

Welfare Foods and Healthy Start

CAB evidence on the provision of milk tokens

Summary

Good nutrition during pregnancy and in the early years is vital to the health and development of a baby. Milk provides an essential part of both an expectant mother's and a young child's diet. Many families on low incomes rely on milk tokens supplied to provide the means for ensuring their children have an adequate diet. On average, over 700,000¹ milk tokens are issued to families across the UK every month, and roughly one in five children under the age of five depend on them.²

The Welfare Foods Scheme, provided through the Department of Health (DH), aimed to help pregnant women and children under five in low-income families to eat healthily. It provided tokens with which to buy milk, infant formula, and vitamins. From 27 November 2006, Healthy Start replaced the Welfare Foods Scheme. Healthy Start had been piloted in Devon and Cornwall from November 2005.

Under the Welfare Foods Scheme, pregnant women and parents were supposed to receive tokens for either seven pints of milk or 900 grams of infant formula each week. Under the Healthy Start scheme they should receive a voucher worth £2.80 per week which can be spent on milk, infant formula and fruit and vegetables. For each child under one they should receive an extra voucher.

However, since changes to the administration of milk tokens in 2003, CAB evidence shows that many recipients have experienced significant difficulties accessing this vital support. Citizens Advice fears that these problems will continue with the roll out of Healthy Start, since there are no current plans to change either the system or the administration.

¹ House of Commons – Written Answer, 13 June 2006

² *ibid.* *Population trends*, Office for National Statistics, autumn 2006

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Key points:

- Citizens Advice Bureaux have reported clients experiencing delays in receipt of tokens of 4 weeks to 16 months.
- Whilst milk tokens are issued automatically to all those who are eligible and receiving tax credits, Her Majesty's Revenue and Customs (HMRC) currently only sends tax credit claimant information to DH on a four-weekly basis. The DH then informs the Token Distribution Unit which distributes the voucher. A considerable delay is therefore built into the process, before parents receive any tokens.
- Thousands of tax credit claimants receive manual payments. CAB evidence strongly suggests that this can increase delays still further up to 16 months, as their eligibility for milk tokens is not included in the information passed to DH.
- In 2003 the responsibility for the administration of milk tokens passed from the local benefits agency to HMRC. Since this shift, many claimants have reported that trying to make contact with someone regarding their milk token award is nothing short of a nightmare. CAB evidence shows that staff at Jobcentre Plus, HMRC (tax credits helpline) and the Milk Tokens Distribution Unit (DH) fail to understand which department is responsible for which parts of the claim process. Claimants are passed between the different departments with no one taking responsibility for their claim or query.
- Although thousands of pregnant women are receiving milk tokens, the DH does not currently collect data on the number of pregnant women who may be eligible for free milk under the Welfare Foods Scheme,³ so the level of take up is not known. However our evidence suggests that many pregnant women are not

informed of their entitlement to milk tokens. Subsequently they either struggle financially or the baby simply doesn't get nutrition vital for its health.

- Under Healthy Start, a claimant will receive a voucher worth £2.80 rather than a token worth seven pints of milk or 900g of infant formula. The CAB service is concerned that the shift to providing a monetary value voucher risks leaving vulnerable parents unable to buy the same items provided under the old token system. The price of the items will vary, both from one area and shop to another, and over time.

Introduction

The Welfare Foods Scheme was originally introduced in 1940, but has recently faced changes, both in the delivery mechanism through child tax credits (CTC) since 2003 and through the introduction of Healthy Start.

Healthy Start is currently accessible to those who are in receipt of income support (IS), income-based jobseeker's allowance, or CTC (but not working tax credit) with an annual family income of less than £14,155.⁴ It is available to all pregnant women aged 18 or under, regardless of income. The application process is the same for both schemes.

The National Institute for Health and Clinical Excellence (NICE) produced a guidance document, *Maternal and Child Nutrition*, in February 2006, which stated "There is a recognised need to optimise nutritional status before pregnancy, during pregnancy,...and in the early years of life. The nutritional status of the pregnant woman influences the physical and mental development of the foetus...[and] ensuring children are well nourished in the early years is very important.

