# With Department for Work & Pensions Child Maintenance Service 2012 Scheme - Experimental Statistics Data for August 2013 - August 2016 Data for August 2013 - August 2016

This publication contains information on cases being processed on the 2012 statutory child maintenance scheme, delivered by the Child Maintenance Service (CMS). The 2012 Scheme was introduced alongside the government's reform of the child maintenance system to support separated parents to work together and set up their own family-based arrangements. The 2012 Scheme was introduced to support families who are unable to make arrangements themselves. The 2012 Scheme will replace the 1993 and 2003 Schemes administered by the Child Support Agency (CSA) over the next few years as 1993 and 2003 cases are closed. Comparisons should not be made to previous Schemes because of the different objectives of the 2012 Scheme.

## Headlines

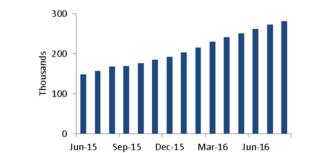
- Caseload stood at 338,900 as of the end of August 2016, an increase of 19% from May 2016.
- Outstanding Maintenance Arrears were £77.5m in August 2016, 22% higher than the May 2016 figures, mainly due to increase in the caseload.
- Changes of circumstances received in July 2016 were 166,200 the highest level ever, 81% were cleared within 28 days a decrease from the 88% in April 2016.

## **Current Liability**



7 out of 8 are contributing towards their current liabilities.

# Children benefiting from maintenance



Volume of children benefiting is increasing steadily.

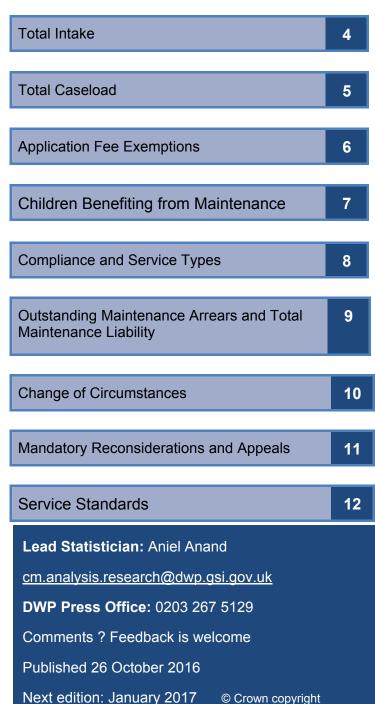
## Accuracy of new assessments

100 %

Of new assessments are accurate to within  $\pounds 1$  or 2% of the correct calculation.

Experimental

# At a glance

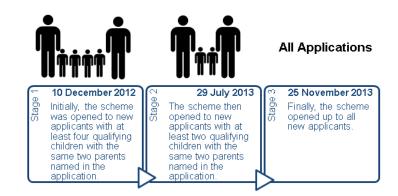


# Background

Page

This publication contains information on cases being processed on the 2012 statutory child maintenance scheme, delivered by the Child Maintenance Service. The data covers the period of August 2013 to August 2016.

The 2012 child maintenance scheme was introduced using a staged implementation process, known as a pathfinder approach.



This release begins from the period where the pathfinder approach to the 2012 Scheme was open to new applicants with at least two qualifying children with the same two parents named in the application. Prior to August 2013 the caseload was restricted, with the low volumes of cases handled not being representative of the overall child maintenance caseload.

From 30 June 2014, application fees were introduced when applying to the 2012 Scheme, along with charges for certain enforcement activities. Collection charges were introduced for using the Child Maintenance Service to collect and pay maintenance from August 2014.

These statistics are still in the early stages of development and assurance. Some of the statistics are currently collated manually by accessing core systems while the development of automated system based reports continues. These statistics have therefore been classified as experimental as we continue to assure and approve our methodology. They may be revised in future editions.

The <u>publication strategy for the 2012 Scheme</u> was published on 26 February 2014 and last updated on 30 December 2015.

#### **Changes to this Publication**

For the first time we provide the Total Intake of new applications to the Child Maintenance Service, as well as the Arrears only applications separately. To contextualise the Outstanding Maintenance Arrears, statistics on Total Maintenance Liability are provided for the first time. This enables us to determine a new measure, the proportion of Outstanding Maintenance Arrears compared with Total Maintenance Liability. The Total Maintenance Liability is the sum of maintenance liability for those paying via the Calculation and Collection Service or via Direct Pay.

