



Department  
for Work &  
Pensions

# Child Maintenance Reforms

30 Month Review of charging





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30 Month Review of charging

Presented to Parliament  
by the Secretary of State for Work and Pensions  
by Command of Her Majesty

August 2017

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## 2 **Child Maintenance Reforms** 30 Month Review of charging

# Ministerial foreword

The Child Maintenance Service was set up in 2012 with a very different focus to earlier schemes of child maintenance. It recognised that many parents are able, and many prefer, to set up their own family based arrangements, rather than to use a statutory scheme.

Charging to use the Child Maintenance Service is part of that different approach. It reflects a stronger emphasis on parental responsibility, acknowledging that both parents are financially responsible for their children whether they are together or separated. Alongside this, and reflecting new evidence that demonstrates the benefits of parental collaboration for children, the charges are intended to make parents pause and consider the different maintenance options available to them rather than assuming that their only recourse is to a statutory arrangement.

Given this change in focus, it is right that the Government reviews the charges to determine their impact.

This Review looks at impact of the charges 30 months after they were first introduced, in line with the statutory obligation we made to Parliament. However, there is still more work to do as we continue to close the Child Support Agency cases. It is important to remember the Child Maintenance Service was rolled out gradually and kept under continual review to ensure that it delivers the best service possible. Because of this approach to roll-out, the information we have gathered so far cannot reflect the full impact of the Reforms. We understand the importance of getting this right, both for parents and children, and will continue to evaluate the Child Maintenance Service as the reforms are implemented.

## Executive summary

1. The Child Maintenance Service, introduced in 2012, replaces the Child Support Agency which was failing to deliver for both parents and children. The reformed service is designed to be more cost-effective and overcome many of the problems associated with the Child Support Agency.
2. In recognition of increasingly strong evidence which shows that good quality relationships between parents, whether they are together or separated, produce better outcomes for children, the Child Maintenance Service is designed to encourage parents to collaborate.
3. There are two key ways in which we seek to achieve greater collaboration. Firstly, before an application can be made to the Child Maintenance Service, parents must have a mandatory conversation with Child Maintenance Options, a free service which provides information and can signpost clients to specialist support. This conversation provides an opportunity for parents to discuss the different types of maintenance arrangements available.
4. Secondly, fees and charges were introduced to the Child Maintenance Service. The application fee is intended to encourage parents to consider making a private family based arrangement. The application fee is waived for applicants under 19 and victims of domestic abuse.
5. On-going charges were also introduced for using the collect and pay service, which collects and forwards payments between parents and takes enforcement action if necessary. The on-going charges for collect and pay are intended to prompt parents to consider whether they can arrange payments between themselves within the Child Maintenance Service, known as a direct pay arrangement, for which no charges apply.
6. The 30 Month Review uses independent survey information along with official statistics and feedback from representative groups to consider the impact of the introduction of charges. It looks at whether there is evidence that the application fee is prompting more people to make a family based arrangement and if the on-going charges are acting as intended: making parents consider whether they can use direct pay rather than defaulting to collect and pay, but at the same time not acting as a barrier for parents to use collect and pay if that is the most appropriate service for them.
7. Some parents said that the application fee is difficult to afford but we do not have any evidence that it is preventing them from making an application. There is evidence that the application fee itself is a factor in parents' decisions about whether to make an application, but it is one of many factors that are part of the decision making process, including weighing up the relative benefits of a statutory service against a family based arrangement.
8. The on-going charges to use the collect and pay service have more of an impact on the decisions that parents make about their arrangement, with roughly half of parents surveyed saying that charges influenced their decision to try a direct pay arrangement first. As with the application fee, parents also consider various other factors as part of this decision making process, such as their past experience of trying to set up an arrangement and their relationship with the paying parent.
9. The available evidence does not indicate that charges are having an excessive impact on parents' decisions about using the different services available within the Child Maintenance Service and they remain the key way in which we can encourage parents to collaborate. As a result we do not have any plans to change the charging structure at this time. We will, however, continue to evaluate the impact of the Child Maintenance Reforms.



10. Separate to the question of whether the charges have influenced outcomes in terms of achieving the policy objective, the survey findings have identified some areas where operational improvements will result in a better customer experience, and we have acted on these findings by making changes to processes and communications.

## Case for reform

11. The Child Maintenance Service was introduced in 2012, replacing the Child Support Agency which was failing parents and children. The Child Maintenance Reforms were introduced to achieve two key ambitions:

### Increase number of children benefiting from effective arrangements

12. Despite efforts to improve the 2003 scheme, changing the way the calculation was made and including shared care for the first time, the Child Support Agency was not delivering a good service for its customers. It was inefficient, had a complex IT system that was not fit for purpose and was expensive to run. Before 2012, it was compulsory for benefit claimants to apply to the Child Support Agency, which built dependence on the statutory service, even for those parents capable of making an arrangement between themselves. We now know that when parents work together, this is associated with better outcomes for their children.<sup>1</sup>
13. The Reforms provided a new IT system and based the calculation of child maintenance liability on income information from HM Revenue and Customs (HMRC). All cases on the 1993 and 2003 schemes are being closed, allowing parents to choose whether they wish to apply to the Child Maintenance Service. This choice encourages parents to recognise their personal responsibility for making a maintenance arrangement.
14. The Child Maintenance Service is designed so that everyone is able to use it. Parents can either have a direct pay arrangement, where they arrange payments between themselves, or a collect and pay arrangement, where the Child Maintenance Service collects and forwards payments between parents and takes enforcement action if necessary. Parents who prefer to have no contact with each other can use the Child Maintenance Service safely and securely.

### Increase collaboration

15. Parents play a critical role in ensuring their children have the best start in life, and evidence now shows that good quality parental relationships are an essential part of this.<sup>2</sup> Children who are exposed to frequent, intense and poorly resolved conflict can experience a decline in their mental health and suffer poorer long term outcomes. Even when separated, continued co-operation and communication between parents encourages positive outcomes for children. That is why the Child Maintenance Service is designed to support parents to work together and make their own arrangements for maintenance where they can.
16. Parents who wish to make an application to the Child Maintenance Service must first have a conversation with Child Maintenance Options, which provides information about the different kinds of arrangements available for parents. Most parents who set up a family based arrangement after talking to Child Maintenance Options have an effective arrangement.