³ House of Commons – Written Answer, 2 June 2006

⁴ Value for 2006. Child tax credit and working tax credit leaflet WTC6, HMRC. Available online at www.hmrc.gov.uk

A number of reports have also highlighted the link between poor nutrition and low socio-economic status.⁵ This reinforces the need for an efficient and effective distribution system, in order to ensure that babies of parents in low-income groups are receiving the nutrition they need. Ensuring that these parents and their children receive adequate support for their nutritional needs from the earliest point is also central to the delivery of government policy on both tackling child poverty, and ensuring that 'every child matters' – giving every child the best possible start in life.⁶

Recent changes have brought with them a decline in the quality of service received by some customers. Linking entitlement to child tax credit awards has lengthened the process for many claimants as HMRC only pass claimant data to DH every four weeks. In addition where claimants have experienced problems with applying for tax credits this has had a knock on effect on the delivery of their milk tokens. There have been chronic delays, administrative errors and a breakdown in communications between administering departments. This has left many parents without the means to ensure their babies are provided with adequate nutrition during the early weeks. Some mothers who were claiming milk tokens prior to the birth will receive interim tokens, but in many cases this is still not long enough to allow for tax credits to be processed and data to be shared with DH.

In June 2005, Citizens Advice produced a briefing note: *CAB evidence on problems with access to the Welfare Foods Scheme*, which outlined the evidence we had received on this issue. We then corresponded with officials from DH who acknowledged our concerns, and committed to monitoring the Welfare Foods Scheme and Healthy Start "to provide the best service [they] can".

One year on and our evidence shows that little has changed and there are fundamental flaws in the system for delivering milk token support. The delays experienced are a result of both the poor design of the system and of operational failure such as poor administration and interdepartmental confusion. Whilst the number of cases reported by Citizen Advice Bureaux is relatively small, the difficulties cause considerable hardship for the individuals concerned:

- A single mother was told that it would take up to 14 weeks for her milk tokens to arrive, she was worried that her child would be on solid food by then.
- A single mother with an 16 month old child has never received milk tokens because of difficulties with tax credit payments.
- A single mother who was still waiting for her milk tokens after 14 weeks had to borrow milk from her friend. She claimed she was told by the helpline that if she was that desperate she should go and either beg for or steal milk.

In our view the system is not fit for the purpose of promptly delivering this vital support to a highly vulnerable client group. These flaws are compounded by administrative delays and confusion, and by poor communication channels relied upon by clients to resolve their problems.

Poor system design

There are inherent weaknesses within the system. Before 2003, those who were entitled⁷ to milk tokens claimed them by attending their local benefits agency office and providing proof of their eligibility. The office then issued them with their tokens.

5 For example *Choosing a better diet: a food and health action plan*, DH (2004), *The national diet and nutrition survey*, Hoare et al (2004) *Diet choice and poverty*, Dobson et al (1994), *Nutrition and diet in lone parent families in London*, Dowler and Calvert (1995)

6 Every Child Matters: Change for Children is a new approach to the well-being of children and young people from birth to age 19. The Government's aim is for every child, whatever their background or their circumstances, to have the support they need to be healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic well-being. www.everychildmatters.gov.uk

7 Qualifying benefits prior to 2003 were Income-based jobseeker's allowance or income support (IS).

In 2003 when CTC was introduced, a system was created whereby those who were in receipt of a particular rate of CTC, and met the means test, would automatically receive milk tokens, without the need for a separate application form. Whilst this has removed the need to apply for milk tokens, this procedure has created an array of problems. It is not proving adequate in providing prompt delivery for a number of reasons, including the infrequency of information sharing and manual payments of tax credit awards.

The four-weekly transfer of information

HMRC currently sends information of all tax credit claimants eligible for milk tokens to DH on a four-weekly basis, who then inform the Token Distribution Unit. This means that claimants whose awards are processed just after the transfer of information will find themselves having to wait a further four weeks for their information to be passed to DH. HMRC sends information of all the eligible claimants, not just the new ones. This volume of information each month arguably makes the system more prone to confusion, delays and mistakes.

A bureau in London reported a client who applied for child tax credit after the birth of her child 10 weeks earlier. The adviser contacted HMRC only to be told that there was currently a 7-10 week delay in processing claims, and only once it was processed would her case be passed on and milk tokens issued. The client was a single mother with no family support. She was already in rent arrears and had other debts. The lack of milk tokens was adding to her financial insecurity.

A CAB in Somerset saw a woman who had been waiting 11 weeks for payment of her child tax credit and milk tokens, despite numerous telephone calls to HMRC. She was paying nearly £10 a week for milk out of a limited income.

A CAB in Tyne and Wear saw a client with a three-month-old child who claimed milk tokens. She was told that it could take up to 11 weeks for her tokens to arrive. She felt that her child might be on solid food by then.