#### **Changes to Future Publications**

Information on the 2012 Scheme continues to be developed and tested. Additional measures will be included in future publications when DWP statisticians are assured of the quality of the data, in line with the <u>publication strategy</u>.

#### **Upcoming Releases**

The next release of Experimental Statistics on the 2012 Scheme will contain data up to November 2016 and will be published in January 2017.

#### Supplementary excel tables

All underlying data included in the charts and figures featured in this summary are included in accompanying excel tables.

This includes tables on:

- Those applying to the 2012 Scheme,
- Total cases managed by the system,
- Application fee exemptions,
- Children benefiting from child maintenance,
- Compliance and breakdowns of cases paying through the Scheme or directly to the Receiving Parent,
- Outstanding Arrears and its proportion compared with Total Liability,
- Change of Circumstances,
- Mandatory Reconsiderations and Appeals,
- figures on service standards,
- Complaints and Accuracy.

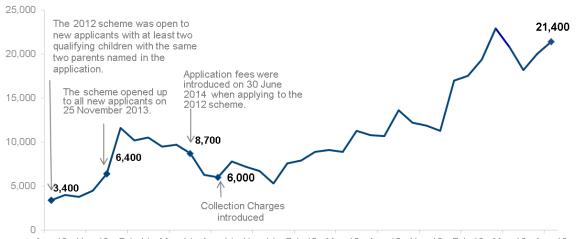
Methodology and Definitions are included on pages 13 to 16.

Page 17 provides an overview of the 2012 child maintenance scheme.

# **Total Intake**

# The Total Intake has generally increased since December 2014. The rate of Intake has increased since December 2015 due to a rise in the volume of Arrears Only applications.

Total Intake each month from August 2013 to August 2016



Aug-13 Nov-13 Feb-14 May-14 Aug-14 Nov-14 Feb-15 May-15 Aug-15 Nov-15 Feb-16 May-16 Aug-16

Cases on the 2012 Scheme have the option to pay maintenance via the CMS Calculation and Collection Service or pay maintenance directly to the Receiving Parent (Direct Pay). Where there is evidence that suggests that the Paying Parent is unlikely to pay, Direct Pay will not be appropriate and the Calculation and Collection Service will be used.

From 30 June 2014, application fees were introduced when applying to the 2012 Scheme, along with charges for certain enforcement activities. Collection charges were introduced for using the Child Maintenance Service to collect and pay maintenance from August 2014. The graph shows how Total Intake has responded to these various changes over time.

From June 2014, the process of ending liability and closing all cases on the 1993/2003 CSA Schemes began. Recent increases in the Total Intake on CMS are largely driven by Arrears only cases that close on CSA and are transitioned to CMS.

#### **Main Findings**

#### **Total Intake volume on the 2012 Scheme was 21,400 in August 2016 an increase of 2.9%** when compared to May 2016. The sharp increase since December 2015 is driven by the rapid increase in the volume of Arrears only applications following the Case Closure process. The sharp dip in June 2016 is driven by a sharp reduction in Arrears Only applications in that month.

See Table 1 for fu

See Table 1 for full data.

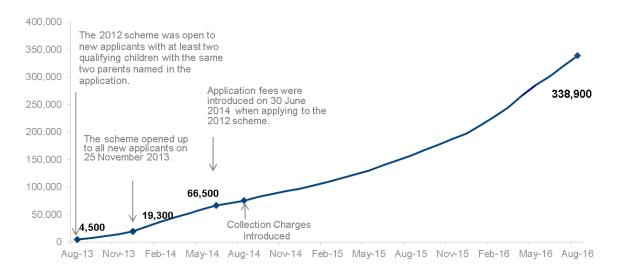
A system issue has been identified which impacts New Application Intake figures in Table 1. Investigations have been carried out which identified incorrect duplication of New Applications. The identified cases have been removed and so do not appear in the New Application Intake figures in Table 1.

In the last quarter ending August 2016 the duplicates accounted for less than 3% of New Applications.

# **Total Caseload**

# The caseload has increased steadily on the 2012 Scheme and this has been more rapid in recent months due to Case Closure.

Total caseload each month from August 2013 to August 2016



#### Main Findings

The number of cases managed on the 2012 Scheme increased by 19% in August 2016 when compared to May 2016. The steady increase since November 2015 is due to increased intake following the Case Closure process.

See Table 2 for full data.

The caseload consists of New Applications and Arrears only applications from Case Closure cases.