<sup>1</sup> Harold et al. (2016). *What works to enhance inter-parental relationships and improve outcomes for children*. Early Intervention Foundation.  
<sup>2</sup> Ibid.

17. Child Maintenance Options and Child Maintenance Service staff are trained to have tailored conversations with parents about their maintenance choices and the merits of these different arrangements based on the parents' individual circumstances.
18. An application fee and on-going charges were introduced within the Child Maintenance Service to provide an extra 'nudge' for parents to consider whether they may be able to make a collaborative arrangement, either family based or using the direct pay service, which is the collaborative option within the statutory system.

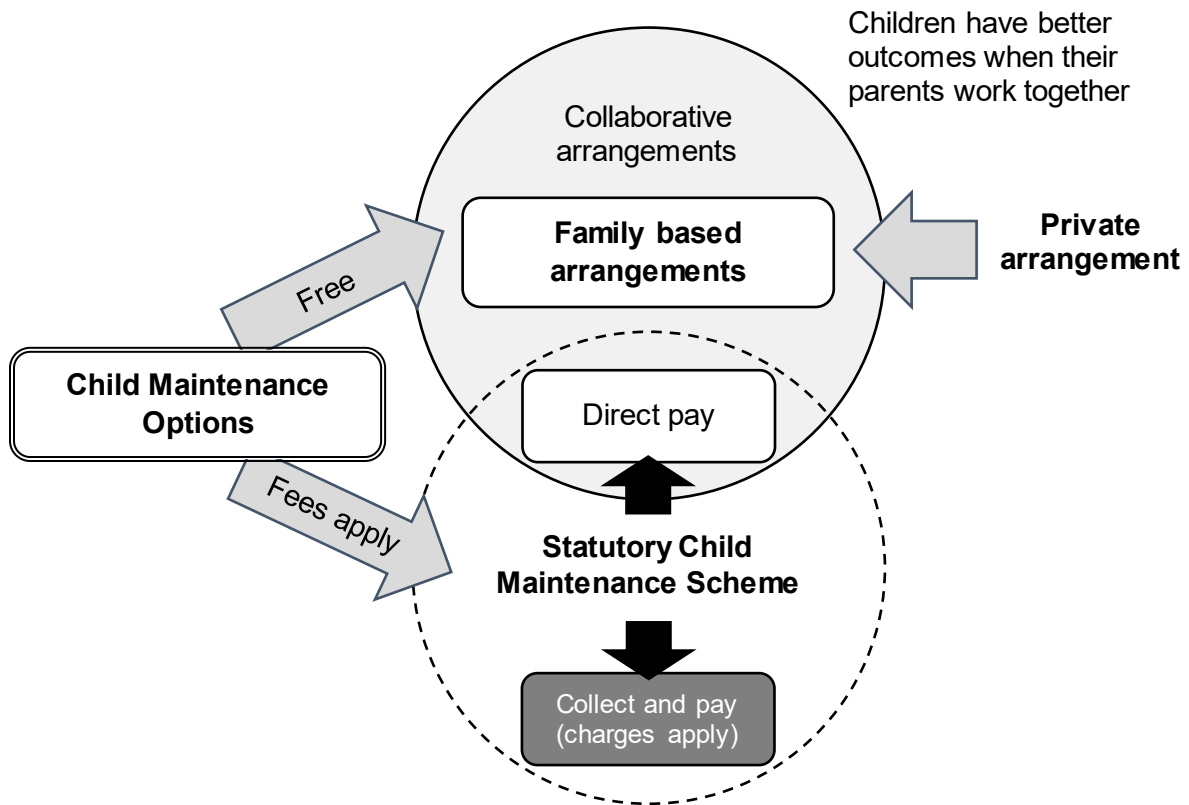


Figure 1 shows the different maintenance options available and where the charges are applied.

19. Having a statutory system that supports only those people who need it should also reduce the administrative costs associated with running a statutory service and so make savings for taxpayers.

## Fees and charges

20. Charges are intended to encourage behaviour change by influencing parents' decisions about their maintenance arrangements at key points. They are not intended to fund the system for delivering child maintenance, but the money received in charges makes a small contribution to running and administering an expensive service funded by the taxpayer.
21. The cost of running the Child Maintenance Service in 2015/16 was around £114 million. In contrast, the income received from fees and charges in the same year was just £8.5 million, which is under 10% of the total running cost.
22. A high-level overview of the way in which the Child Maintenance Service works and when charges apply is set out in Figure 2. The application fee is waived for victims of domestic abuse and applicants under 19, to ensure these parents are not deterred from applying to the statutory scheme.