Manual payments

Some 16,500⁸ tax credit claimants are paid manually due to computer problems in processing their payments automatically. Our evidence strongly suggests that if they are receiving manual payments, their details are missing from part of the system and then are not included in the transfer of information of eligible claimants that is passed to DH. As a result these claimants will often face delays and difficulties receiving their tokens.

A Devon bureau reported a single mother in receipt of IS, CTC and child benefit, who had never received milk tokens. She had phoned both the milk tokens helpline and CTC helpline on numerous occasions but had been told that as she received manual CTC payments, she would not receive milk tokens until she was entered on the computer system. When the adviser telephoned the CTC helpline on her behalf, they were told that they could not help but suggested that the CAB write to the Tax Credit office. The client was finding it difficult to afford a good diet for both herself and her daughter.

A CAB in Berkshire saw a client who claimed IS and CTC when her baby was born six months previously, but had not received any milk tokens. HMRC were paying her tax credits manually due to a system error. Because of this, they said they could not produce the correct notification for her milk tokens. They said that until they can "rebuild" her tax credit case they will have to pay her clerically. The milk tokens helpline was adamant that until they received

notification their “hands were tied”. The client had to pay for milk from her already limited income.

A bureau in Cambridgeshire reported a single mother who had been receiving manual tax credit payments for over a year. She informed HMRC when her fourth child was born so they could increase her child tax credit award, but 11 months later she had still not received any milk tokens for her new baby.

A single mother with a six-week old baby was homeless and visited a bureau in Cheshire. She applied for tax credits on the birth of her child but was informed that due to delays, she would be paid manually. When she enquired about milk tokens, she was told that they could not be supplied with manual payments. The client could not afford to buy milk, severely endangering the health of the child. The adviser telephoned HMRC and the operator agreed to instigate the issue of milk tokens.

Operational failure

CAB evidence indicates that other problems are the result of operational failure such as poor administration and interdepartmental confusion.

Poor administration and delays

Following the introduction of tax credits in 2003, there were well-documented delays in the processing of new awards. Citizens Advice published a report on the administration of tax credits in 2005.⁹ Whilst long delays in the processing of tax credit awards are now less widespread, they still cause problems for many families.

For expectant mothers who are in receipt of milk tokens during their pregnancy, when they give birth they must inform DH, who will then provide them with some interim tokens. These tokens are provided to allow for the processing time for CTC. Once their tax credit claim has been awarded, they should automatically receive milk tokens. However, in some cases these tokens are insufficient to allow for a client’s tax credit award to be processed:

A bureau in Leicestershire reported a client who was in receipt of milk tokens during her pregnancy and received interim tokens when her baby was born. She applied for child tax credit upon the birth but nine weeks later had still not received her tax credit award or milk tokens.

A bureau in Greater Manchester saw a client with a 15-week old baby who had been in receipt of milk tokens during her pregnancy. Her tokens stopped when she gave birth and she put in a claim for CTC on 3 February. She telephoned HMRC to ask about her claim but was told that they knew nothing about it. In the meantime she had to borrow milk from a friend. She telephoned HMRC again and was told to telephone the Token Distribution Unit but got no help. On 16 May the adviser telephoned HMRC who admitted that they had received her claim but that there was a backlog of 7-11 weeks. Even though the tokens were backdated to the date of claim, the mother felt that she had been “put through the wringer” by poor administration “who [didn’t] understand how vital it is for the baby to have... milk, so early in its life”.

The cumulative impact of delays in processing tax credits, and up to a four week wait for the information to be passed between the HMRC and DH, can result in claimants waiting months for their tokens.

Some clients also report significant delays when reporting changes in circumstance, such as moving house. These delays are unacceptable when, by definition, the client group is vulnerable and in urgent need of these tokens to ensure adequate nutrition.

A bureau in County Durham reported a single mother (with five dependant children) who was in receipt of IS, CTC, child benefit, housing benefit and council tax benefit. She moved house and advised the tax credit helpline of her change in address. However, the subsequent month she did not receive her milk tokens. The helpline confirmed that they had her new address and suggested contacting the Token Distribution Unit directly. The client's resources were already overstretched and the non-arrival of her milk tokens caused considerable further hardship.

A bureau in Cornwall reported a single mother in receipt of IS and CTC, who gave birth in May 2005. She was receiving milk tokens until she moved last July, when they stopped. Despite numerous phone calls updating her address details and requesting her milk tokens, she had still not received them seven months later. She was told they were "in the post".