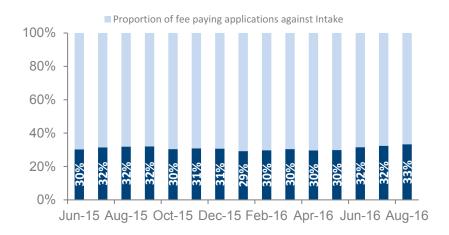
From June 2014, the process of ending liability and closing all cases on the 1993/2003 CSA Schemes began. Increases in the caseload on CMS are partly driven by cases that close on CSA that make applications to the CMS.

The <u>CSA Case Closure Experimental Statistics</u> publications indicate that by March 2016, 58,800 cases that had their CSA liability ended had made an application to the CMS; of this 28,200 were Arrears only cases. Prior to the start of Case Closure, cases could transition from CSA to CMS; these cases are identified in this publication as Arrears only cases. Timing issues are responsible for the difference between the Arrears only cases in the Case Closure statistics and this publication.

# **Application Fee Exemptions**

# The proportion of exemptions from Application Fees has remained steady with a slight increase in August 2016.

Intake split by proportion of fee paying applications and proportion of fee exemptions -June 2015 to August 2016



The Child Support Fees Regulations 2014 introduced an application fee for people who apply to use the Child Maintenance Service. Since 30 June 2014, there is a £20 fee to apply to the 2012 Scheme, payable by the applicant at the point of application. Arrears only applications are not subject to this fee.

Those who declare that they have suffered domestic violence or abuse, and they have declared this to an approved body, as well as those who are under 19 years of age are exempt from the application fee. We have used the cross-government definition of domestic violence and abuse developed by the Home Office. This has been published, along with the list of approved organisations to which such an incident can be reported, alongside the Child Support Fees Regulations 2014.

https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/261882/childsupport-fees-who-to-report-domestic-violence-to.pdf

#### Main Findings

The proportion of exemptions from Application Fees against intake had remained between 29% and 32% since June 2015; however this was 33% in August 2016.<sup>1</sup>

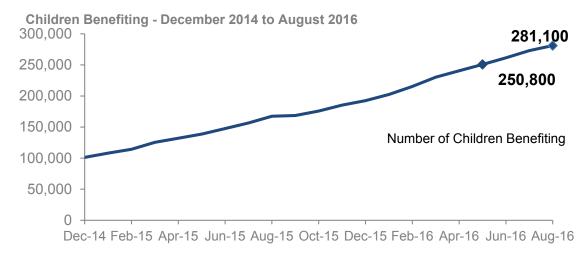
In August 2016, there were 3,540 exemptions to Application Fees. Of these, 3,500 were for the reason of domestic violence.

Figures on the number of Application Fee Exemptions and Fee Exemptions due to reason of domestic violence are available in **Table 3**.

<sup>&</sup>lt;sup>1</sup> Following the initial publication on 26 October 2016, an update was required for the Arrears Only applications intake figures for August 2016. This has now been corrected. This had an impact on the proportions of exemptions from Application fees which has now been updated to 33%.

# **Children Benefiting from Maintenance**

#### The number of children benefiting has increased as more applications are made to the 2012 Scheme partly because of the Case Closure process.



The graph above shows the number of children benefiting from maintenance, calculated from cases in which a payment was received or had a Direct Pay arrangement in place.

A statistically valid sample is taken from the cases that have a positive liability to calculate a figure for the average number of children per case. This figure is then multiplied by the number of cases paying in the quarter to give the number of children benefiting. The sampling is completed on a 6 monthly basis, with the average figure then used in the months between sampling. The most recent sample was taken in March 2016.

#### **Main Findings**

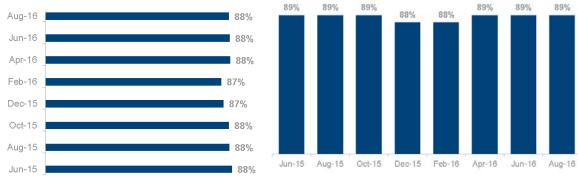
In March 2016, the average number of children per case was 1.51. At the end of March 2016, we were 95% confident that the number of children benefiting lies between 223,400 and 237,200.

The number of Children Benefiting has increased as more applications are made to the 2012 Scheme. In the quarter to August 2016, 281,100 children benefited from maintenance.

See Table 4 for full data.

# **Compliance and Service Types**

The proportion of Case Groups contributing towards current liability has remained steady. Case Groups Contributing towards Current Liability in the previous Quarter (%) June 2015 to August 2016.



remained steady.