## Private Arrangement

## Child Maintenance Service

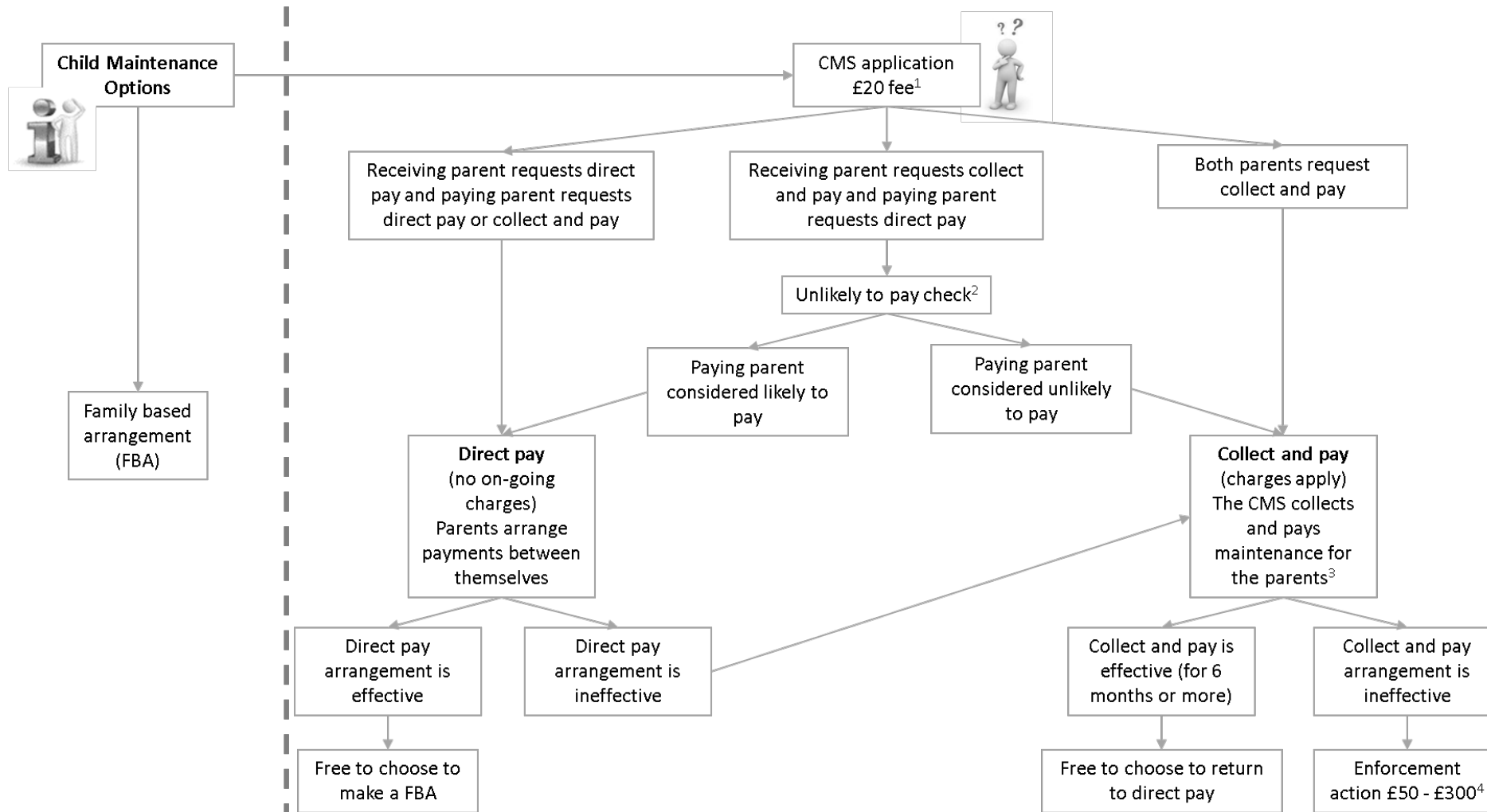


Figure 2 shows what happens when you make a child maintenance arrangement.

<sup>1</sup> The application fee is waived for victims of domestic abuse and applicants under 19.

<sup>2</sup> A paying parent's behaviour in the Child Maintenance Service is used to determine whether they are likely or unlikely to pay.

<sup>3</sup> A 20% charge is added to the liability for the paying parent and 4% is deducted from the maintenance received by the receiving parent.

<sup>4</sup> Enforcement charges of between £50 and £300 apply depending on the type of enforcement action taken.

## Evidence

23. The 30 Month Review is primarily based on two independent surveys undertaken by NatCen: the direct pay survey<sup>3</sup> and the Case Closure Outcomes survey.<sup>4</sup> The survey work was contracted to an external organisation to minimise concerns about the integrity of the findings. See Annex B for the full list of publications comprising the Review and Annex C for the analytical summary of the findings. Departmental officials also met with representative groups and invited written feedback from them, which has been published alongside this report.<sup>5</sup>

### Application fee

24. We know from the surveys that the application fee may have a small influence on some parents' decision making process, but it is one of many factors they consider when deciding on their maintenance arrangement.
25. When parents decide what kind of maintenance arrangement to make, they are likely to think about the relative benefits of the statutory service, such as a formal calculation, and compare them with the benefits of a private arrangement, such as flexibility. The £20 application fee will feature in this decision, but the surveys do not indicate that it was the overriding factor affecting parents' decisions.
26. The application fee was found to have more of an influence with new clients, who tended to be more open to trying a family based arrangement than former Child Support Agency clients.
27. The NatCen surveys only looked at parents who previously had cases with the Child Support Agency or were clients of the Child Maintenance Service. Therefore, we are using data from the Understanding Society survey on child maintenance arrangements in wider society to build our understanding of whether the reforms are prompting more people to try making a family based arrangement. The Understanding Society survey is an independently conducted academic study, which captures information about the economic circumstances and attitudes of people living in the United Kingdom. Information we currently have for 2011/12 and 2013/14, which only covers the first few months of charging, shows that the numbers of family based maintenance arrangements in wider society have remained relatively stable at about 40 per cent. We plan to continue monitoring the findings from the Understanding Society survey.
28. Evidence from the NatCen surveys tells us that some parents, particularly those on low incomes, can find the application fee difficult to afford, but we do not have any evidence that this is preventing these families from making an application. The research does not allow us to assess the relative impact of the application fee compared to other factors that parents consider when deciding whether to apply to the statutory scheme.
29. The NatCen research showed that around a third (36 per cent) of former Child Support Agency clients had made a maintenance arrangement three months after their case had closed. The survey also showed that 41 per cent of parents who did not receive any maintenance from their Child Support Agency case had made, or were in the process of setting up, an arrangement three months after their liability had ended.

<sup>3</sup> Department for Work and Pensions. (2016). *Survey of Child Maintenance Service Direct Pay clients*.

<sup>4</sup> Department for Work and Pensions. (2016). *Survey of Child Support Agency case closure outcomes*.