A CAB in Lancashire saw a mother who was entitled to milk tokens for her two children, but was only receiving tokens for one of them. She had attempted to telephone the local Token Distribution Unit numerous times but the line was constantly engaged. The adviser tried emailing but received no reply. The client finally managed to get through, but only to a message that stated that they were not dealing with enquiries at that time.

Interdepartmental confusion

For many claimants, trying to make contact with someone regarding their milk token award presents a serious problem. They are passed between the different departments with no one taking responsibility for their claim or query.

Until 2003, milk tokens were administered through the local benefits agency office. With the introduction of CTC, HMRC have been responsible for the administration of claims, in line with tax credit claims. The Department for Work and Pensions (DWP) no longer has any responsibility. Since this shift many clients have reported, and continue to report, that they have experienced difficulties when trying to speak to someone about their claim. CAB evidence shows that staff at Jobcentre Plus, HMRC (tax credits helpline) and the Milk Tokens Distribution Unit (DH) fail to understand which department is responsible for which parts of the claim process.

These cases illustrate how there is an enormous amount of confusion between departments as to who is responsible for what, often leading clients on a wild goose chase. It also demonstrates a high level of internal confusion, following the 2003 change in departmental responsibility.

A bureau in London reported a client who had not received milk tokens for almost 10 months. HMRC stated that she was 'on the system' and should receive tokens yet the milk tokens helpline said that they still hadn't received information from HMRC and without this they could not distribute tokens.

A Dorset bureau saw a lone parent who was in receipt of child tax credit but had never received milk tokens. Each time she telephoned HMRC they referred her back to the DWP, and if she telephoned the DWP they referred her to HMRC. The

adviser called the milk tokens helpline who said they had no record of the client and they needed authorisation from HMRC.

Claimants have suffered because too much attention has been paid to complex organisational and administrative arrangements, without enough thought being given to customer service delivery. The result is a service which is not customer focussed.

Low take up during pregnancy

Expectant mothers can claim milk tokens as soon as they are 10 weeks pregnant. They must complete an application form and get it signed by either their midwife or another health professional to confirm the baby's expected delivery date.

It is important that expectant mothers are not without milk at this crucial stage in the baby's development. A number of organisations such as the Food Standards Agency and the National Childbirth Trust promote the importance of milk during pregnancy.

There are approximately 25,500¹⁰ pregnant women currently in receipt of milk tokens. DH does not currently collect data on the number of pregnant women who may be eligible for free milk under the welfare food scheme.¹¹ However, our evidence suggests that there is low take up during pregnancy, often due to a lack of awareness. In our view health professionals should have a clear responsibility to inform pregnant women about their entitlement.

A bureau in the Midlands reported a client in receipt of IS and CTC. She had an 18-month old child, but had never received milk tokens. Neither her midwife, the Jobcentre Plus office, nor HMRC had ever mentioned them to her; she did not know she was entitled. She was buying nearly four litres of milk each

week out of her income support of approximately £57 per week.

Many pregnant women are not informed of their entitlement to milk tokens and subsequently they either struggle financially or the baby simply doesn't get vital nutrition. It should be a core aim of the Healthy Start strategy that all expectant mothers are informed of their entitlement.

As mentioned earlier, expectant mothers who are in receipt of milk tokens during their pregnancy receive interim tokens upon the birth of their child from the DH. If more expectant mothers were in receipt of milk tokens, then fewer would feel the financial strain caused by appalling delays in the processing of CTC.

Healthy Start

Healthy Start was developed following a review of the Welfare Food Scheme. This review was undertaken as a result of evidence from the *Independent Inquiry into Inequalities in Health* (Acheson) report in 1998 which emphasised that good health in infancy and childhood lays the foundation for good health in later life. The review revealed that the Welfare Foods Scheme did not meet the wider nutritional needs of pregnant women, nursing mothers and young children. It is also part of the DWP's 'Opportunity for All' strategy to tackle poverty and social exclusion.

Healthy Start was piloted in Cornwall and Devon from November 2005, and rolled out nationwide from November 2006. It replaces the Welfare Foods Scheme. During the pilot the systems and processes underpinning delivery were due to be thoroughly monitored and evaluated.

Healthy Start allows parents to buy milk, fresh fruit and vegetables. A claimant will receive one voucher, and those with children under

¹⁰ Figure for May 2006, House of Commons – Written Answer, 13 June 2006

¹¹ House of Commons – Written Answer, 2 June 2006

one will receive an extra voucher. Each voucher is worth £2.80.