A Case Group is defined as all of the cases associated to a Paying Parent. For example, there may be two separate cases for children in relation to the same Paying Parent. A parent could have children with different partners, who are both claiming maintenance. Both of these cases will be linked by the Paying Parent and defined as a Case Group.

# Chosen method of payment of those who are due to pay maintenance as at August 2016

Collection	
Service, 30%	

Direct Pay, 70%

The proportion of cash due paid in the quarter has

Case Paid against Cash Due in the Quarter (%) June 2015 to August 2016.

Clients are encouraged wherever possible to use Direct Pay as their method of payment. Collection fees were introduced from August 2014 for clients who use the Calculation and Collection Service. Paying Parents will be charged a rate of 20% with Receiving Parents charged at 4%.

#### **Main Findings**

In the quarter to August 2016, **88% of Case Groups were contributing towards their current liability**, with **89%** of cash due, paid. These figures are same as at May 2016.

Figures on the number of Case Groups with a Current Liability and Case Groups contributing towards a Current Liability are included in **Table 5** and Cash Compliance data is available in **Table 6**.

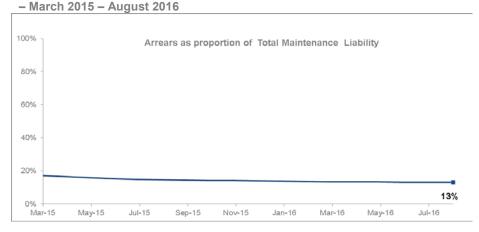
As at the end of August 2016, 70% of cases that were due to pay their liability chose to pay maintenance directly to the Receiving Parent.

See Table 7 for historical splits of Service Type.

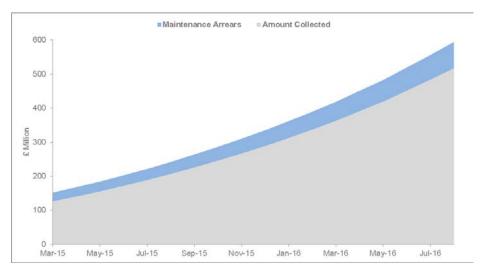
# Outstanding Maintenance Arrears and Total Maintenance Liability

#### The Outstanding Maintenance Arrears as a proportion of Total Maintenance Liability has been steady at 13% since February 2016.

Outstanding Maintenance Arrears as proportion of Total Maintenance Liability



# Total Maintenance liability was £595 million in August 2016 and Arrears were £78m, resulting in an estimated collection of £517million.



The **first graph** shows the proportion of the Outstanding Maintenance Arrears compared with the Total Maintenance Liability. This proportion enables us to contextualise the arrears on the new scheme. Data provided in **Table 8** indicate that both the Outstanding Maintenance Arrears and the Total Maintenance Liability are increasing mainly because the caseload is increasing.

In March 2015, Outstanding Maintenance Arrears was about 17% of Total Maintenance Liability; however, this has reduced and been steady at about 13% since February 2016. Cases paying via Direct Pay are assumed to be fully compliant as clients can come back to the CMS if there is a default on their payment or to request a revised calculation, with any accrued arrears collected through the Collect and Pay service.

Arrears as a proportion of Total Maintenance Liability are based on this assumption. For illustrative purposes, a 5 percentage point reduction in Direct Pay compliance could lead to a 4 percentage point increase in arrears as a proportion of Total Maintenance Liability.

In the **second graph**, the blue shaded area is the Outstanding Maintenance Arrears; the total area is the Total Maintenance Liability; while the grey area is the difference between the between the two and is identified as a proxy estimate for the amount collected. This is based on the assumption of full compliance for Direct Pay cases.

The amount of **Outstanding Maintenance Arrears** includes arrears accrued on the 2012 Scheme only, figures do not contain details of arrears transitioned from the 1993/2003 Schemes or Direct Pay.

#### **Main Findings**

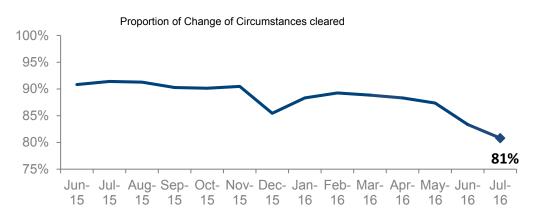
The Outstanding Maintenance Arrears are increasing as the caseload grows. In August 2016, cumulative Total Maintenance Liability was £594.9 million. In August 2016, the Total Maintenance Arrears stood at £77.5 million on 93,500 Case Groups.