<sup>5</sup> <https://www.gov.uk/government/publications/child-maintenance-reforms-30-month-review-of-charging>

## On-going charges

30. From the survey evidence we can tell that the on-going charges for using the collect and pay service are a more significant influencing factor for parents than the application fee; roughly half of parents surveyed said that the on-going charges for collect and pay influenced their decision to try direct pay. But on-going charges do not affect this decision in isolation; parents can also be influenced by their past experience of trying to set up an arrangement and their relationship with the paying parent. For many parents the 'unlikely to pay check' will mean that they need to try direct pay first, and move to collect and pay if the paying parent fails to make payments to support their children.
31. The Government aims to encourage parents to make collaborative arrangements and to increase the number of children benefitting from effective financial support. Of parents surveyed who had a direct pay arrangement and were receiving payments, about two thirds had a fully effective arrangement, which is defined as one that meets all of the following criteria:
  - a. all or most of the maintenance payment is received;
  - b. maintenance payments are received always or usually on time; and
  - c. the receiving parent considers the arrangement to be working very or fairly well.
32. The survey responses indicated that of those who said they had a direct pay arrangement and were receiving payments, nine in ten parents were receiving all or most of the maintenance payment, with three quarters receiving it always or usually on time.
33. The survey found that, when a direct pay arrangement was set up and money began to flow within three months, it was more likely to still be in place in the longer term (at 13 months). It also found that those surveyed who had experienced domestic abuse were not necessarily less likely than other groups to be able to make an effective arrangement, and in some cases were more likely to. The scheme is designed so that victims of domestic abuse are able to set up a direct pay arrangement without contact with the other parent, for example the Child Maintenance Service can act as an intermediary and transfer bank details between parents.
34. The research also showed that some parents with ineffective arrangements were not informing the Child Maintenance Service. When a direct pay arrangement is not working parents should contact the Child Maintenance Service so that the case can be moved into the collect and pay service. The Child Maintenance Service cannot take action unless they are informed that an arrangement is not working. The survey findings are not clear about why some parents are not reporting that their direct pay arrangement is ineffective, for example, whether people are not making contact because they wish to avoid charges or because they do not understand how the charges work, including that the four per cent charge is only ever deducted from maintenance that is actually paid to the receiving parent.
35. Some groups have suggested that the collection charge for the paying parent on the collect and pay service might be encouraging some paying parents who had not been paying their maintenance on the Child Support Agency to pay it on direct pay. These views were taken from evidence submitted to the Select Committee inquiry.<sup>6</sup>

## Enforcement Charges

36. Assessing the effects of the enforcement charges did not form part of this Review. The Department is in the process of increasing the amount of information we publish on enforcement. The 2012 experimental statistics published in May 2017 reported on intakes and outcomes of criminal enforcement for the first time.

<sup>6</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2015/child-maintenance-16-17/publications/>

## Response to findings

37. Application fees may be influencing some parents' decisions regarding their maintenance arrangement, but other factors are likely to be more significant in determining whether families make a family based arrangement or a statutory maintenance arrangement. Our aim is that the Child Maintenance Service should be accessible to all families who want to use it and we are working to improve our understanding of low income clients to ensure they are able to make an application to the Child Maintenance Service should they choose to.
38. We are clear that the improvements to the new system, such as using income information received directly from HMRC, mean that the Child Maintenance Service offers a better service than the Child Support Agency and will encourage parents to apply if they need to.
39. On-going charges have a more significant impact on parents' decisions to use direct pay rather than collect and pay, which fits with the policy intent. The surveys are showing, however, that some parents are staying in an ineffective direct pay arrangement rather than moving to collect and pay. It is unclear whether this behaviour is being driven by the on-going charges, but if it is, this is not in line with our ambition of ensuring that more children receive financial support.
40. The survey shows that direct pay can be a viable option for victims of domestic abuse, given the safeguards that are built into the system, but we want to ensure that these clients receive the right service and that charges are not driving unintended behaviour.
41. We take seriously the findings from this Review and the stakeholder feedback we have received and we have made some significant changes operationally to improve clients' understanding of how fees and charges are applied and their experience of the Child Maintenance Service (see Annex A).
42. The ambition of the Child Maintenance Reforms to encourage collaboration is still right, particularly in light of the developing evidence of the importance of good parental relationships on children's outcomes. Therefore we do not propose to make any fundamental changes to the levels of fees and charges or how they work, but we will continue to monitor the impact of charging.



## Conclusion and next steps

43. This Review has been based primarily on the findings from externally commissioned research, but also official statistics and feedback from representative groups. The information we have provides an early indication of how the introduction of charging is affecting parents' behaviour and where there are areas for improvements.
44. The findings from this Review do not indicate that charges are the overriding factor affecting parents' decisions to use the reformed system and we do not have any plans to change the charging structure. The Government remains committed to encouraging and supporting parents to make collaborative arrangements, either family based or using direct pay in the Child Maintenance Service, and charging is key to achieving this ambition.
45. The research findings have, however, triggered a variety of improvements to external communications and operational processes. These changes will provide better support for parents in understanding the different choices for Child Maintenance arrangements through Child Maintenance Options and for parents who choose to use the statutory Child Maintenance Service.
46. The Government is committed to continued evaluation of the effects of the child maintenance reforms including the impact of charging, so alongside publication of official statistics, we have commissioned two further surveys of direct pay and Case Closure clients that will continue to the end of the case closure programme. The tendering process is complete and the fieldwork will commence in summer 2017.