In our correspondence with DH officials, we were assured that Healthy Start would address many of our concerns regarding delays and errors in administration. However, the distribution and processing channels are the same as for the Welfare Foods Scheme, and we are concerned that we will continue to see the same problems after the scheme is extended. It is also disappointing that four-year olds are no longer eligible for help under this scheme.

The value of the voucher

In addition to the arrangements for issuing vouchers, another basic concern is that their value will be inadequate.

Under the Welfare Foods Scheme, one token would enable a claimant with a child under one to buy 900 grams of infant formula each week. Although a claimant with a child under one year is entitled to receive two vouchers, worth £5.60 in total, the average cost of 900 grams of infant formula is £5.98,¹² leaving a shortfall of 38 pence per week.

For many parents on a low income this shortfall could mean genuine difficulty and/or that babies do not receive adequate nutrition.

Welfare Foods Scheme – what you used to get

Claimant	Entitlement
Expectant mother	Tokens for seven pints of cow’s milk per week
Parents with a child under one year	Tokens for seven pints of cow’s milk per week or 900 grams of infant formula
Parents with a child over one year but under five	Tokens for seven pints of cow’s milk per week

Healthy Start – what you now get

Claimant	Entitlement
Expectant mother	One voucher (£2.80)
Parents with a child under one year	Two vouchers per child (£5.60)
Parents with a child over one year but under four	One voucher per child (£2.80)

Conclusions and recommendations

In our correspondence with DH officials, we were informed that Healthy Start would solve many of the above issues. However, since there are no current plans to change either the system or the administration, we fail to see how the roll out of Healthy Start addresses our concerns.

Leaving parents and expectant mothers without the means to purchase milk for themselves and their babies during some of the most vital formative years is, we would argue, unacceptable. The combination of system failure and operational failure renders this system not fit for purpose. **Citizens Advice recommends that DH take a lead in ensuring that the system for the delivery of Health Start vouchers is fit for purpose.** The Government should also consider whether or not Healthy Start is the best way of providing extra support to parents to help them to ensure a nutritious diet for them and their children. An alternative might be to include an under five's element in CTC. This would also reduce the number of government services the claimant would have to deal with, thereby improving the customer experience. This is a key element in the Cabinet Office's strategy for the future of Government services.¹³

HMRC should immediately pass a claimant's details to DH once a tax credit claim is successfully completed, to avoid claims having to wait up to four weeks. Officials discussed this issue in June 2005, with the suggestion of reducing the four-weekly transfer of information to fortnightly. However there has been no further progress. If details were to be passed on immediately, DH's client database would always be up to date, and subsequently reducing the enormous potential for error. Only new cases need be passed across, rather than the full

database, currently standing at approximately 700,000¹⁴ each month.

HMRC should establish a mechanism to pass details of those in receipt of manual tax credit payments on to DH promptly. Until DH receives the details of these claimants, they are unable to process their vouchers.

DH should set up systems to monitor and regularly report on processing times for the delivery of vouchers under Healthy Start. Healthy Start presents a real opportunity to reform this system and rectify the problems detailed in this briefing.

DH should monitor the price of milk and infant formula to ensure that the value of a Healthy Start voucher is sufficient to enable a claimant to continue to buy the same quantities as they were able to purchase using a milk token. DH should review the price of milk and infant formula every six months, and increase the value of the voucher accordingly if necessary. For parents on a low income, any shortfall is difficult to pay in the long term.

Jobcentre Plus, HMRC and DH should issue guidance to frontline staff clarifying where the responsibility lies at each stage of the award process. There is significant confusion between staff in HMRC, DH, and the Token Distribution Unit as to where responsibility lies for processing changes to claims and dealing with queries. Guidance would serve to reduce both the high level of internal confusion, and the amount of time that claimants are currently forced to spend trying to track their claims.

DH should promote Healthy Start to expectant mothers and establish a clear target for the take up in this client group. We also recommend that healthcare professionals be given a clear responsibility to inform expectant mothers

¹³ *Transformational Government*, Cabinet Office, November 2005

¹⁴ Figure for May 2006, House of Commons – Written Answer, 13 June 2006

about their entitlement. By increasing take up at this early stage, not only will it ensure that the nutritional needs of expectant mothers are met but also that a larger number of women would receive interim vouchers, thereby reducing the financial strain caused by delays in processing of CTC.

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Published by

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