See Table 8 for full data.

## **Change of Circumstances**

# The proportion of Change of Circumstances cleared within 28 days has declined since May 2016.

Change of Circumstances - June 2015 – July 2016



The graph above shows the proportion of Change of Circumstances cleared within 28 days. This is the number of Service Requests that have cleared within 28 days as a proportion of the total number of Service Requests received.

The dip between May and July 2016 appears due to a combination of peak leave and increases in the volume of service requests received. Service Requests in July 2016 was the highest level ever received for the scheme.

#### **Main Findings**

Of the **166,200 Service Requests received** in July 2016, 81% of these were cleared with 28 days. This is the highest volume of Service Requests received since June 2015.

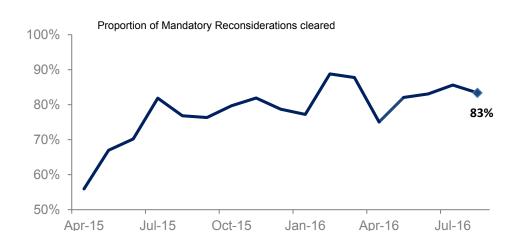
The above figure can be compared with April 2016 when 151,800 service requests were received and 88% were cleared within 28 days.

See Table 9 for full data.

# **Mandatory Reconsiderations and Appeals**

The proportion of Mandatory Reconsiderations cleared within 20 days has fluctuated slightly; the figure for August 2016 is one percentage point higher than the May 2016 value.

Mandatory Reconsiderations - April 2015 to August 2016

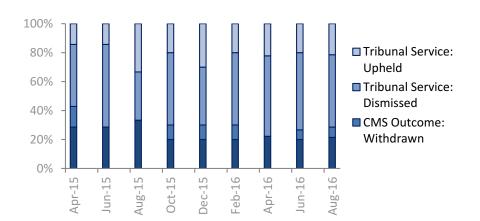


A Mandatory Reconsideration is when clients wish to dispute a decision and are required to ask the CMS to reconsider and revise the decision. The intention is that clients will then be able to make an informed decision on formally appealing to the Tribunal. An appeal cannot be lodged with Her Majesty's Courts and Tribunals Service (HMCTS) until the Mandatory Reconsideration process has been completed.

The proportion of mandatory considerations cleared at 83% in August 2016 has increased by 1 percentage point compared with May 2016.

#### **Appeal Outcomes have fluctuated since April 2015**

Appeals Outcomes - April 2015 to August 2016



Appeals that are revised by the CMS or upheld by the Tribunal Service include those where the original decision made was correct but further evidence has been provided resulting in a revision.

#### **Main Findings**

In August 2016, there were **1,520 Mandatory Reconsiderations** received and 1,310 cleared. Of these, 83% were cleared within 20 days.

See Table 10 for the full breakdown.

In August 2016, **140 appeals were received** from clients and 70 were cleared, of which 50 were Tribunal Service Outcomes and 20 were Child Maintenance Service Outcomes.

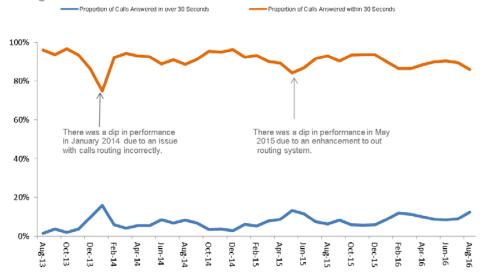
The figures for Mandatory Reconsiderations and Appeals are significantly higher than those in May 2016. This is because the Appeal intake is variable as appeals come to DWP via HMCTS as well as direct to DWP. Evidence indicates the appeals intake at HMCTS has gone up since February 2016.

See Table 11 for the further breakdowns.

## **Service Standards**

# The proportion of calls answered remains high and the proportion of calls being answered within 30 seconds has remained between 86% and 90% since January 2016.

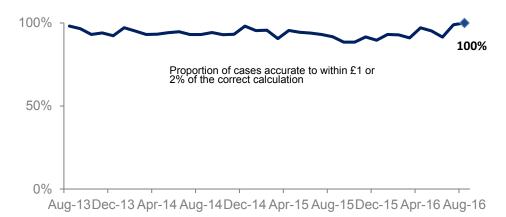
Proportion of Calls answered, split by time taken to answer - August 2013 to August 2016



In response to client feedback an enhancement to telephony routing was introduced in May 2015. The enhancement has allowed even more clients to be routed to caseworkers with the appropriate knowledge and skills to deal with their enquiry or progress their case. This change has resulted in a small increase in the time taken to answer calls.