# Annex A

## Operational improvements to the Child Maintenance Service

1. Child Maintenance Options is developing the support offered to parents by rolling out improved guidance to its staff to help them enable more parents to make family based arrangements. It is also exploring opportunities to deliver follow-up calls to parents who have said that they do not intend to make an arrangement, to offer further explanation of the choices available to them.
2. In response to the findings that some parents may not be clear about their options when their direct pay arrangement is not effective, we have improved guidance and training for staff, clarifying how best to address parents' needs in Child Maintenance Options and the Child Maintenance Service so they can provide clients with more effective support. The Department plans to publish the Child Maintenance Service caseworker guidance in 2017.
3. Some parents struggle to get payments flowing from the beginning of their direct pay arrangement. For these parents, the Child Maintenance Service is testing sending SMS text messages to them three months after they set up a direct pay arrangement to prompt them to re-contact the Child Maintenance Service if their arrangement is not working.
4. Fact sheets and the welcome pack given to clients at the beginning of their case, and available on GOV.UK, now include clearer information for parents using direct pay about their responsibilities and what to do if the arrangement does not work.
5. We recognise that victims of domestic abuse could benefit from additional support and we have already made a number of changes to provide this. We have worked with stakeholders to develop a new training package to ensure that all caseworkers are able to understand and recognise domestic abuse and respond appropriately to clients who are victims of abuse. This training has been piloted and will be rolled out nationally from September 2017.
6. We have refreshed our external communications to make clear what kinds of support the Child Maintenance Service can offer to parents who do not wish to have contact with one another, whether on direct pay or collect and pay. This includes the Child Maintenance Service acting as an intermediary between parents, accepting bank details from them verbally rather than using letters and then passing them on to the other parent, thus allowing maintenance to start flowing more quickly. We have also made clear that witnessing child abuse is considered domestic violence and the application fee may be waived in these types of cases.
7. Recognising that some parents have concerns about anonymity when sharing bank details, we have updated our communications to refer to 'accounts with a centralised or national sort code', rather than 'non-geographic bank account', which was considered to be confusing.

# Annex B

## List of DWP publications comprising the 30 Month Review

### Research publications

- Survey of Child Maintenance Service direct pay clients – independent research report published December 2016. <https://www.gov.uk/government/publications/child-maintenance-service-direct-pay-clients-survey>
- Survey of Child Support Agency case closure outcomes – independent research report published December 2016. <https://www.gov.uk/government/publications/child-support-agency-case-closure-outcomes-survey>
- Evaluating Child Support Agency case closure communications (ad hoc report 39) – independent research report published December 2016. <https://www.gov.uk/government/publications/child-support-agency-case-closure-communications>
- Child Maintenance Service exit survey (ad hoc report 42) – published December 2016. <https://www.gov.uk/government/publications/child-maintenance-service-exit-survey>
- Help and support for separated families innovation fund evaluation – independent research report published September 2016. <https://www.gov.uk/government/publications/help-and-support-for-separated-families-innovation-fund-evaluation>
- Attitudes and behaviours of self-employed child maintenance clients and barriers to paying child maintenance – independent research report published October 2015. <https://www.gov.uk/government/publications/attitudes-and-behaviours-of-self-employed-child-maintenance-clients-and-barriers-to-paying-child-maintenance>
- Long-term separated parents: developing support to encourage child maintenance arrangements – independent research report published August 2015. <https://www.gov.uk/government/publications/long-term-separated-parents-developing-support-to-encourage-child-maintenance-arrangements>

### Statistical publications

- Child Maintenance Options service client satisfaction: April 2014 to September 2016 – published December 2016. <https://www.gov.uk/government/statistics/child-maintenance-options-service-client-satisfaction>
- Child Maintenance Service client satisfaction: up to August 2016 – published December 2016. <https://www.gov.uk/government/statistics/child-maintenance-service-client-satisfaction>
- Effective family-based child maintenance arrangements following contact with Child Maintenance Options data for June 2016 – published November 2016. <https://www.gov.uk/government/statistics/effective-family-based-child-maintenance-arrangements-preliminary-estimates-june-2016>
- 2012 statutory child maintenance: August 2013 to August 2016 (experimental) – published October 2016. <https://www.gov.uk/government/statistics/2012-statutory-child-maintenance-scheme-aug-2013-to-aug-2016-experimental>

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- Estimates of the separated family population to December 2014 (experimental statistics) – published October 2016. <https://www.gov.uk/government/statistics/estimates-of-the-separated-family-population-to-december-2014>
- Sorting out separation website statistics: December 2012 - 2015 – published October 2016. <https://www.gov.uk/government/statistics/sorting-out-separation-website-statistics-dec-2012-to-dec-2015>
- Effective family-based child maintenance arrangements: preliminary estimates, data up to March 2016 – published August 2016. <https://www.gov.uk/government/statistics/effective-family-based-child-maintenance-arrangements-preliminary-estimates-march-2016>
- Child Support Agency case closures: June 2014 to December 2015 – published May 2016. <https://www.gov.uk/government/statistics/child-support-agency-case-closures>
- Child Support Agency Quarterly Summary of Statistics for Great Britain December 2014 – published February 2015. <https://www.gov.uk/government/statistics/child-support-agency-quarterly-summary-of-statistics-december-2014>

# Annex C

## Summary of published evidence on the impact of charging in the Child Maintenance Service

1. Between 2015 and 2016 a series of reports were published to provide evidence on the impact of charging for the Child Maintenance Service. This met the Department's commitment to review charging 30 months after its implementation on 30 June 2014, as required by the Welfare Reform Act 2012. The published research is wide-ranging and includes specially-commissioned independent surveys as well as regular surveys and official statistics.
2. This summary of published evidence draws on the 2015 and 2016 publications, and also uses data published within official statistics released in 2017 to reflect improvements in methodologies.
3. It should be noted that this substantial bank of evidence only provides a partial picture of the impact of the reforms. This is because:
  - It is likely to take several years before any changes due to the reforms can be fully detected in society.
  - The closure of cases on the Child Support Agency is ongoing.
  - The data included in the research reports only cover the period up to the end of 2016.
4. The remainder of this annex provides a summary of the published material. It focuses on the evidence relating to the factors (including fees and charging) which influence the choices parents make around their child maintenance arrangement. It covers:
  - Choices made about child maintenance arrangements.
  - The reasons why parents choose family based arrangements.
  - Applications to the Child Maintenance Service and the influence of fees and charges.
  - Information about clients selecting direct pay arrangements.
  - Information about clients on the collect and pay service.
5. Complete results from the research can be found in the published documents.

