare food scheme, to be called Healthy Start, were consulted on in autumn 2002. A draft of the principle Regulations, reflecting the outcome of that consultation, was then also consulted on in draft in early 2005. We have not consulted on these routine, annual uprating amendments.

9. Guidance

- 9.1 No new guidance is required to explain how the Regulations will operate.
- 9.2 Existing scheme guidance materials for registered retailers are routinely updated for each new financial year and revised versions are issued to every retailer participating in the scheme during February or early March. Head offices of

retail chains are also routinely contacted during February to ensure they are aware of any forthcoming changes to Healthy Start vouchers so that they can cascade this to individual stores. Participating retailers do not normally advise individual stores of such changes more than 4-6 weeks before they occur even if they are aware of them earlier and so this practice has been successful in previous years. The change in voucher value does not impact on the terms and conditions that registered retailers must adhere to and so we do not consider that further measures to alert retailers are necessary.

- 9.3 Application leaflets and other communication materials for scheme beneficiaries, the public and health professionals are also routinely updated in March annually to reflect any new voucher value and income threshold. All existing beneficiaries are advised of any new voucher value in voucher mailings in February and March. All Healthy Start contacts in Primary Care Trusts are routinely reminded of the existence of updated guidance materials for health professionals annually in February or March.

10. Impact

- 10.1 The impact on business, charities or voluntary bodies is negligible.
- 10.2 The impact on the public sector is negligible.
- 10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

- 11.1 The legislation applies to small businesses to the extent that such businesses have already voluntarily registered, or may in future voluntarily register, to accept Healthy Start vouchers.
- 11.2 The Regulations impose no new administrative burdens on any retail businesses participating in Healthy Start. Retailers registered to accept vouchers, including firms employing up to 20 people, are not required to make separate claims for vouchers of different value when voucher value is increased. Mechanisms are in place to electronically scan and identify the unique serial numbers of all vouchers submitted with claims, enabling validation of the precise monetary value of each voucher when the vouchers are counted. This ensures that retailers always receive an accurate payment.
- 11.3 The basis for this approach is to ensure that no retail businesses are deterred from voluntarily participating in Healthy Start by non-essential administrative requirements, or through lack of confidence in the accuracy of payments made to them.

12. Monitoring & review

- 12.1 The purpose of increasing voucher value is to ensure that vouchers continue to make a reasonable contribution to the cost of purchasing milk, fruit, vegetables or infant formula milk for a beneficiary of Healthy Start. Voucher value will continue to be reviewed annually in light of the prices of Healthy Start foods, other forms of Government support provided to those who qualify for the scheme, and Government spending priorities.

12.2 The purpose of increasing the income threshold is to ensure that the scheme continues to provide support to all those children under 4 years old in families getting Child Tax Credit (without Working Tax Credit) at the highest rate. Keeping Healthy Start thresholds in line with the relevant tax credit threshold ensures this without the need for additional monitoring.

13. Contact

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