# Accuracy levels increased to 100% in August 2016 from 95% in May 2016.

Accuracy levels - August 2013 - August 2016



Accuracy is defined as the proportion of cases that are accurate to within  $\pm 1$  or 2% of the correct calculation based on the latest assessment at the point of selection.

#### **Main Findings**

There were **255 Complaints** received in August 2016. See **Table 12** for full data.

The proportion of calls answered has remained high overall other than the dip in January 2014 due to calls routing incorrectly. In August 2016, 98% of calls were answered, with 86% answered within 30 seconds. See Table 13 for full data.

In month **Accuracy** stands at 100% in August 2016, which is an increase of 5 percentage points from May 2016. See **Table 14** for full data. We understand that a significant amount of resources was deployed to achieve this high performance level. The level of resource in the future is probably unsustainable.

# Methodology

Prior to December 2013, data are not representative of the full caseload due to the 2012 Scheme being introduced using a phased approach. During the early stages of the 2012 Scheme, applications were still accepted on the 2003 Scheme where the criteria were not met to apply to the 2012 Scheme. Please see the <u>Child Support Agency Quarterly Summary of Statistics</u> for historical intake figures for CSA 1993 2003 cases.

Some of the statistics are sourced from Management Information (MI); this MI is occasionally revised following publication. These changes tend to be minimal. As part of our methodology, small changes of less than 5% will not be updated in future publications. The only exception to this rule is for Appeals where the volumes are small and previous publications have already incorporated these changes.

#### **Data Sources**

From August 2013 to March 2014 **Intake and Caseload** information was produced through interrogation of the Siebel case management system. From April 2014 onwards, this information is sourced from an automated report.

#### **Data Quality**

A system issue has been identified which impacts New Application Intake figures in **Table 1**. Investigations have been carried out which identified incorrect duplication of New Applications.

The identified duplicate cases that have been created from the system issue have been removed from the New Application Figures in **Table 1**. Further work continues to explore the reasons for the duplicates which may result in future changes to methodologies.

New Application Intake figures include some cases where the client has closed an existing application and decided to come back to the CMS at a later date. Data on Arrears only cases are only available from December 2014.

**Caseload** information from **Table 2** is sourced directly from the Siebel source system.

**Application Fee Exemptions** data in **Table 3** are manually extracted via filters from the Siebel source system and are snapshot figures taken at that point in time. By interrogating the source system we are able to provide a case based view as at the end of each month. Data are available from December 2014.

**Children Benefiting in Table 4** is calculated on cases that have been compliant in the quarter. A statistically valid sample is taken from the cases that have a positive liability to calculate a figure for the average number of children per case. This figure is then multiplied by the number of cases paying in the quarter to give the number of Children Benefiting. The sampling is completed on a 6 monthly basis, with the average figure then used in the months between sampling. The most recent sample was taken in March 2016. This is based on a sample size of roughly 1,100 cases chosen by simple random sampling. In March 2016, this constituted about 1% of the relevant caseload.

**Compliance** measures include cases paying both via the Calculation and Collection service and Direct Pay. **Table 5**: Proportion of Case Groups Contributing towards Current Liability is derived by dividing the number of Case Groups that have paid by the number of Case Groups due to pay. **Table 6**: Proportion of cash paid from Case Groups with a Current Liability is derived by dividing the amount of cash paid by the amount of cash due, from Case Groups that were due to pay.

Cases paying via Direct Pay are assumed to be fully compliant as clients can come back to the CMS if there is a default on their payment or to request a revised calculation.

**Service Type** information in **Table 7** provides Service Type information sourced directly from the Siebel source system. These data are available from August 2014, giving a case based view as at the end of each month.

**Outstanding Maintenance Arrears** information in **Table 8** is obtained from the Client Fund Accounts which are sourced by collating data from Sage General Ledger software with Operational Management Information.

**Total Maintenance Liability** data in **Table 8** is sourced from the Client Fund Accounts and are obtained by collating data from Sage General Ledger software with Operational Management Information. Arrears as proportion of Total Maintenance Liability are derived by dividing the Outstanding Maintenance Arrears by the cumulative Total Maintenance Liability.