### Choices made about child maintenance arrangements

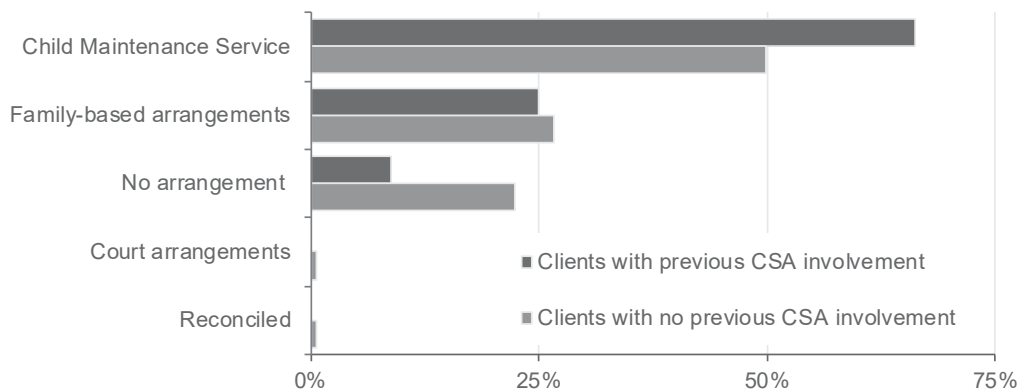
6. The Child Support Agency handles child maintenance cases arranged under the two schemes in place prior to 2012. New applications for child maintenance are dealt with by the Child Maintenance Service. All child maintenance agreements made through the Child Support Agency will be ending and clients are being contacted and encouraged to contact Child Maintenance Options for support in agreeing new child maintenance arrangements.
7. Quarterly surveys of clients who contacted Child Maintenance Options show consistent trends in the types of arrangements clients choose. For those clients who contacted Child Maintenance Options between August and October 2016, 55% went on to make an arrangement with the Child

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Maintenance Service, 26% chose a family based arrangement and 18% did not make an arrangement.<sup>7</sup>

8. Clients with prior involvement with the Child Support Agency were more likely to make an arrangement with the Child Maintenance Service, 66% compared to 50% who had no prior involvement with the Child Support Agency. Clients were more likely to arrange a family based arrangement if they had no previous involvement with the Child Support Agency.<sup>8</sup>

**Figure 1: Child Maintenance arrangements for clients who contacted Child Maintenance Options by client type, August to October 2016**



Source: DWP, Quarterly Child Maintenance Options Outcomes survey

### Notes:

1. Note customers in contact with the service were given a minimum of two months before they were surveyed to allow them time to form arrangements.
2. A small number of responses were removed from the analysis because they did not have an arrangement type recorded.

## Why parents chose family based arrangements

9. Analysis from the Understanding Society Survey, which repeatedly interviews 40,000 households over time, has been used to analyse the separated family population and shows a relatively stable picture in terms of the choice of arrangements.<sup>9</sup> Between 2011-2012 and 2013-2014 the volume of family based arrangements has remained stable. However, the numbers of those arrangements that are effective have decreased.<sup>10</sup>

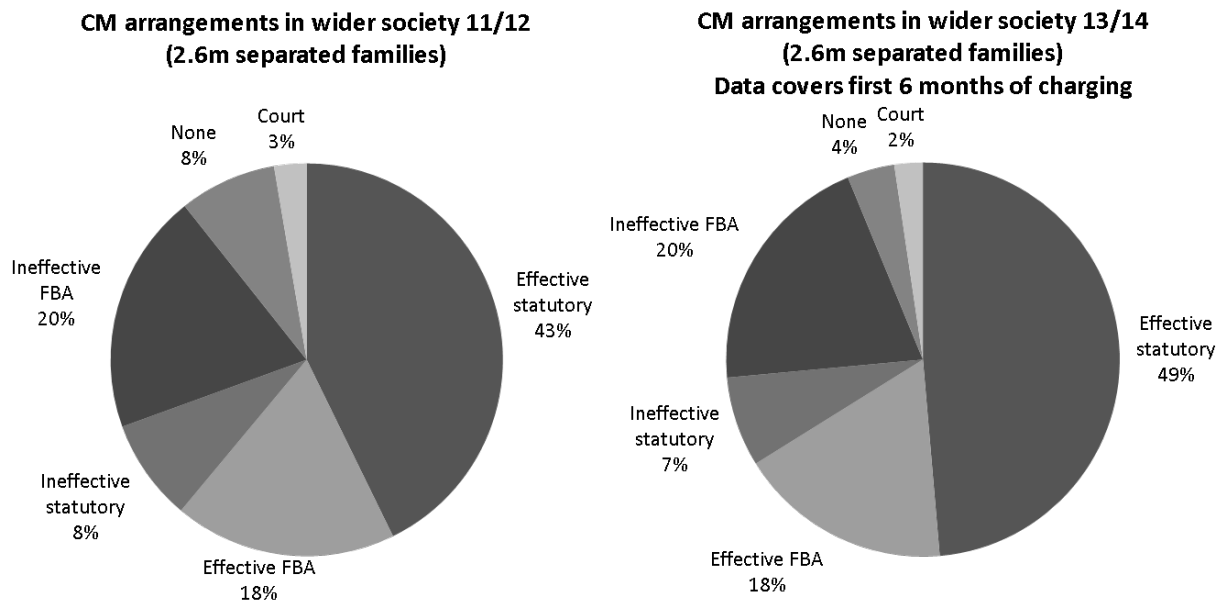
<sup>7</sup> (DWP, Effective family-based Child Maintenance Arrangements following contact with Child Maintenance Options, 2017)

<sup>8</sup> (DWP, Effective family-based Child Maintenance Arrangements following contact with Child Maintenance Options, 2017)

<sup>9</sup> (DWP, Estimates of the separated family population to December 2014, 2016)

<sup>10</sup> (DWP, Estimates of the separated family population to December 2014, 2016)

Figure 2: Child Maintenance arrangements in wider society 2011-2012 and 2013-2014<sup>11</sup>



10. These results only cover the first six months of charging between June 2014 and December 2014 and so it is too early to tell whether charging has had an impact on the wider family based arrangement population. More will be known when new data is made available for analysis in autumn 2017.
11. The Child Support Agency Case Closure Survey asked parents who were due to receive child maintenance the reasons why they had chosen a family based arrangement over a Child Maintenance Service direct pay arrangement.

<sup>11</sup> Measurement of effectiveness is different for statutory and non-statutory arrangements. Please refer to (DWP, Estimates of the separated family population to December 2014, 2016). These statistics are experimental and the methodology is being developed.

**Table 1: Reasons why receiving parents decided to use a family based arrangement over direct pay**

Reasons	%
Easier to make a family-based arrangement	79
Can talk about money with paying parent	58
More flexible than using the CMS	50
Have a good relationship with the paying parent now	49
You/paying parent didn't want to pay the charges for using the CMS	31
Didn't know about the new Direct Pay option	30
Thought he/she would be more likely to pay if no one else was involved	29
Paying parent would not agree to use the CMS	24
You/paying parent couldn't afford to pay the CMS charges	16
Paying parent couldn't afford to pay, but was willing to support in other ways	11

Source: DWP, Child Support Agency Case Closure Outcomes Survey, Appendix A

#### Notes

1. Receiving Parents with a FBA, surveyed 3 months after CSA case closure
2. Respondents were able to give multiple answers to this question
12. Bearing in mind respondents could give multiple answers, 31% of receiving parents indicated that wanting to avoid charges was a reason for choosing a family based arrangement over a direct pay arrangement. Sixteen percent said they could not afford to pay the charges; this could include the application fee or the on-going collection charges.<sup>12</sup>
13. So while charges were a contributory factor in parents' decisions to choose a family based arrangement over direct pay, ultimately these decisions were more commonly influenced by ease (79%), being able to talk about money with the paying parent (58%) and flexibility (50%).<sup>13</sup>
14. When asked specifically if their decision to opt for a family based arrangement was influenced by the Child Maintenance Service application fee, 51% said that their decision was not influenced very much or at all and 23% were not aware of the charge.<sup>14</sup>

## Applications to the Child Maintenance Service

### Number of applications

15. The following chart shows applications to the Child Maintenance Service. By November 2016 there had been 284,800 new cases onto the scheme. From January to November 2016, the average monthly intake of new cases was 11,427 per month.<sup>15</sup>

<sup>12</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 190, Appendix A, Table A.188)

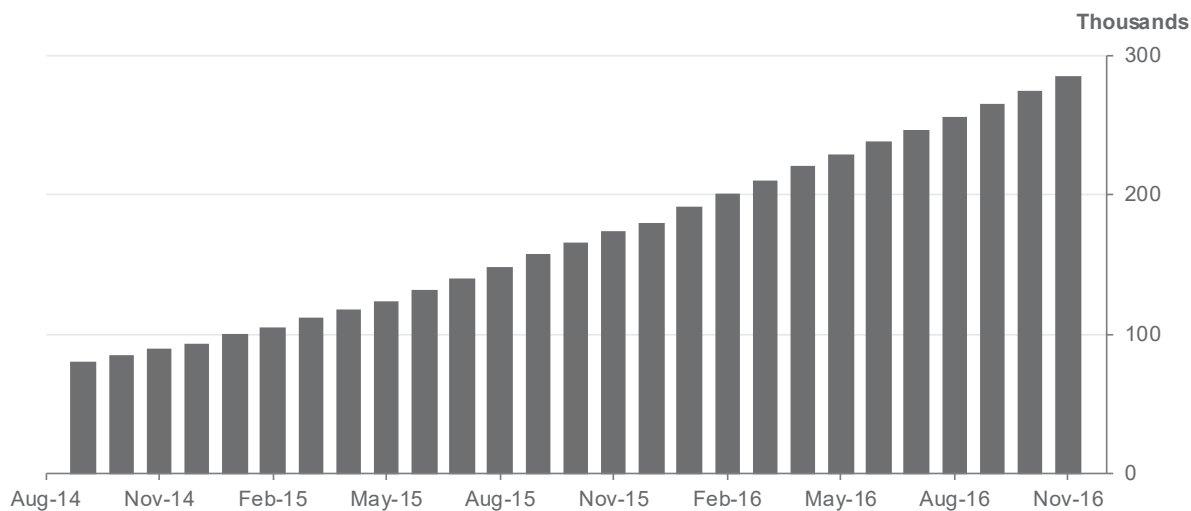
<sup>13</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 190, Appendix A, Table A.188)

<sup>14</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 192, Appendix A, Table A.190)

<sup>15</sup> (DWP, Child Maintenance Service 2012 Scheme Experimental Statistics: Aug 2013 to Nov 2016, 2017)



Figure 3: Intake of cases into the Child Maintenance Service, September 2014 to November 2016



Notes

1. Information sourced from a Siebel system extract.

Factors influencing the decision to apply to the Child Maintenance Service

- 16. The Case Closure Outcomes Survey identifies that several factors, including the application fee, can affect a parent’s decision to apply to the Child Maintenance Service.

Table 2: Reasons why receiving parents decided to use the Child Maintenance Service over a family based arrangement

Reasons	%
Thought he/she would be more likely to pay if the CMS were involved	87
He/she just won't pay	78
It's difficult for the two of you to talk about money	71
Weren't sure how much maintenance should be paid	68
Tried to make a FBA in the past and it hasn't worked	67
Don't want any contact with him/her	53
Wanted a Collect and Pay arrangement	43
Don't know how to contact him/her	23

Source: DWP, Child Support Agency Case Closure Outcomes Survey, Figure 5.1

Notes

- 1. Receiving Parents with a CMS arrangement, surveyed 3 months after CSA case closure
- 2. Respondents were able to give multiple answers to this question