**Change of Circumstances** measures in **Table 9** include the number of changes received, cleared and outstanding. Data are sourced from a Siebel system extract. The proportion of clearances is derived by taking the number of Service Requests that have cleared within 28 days divided by the total number that have been received that month.

**Mandatory Reconsiderations** data in **Table 10** are sourced from a Siebel system extract. Measures include the number received, total cleared and, of those, the number revised and not revised. The proportion of clearances is derived by taking the number of Mandatory Reconsiderations that have cleared within 20 days divided by the total number that were cleared in the month.

**Appeals** measures in **Table 11** include the number of Appeals received and the total number cleared broken down by outcome type. Data are sourced from an Appeals Tracking System (ATS).

Complaints information in Table 12 is sourced clerically.

**Telephony** data in **Table 13** is collated on an automated telephony system which routes callers to the correct caseworker. This system has a built in management information capability which produces detailed reports including calls received, calls answered and speed to answer for all calls.

Accuracy figures in Table 14 are derived by checking a sample of cases on which new assessments or changes to assessments have been carried out to ensure the calculation was accurate. The sample is derived by manually accessing the core system.

# Definitions

**Accuracy:** The proportion of cases assured that are cash value accurate to within a £1.00 or 2% tolerance (whichever is higher) of the correct current calculation based on the latest assessment at the point of selection.

**Appeals:** The number of appeals received on the 2012 Scheme where the client challenges the maintenance decision.

**Application Fee**: From 30 June 2014, all New Applications to the 2012 Scheme were charged a £20 application fee.

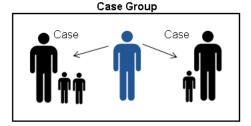
**Application Fee Exemptions:** Exemptions from applications fees can be applied in the following circumstances, where the applicant is under 19 years of age or they are or have been a victim of domestic violence (declare that they have suffered domestic violence or abuse, and they declared this to an approved body).

**Arrears only:** These are cases that have not made application to the Child Maintenance Scheme following Case Closure, but had 1993 or 2003 Scheme arrears moved over to the 2012 Scheme.

**Calculation and Collection:** A case is classed as 'Calculation and Collection' when the maintenance calculation has been derived by the CMS (after assessment of the case) and the Paying Parent pays child maintenance to the CMS. The CMS then sends this money to the Receiving Parent. Money is paid into a bank or post office account or via <u>simple</u> <u>payment</u> method.

Further information on how to pay child maintenance is available online.

**Case Group:** A case group consists of all of the cases associated to a Paying Parent.



**Caseload:** The number of cases which are being managed on the 2012 statutory Scheme.

**Cash Compliance:** The proportion of cash paid from case groups with a current liability.

**Case Closure:** The process of ending liability and closing all cases on the CSA (1993/2003) schemes.

**Change of Circumstances:** The number of Service Requests received that request a change of circumstance on a case.

**Children Benefiting:** The number of children benefiting from maintenance, calculated from cases in which a payment was received or had a direct pay arrangement in place.

**CMS:** Child Maintenance Service.

**Complaints:** The number of complaints received on the 2012 Scheme.

**Compliance:** The proportion of Case Groups who are contributing towards their current liability. A Case Group is considered to be contributing towards Current Liability if a case is Direct Pay or the Paying Parent has made a payment via the Collection Service in the quarter.

**Direct Pay:** A case is classed as 'Direct Pay' when the maintenance calculation has been derived by the CMS (after assessment of the case) and the Paying Parent pays child maintenance directly to the Receiving Parent. These cases are assumed to be fully meeting their current liability (since

clients can come back to the CMS if there is a default on their payment or to request a revised calculation).

**Domestic Violence**: We have used, for this purpose, the cross-government definition of domestic violence and abuse developed by the Home Office.

This has been published, along with the list of approved organisations to which such an incident can be reported, alongside the Child Support Fees Regulations 2014. https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/261882/child-support-fees-who-to-report-domestic-violence-to.pdf

**Mandatory Reconsiderations:** This is where the CMS review the entire decision before a client can appeal against it.

**Outstanding Maintenance Arrears:** This is maintenance arrears accrued on the 2012 Scheme.

**Resolution:** The first stage of a complaint where CMS attempt to resolve the complaint.

**Review:** The second stage of a complaint which occurs if the complainant is not satisfied with the proposed resolution from the first stage.

**Service Request:** This is generated when the client requests a change or an action is required on the case.

**Service Type:** This is the chosen method of payment of cases due to pay maintenance. Service type is split by cases paying via the Calculation & Collection Service or via Direct Pay.