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17. Eighty-seven percent of receiving parents believed the paying parent would be more likely to pay if the Child Maintenance Service was involved and 78% thought that the paying parent would not pay through a family based arrangement.<sup>16</sup>
18. The Case Closure Outcomes Survey identifies factors other than fees and charges that affect parents' decision making. Issues around communicating with the paying parent were also highlighted as reasons for deciding to use the Child Maintenance Service with 71% of parents saying they would be unable to talk about money with the paying parent and 53% not wanting any contact with the paying parent.<sup>17</sup>
19. Similar reasons were given in the Survey of Child Maintenance Direct Pay Clients, where 71% believed that the paying parent would be more likely to pay if a statutory arrangement was in place. Fifty-six percent of parents found it difficult to talk about money and 39% of receiving parents did not want contact with the paying parent.<sup>18</sup>
20. Some paying parents who preferred to apply to the Child Maintenance Service said that the benefits were receiving an accurate calculation, being able to provide proof of payment and having the Child Maintenance Service act as an intermediary between themselves and the receiving parent.<sup>19</sup>
21. Another aspect that appears to influence parents' decisions about whether to apply to the Child Maintenance Service is their past experiences. When looking at current maintenance arrangements by their previous arrangement, those who previously had an arrangement with the Child Support Agency were more likely to have no arrangement (27%) than those with other types of previous arrangement.<sup>20</sup>
22. By June 2016 the majority of the Child Support Agency cases that had closed were assessed as having a zero liability or were not paying towards their child maintenance. Of these cases, 41% of clients where no maintenance was being received and 30% of clients assessed as having a zero liability either had an arrangement in place or were in the process of setting one up. For all former Child Support Agency clients surveyed whose cases had been closed by April 2016, 56% did not have an arrangement in place three months following case closure.<sup>21,22</sup>
23. Sixty-nine percent of receiving parents with no arrangement thought that the paying parent would not pay. Thirty-seven percent did not want contact with the paying parent and 23% reported domestic violence being an issue. Fifteen percent stated they preferred not to receive maintenance.<sup>23</sup>

### Affordability

24. Sixty-one percent of receiving parents who paid the £20 application fee to set up a direct pay arrangement found that the fee was very or quite easy to afford.<sup>24</sup> This figure drops to 49% for receiving parents on very low incomes, indicating over half of parents on very low incomes find the application fee difficult to afford.<sup>25</sup>

<sup>16</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 89, Chapter 5.3.2, Figure 5.1)

<sup>17</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 89, Chapter 5.3.2, Figure 5.1)

<sup>18</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 71, Chapter 5.2.1, Figure 5.2)

<sup>19</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 91, Chapter 5.3.4)

<sup>20</sup> This could be influenced by the order in which cases were closed. The first cases to be closed were those where there was zero liability under the Child Support Agency and those where there was no maintenance flowing.

<sup>21</sup> For the purposes of the research, and following discussion with policy colleagues, we have used the time of the end of liability letter as being a marker for case closure

<sup>22</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 59, Chapter 3.11, Table 3.1)

<sup>23</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 106, Chapter 5.5.2, Figure 5.4)

<sup>24</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 157, Appendix A, Table A.122)

<sup>25</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 157, Appendix A, Table A.124)

## Clients selecting direct pay arrangements

25. Half of receiving parents decided to have a direct pay arrangement because they thought it would work for them and the paying parent. Conversely 28% wanted to use the collect and pay service but reported that the Child Maintenance Service said they must use direct pay.<sup>26</sup> Paying parents are given the opportunity to use direct pay unless there is evidence from the Child Maintenance Service that they are unlikely to pay.
26. The second most common reason for receiving parents choosing a direct pay arrangement over collect and pay was that 33% of receiving parents wanted to avoid paying charges.<sup>27</sup> When direct pay arrangements did not work after thirteen months, 10% of parents cited wanting to avoid the collect and pay charges as the reason why they did not move on to collect and pay.<sup>28</sup>
27. Ninety percent of parents who made the decision to have a direct pay arrangement together still had the arrangement after three months, compared with only 61% who perceived that the Child Maintenance Service made the decision to have a direct pay arrangement.<sup>29</sup>
28. There were a variety of other factors that influenced a parent's decision to select a direct pay arrangement instead of a family based arrangement. These differed depending on the characteristics of their separation from the paying parent.
  - Not wanting contact with the paying parent was cited by 56% of parents whose separation was in the "Domestic Violence no contact" group.<sup>30</sup>
  - Seventy percent of parents whose separation was in the "cohabitated, short relationship, friendly" group had unsuccessful experiences with family based arrangements previously.<sup>31</sup>
  - Being unsure of how much maintenance should be paid was cited by 50% of parents whose separation type was in the "long relationship, limited contact" group.<sup>32</sup>

## The influence of fees and charges

29. Of the parents involved in the decision to use direct pay, 33% wanted to avoid the charges for using collect and pay. This was the second most common reason given. The reason most often given was that the receiving parent thought a direct pay arrangement would work for them and the paying parent.<sup>33</sup>
30. When asked if the charges for using collect and pay influenced their decision, 47% of all parents with a direct pay arrangement said the charges for using the collect and pay service influenced their decision to some extent or a lot.<sup>34</sup>

## Information about clients on collect and pay arrangements

31. Of the receiving parents who chose a collect and pay arrangement, 91% said it was because the paying parent had not paid in the past. Sixty-seven percent of parents expressed an inability to talk about money with the other parent, 75% stated the receiving parent did not want to have contact with the paying parent and 52% mentioned a domestic violence issue.<sup>35</sup>

<sup>26</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 159, Appendix A, Table A.126)

<sup>27</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 72, Chapter 5.2.2, Figure 5.3)

<sup>28</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 96, Chapter 7.2.1, Figure 7.4)

<sup>29</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 53, Chapter 3.1.5, Table 3.5)

<sup>30</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 162, Appendix A, Table A.133)

<sup>31</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 162, Appendix A, Table A.133)

<sup>32</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 162, Appendix A, Table A.133)

<sup>33</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 159, Appendix A, Table A.126)

<sup>34</sup> (DWP, Child Maintenance Service Direct Pay clients survey, 2016, pp. 160, Appendix A, Table A.128)

<sup>35</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 110, Chapter 5.6.4)

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32. On-going charges for collect and pay arrangements were a strong influence on paying parents' decisions not to use collect and pay. For some paying parents, the charges were the primary reason for not choosing this type of arrangement and without charges, a collect and pay arrangement would have been their preferred choice.<sup>36</sup> The charges were still a factor for receiving parents and while 72% found it very or quite easy to afford, 28% found it difficult to afford.<sup>37</sup>

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<sup>36</sup> The survey of paying parents was qualitative so we cannot quantify paying parents' responses (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 95)

<sup>37</sup> (DWP, Child Support Agency case closure outcomes survey, 2016, pp. 190, Appendix A, Table A.187)