**Telephony:** The proportion of calls answered and the proportion of calls answered within 30 seconds.

**Total Intake:** The sum of new applications and arrears only applications received to the 2012 statutory scheme.

**Total Maintenance Liability:** This is the sum of maintenance liability for those paying via the Calculation and Collection Service or via Direct Pay. Note that figures are cumulative.

### 2012 Scheme Overview

#### CHILD MAINTENANCE OPTIONS

The Child Maintenance Options service encourages collaboration and helps parents explore whether they can make a family-based arrangement without using the statutory service. The Child Maintenance Options service provides help and support to parents to enable them to put familybased arrangements in place.

New Applicants

> Family-based child maintenance arrangements are often the best option for everyone involved. They can be arranged privately without Government intervention. do not incur costs to the taxpayer, and are flexible and can be easily tailored to individual circumstances. Working together to agree a child maintenance arrangement can also help reduce conflict and keep both parents involved in their children's lives.

unable to make a family-based arrangement an application to the 2012 Scheme can be made. The Department understands that not every parent will be willing or able to make their own arrangements outside of the statutory scheme. The 2012 Child Maintenance Scheme has been developed to deliver a more efficient statutory service for those who need it.

Where clients are

#### Application

From 30 June 2014, all new applications to the 2012 Scheme pay a £20 application fee (with the exception of cases where the applicant is: under 19 years of age, or they are or have been a victim of domestic violence). Contact is made with HMRC to determine income details of the Paying Parent. Wherever possible clients will be encouraged to use Direct Pay as their method of payment, avoiding on-going collection charges.

From 11 August 2014, Clients who use the Calculation and Collection Service are subject to collection charges.

A 20% charge is added to the paying parents liability and a 4% charge deducted from the Receiving Parents maintenance

payment.

#### New Case

First contact and gathering information stage including issuing assessment details. Where there is evidence that suggests that the Paying Parent is unlikely to pay, Direct Pay is not appropriate and the Calculation & Collection service will be used.

#### Maintenance

Once the payment schedule is in place the case moves into egular maintenance. Changes of circumstance to cases generally occur once in this stage which can lead to changes to status, method of payment and employment. Furthermore, each case is reviewed annually in order to update its assessment each year.

#### Enforcement

If a case is non compliant or does not pay the full amount of liability owed then maintenance arrears will begin to build. Continued non-compliance and a build up of arrears will lead to enforcement action being taken , for which enforcement charges will be applied. Enforcement actions can range from a Deduction from Earnings Order to a Custodial Sentence.

## Notes

The 1993 and 2003 statutory Schemes continue to be delivered by the Child Support Agency (CSA). However, over time the 2012 Scheme will be the only child support Scheme in operation. The process to close CSA cases began on 30 June 2014 and is expected to end in 2018.

Comparisons should not be made to previous Schemes because of the different objectives of the 2012 Scheme and the relatively high proportion of cases in the course of making their first payment. The reforms to the child maintenance system are to place emphasis on supporting parents to set up collaborative, family-based child maintenance arrangements, so that the statutory Scheme is no longer the default option.

#### **Uses and Users**

The main users of the statistics in this document include: the public, external interest groups, Parliament, Department for Work and Pensions Ministers, Ministers and officials in other Government departments, academics, the media and external commentators and Department for Work and Pensions policy and operational officials.

The CMS 2012 Experimental Statistics are used by a number of internal stakeholders for:

- Monitoring and reporting performance trends against key indicators
- Informing briefing, lines to take and press releases
- Internal communications
- Answering Parliamentary Questions and Freedom of Information requests
- Undertaking internal analysis and producing figures at a lower and more granular level
- Setting internal performance measures
- Policy evaluation and to help external users gauge the effectiveness of Child Maintenance Systems

Our internet based publication means that we cannot ascertain all the varied uses of the numbers produced. However, we do know the experimental statistics are used for:

- Providing general information on the Child Maintenance Service in Great Britain
- Measuring performance of the new child maintenance Scheme.
- Informing discussions and meetings with external stakeholders and MPs
- Social research and academic studies of the effectiveness of social policy

#### Feedback Welcome

The Department for Work and Pensions is always glad to hear the comments and views of customers on the 2012 Experimental Statistics. Please email <u>cm.analysis.research@dwp.gsi.gov.uk</u>. We are developing these statistics over the next several releases. We intend to carry out a user consultation exercise to ensure that we are meeting user needs in the most effective way. If you would like to be part of this user consultation exercise, please contact us.