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Work and Pensions Committee

The Government's proposed child maintenance reforms

Fifth Report of Session 2010–12

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Oral and written evidence

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The Work and Pensions Committee

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Oral evidence

Taken before the Work and Pensions Committee

on Monday 16 May 2011

Members present:

Dame Anne Begg (Chair)

Harriett Baldwin
Andrew Bingham
Karen Bradley
Kate Green
Glenda Jackson
Stephen Lloyd
Teresa Pearce

Examination of Witnesses

Witnesses: **Nick Woodall**, Policy and Development, Centre for Separated Families, **Adrienne Burgess**, Head of Research, Fatherhood Institute, **Janet Allbeson**, Policy Advisor, Gingerbread, **Caroline Bryson**, Social Science Researcher, and **June Venters QC**, gave evidence.

Q1 Chair: I realise that one of the witnesses is not here, but it is past four-thirty so I think we will just get started, and hopefully they will be able to introduce themselves when they arrive. Thanks very much for coming along this afternoon. This is the first evidence session on the Government's plans for child maintenance, specifically on the Green Paper. Can I ask you to introduce yourselves for the record, please?
Nick Woodall: Yes. My name is Nick Woodall. I work at the Centre for Separated Families.
Caroline Bryson: I am Caroline Bryson and I am a social science researcher who works in the area of child support.
Janet Allbeson: I am Janet Allbeson; I am a Policy Advisor at Gingerbread specialising in child maintenance.
June Venters QC: And I am June Venters, solicitor QC. I am both a lawyer and a mediator.

Q2 Chair: Thanks very much and you are welcome this afternoon. We have quite a lot of detailed questions, but just to get the ball rolling can I ask whether you think that the Green Paper is the right direction of travel? Is the Government getting it right? Will this lead to the Government's avowed aims of increasing support for children and making it easier to get money from the non-resident parent to the parent with care. Caroline, maybe if you want to start on that very general question? As I say, we are going to go on to detailed questions, but just more on the philosophy of the Green Paper.
Caroline Bryson: Okay. I am here very much to talk objectively about the research evidence there is or is not to answer the question you have just posed. Really, the first thing to say is there is not as much evidence as we would like to say the extent to which these proposals would or would not work. So what I can do is draw on the evidence. Probably the main source of evidence is a survey that was carried out in 2007, so it is actually preceding some of the most recent changes. Looking there you can look at the kind of families that have successfully in the past set up family-based arrangements, and then if you look at the profile of those you can use them to predict how many of the non family-based arrangement population might actually be able to set up a successful arrangement. We also have some data from those parents about whether they perceive themselves as being in a position where they might be confident in setting up these arrangements. Probably the headline figure, which is what you want rather than lots of detail, is that there are certain characteristics that suggest that somebody makes a successful private arrangement. Those characteristics are issues like having a better relationship with your ex-partner or the non-resident parent, there being contact between the two parents and between the non-resident parent and the child, and higher income families.
If you look at those characteristics and then you look at the people who are the current CSA[1] population, for instance, because they are the main group that are going to be affected by this change, then you would say that certainly there are a number of people in the CSA and the child support population who have those kind of characteristics. So there are numbers of people who have relatively good quality contact arrangements and relationships. But those are probably a minority, and so there is a large proportion of the CSA population who do not exhibit those characteristics.
Moreover, in this survey we carried out of about 2,000 parents we asked them how confident they would be if they were setting up a private arrangement. We put it in the context of with guidance and support from a Government service, and again we found that most parents with care and about half of non-resident parents were very concerned in that they said they were not confident in being able to set up those kinds of arrangements and make them work. They had lots of barriers that were cited, some of which were the kinds of things that you may feel could be addressed with support services that the Green Paper talks about setting up. Others are more entrenched issues around relationship qualities.
So all in all I would say the evidence there is would suggest that, for a large proportion of the current CSA population, the current proposals might not be the most appropriate way forward.

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[1] Child Support Agency

Nick Woodall: From the Centre for Separated Families' point of view, the first thing we would say is that we welcome the underlying intention of the proposals, which is to increase the involvement of both parents in their children's lives after separation. That is clearly stated as being primary to these reforms. We think that parents themselves are best placed to make their own family-based private arrangements for maintenance. We see that as one of the range of different things that people have to engage with when they separate, such as parenting time, such as the division of assets—a whole range of different issues—and that we think it is sensible for the Government to be looking at ways of supporting parents around a whole range of issues rather than seeing maintenance in isolation.

The proposed reforms really build on the 2008 Act and the Henshaw Report of 2006, which identified very clearly that private arrangements tended to work better, tended to last longer and were more flexible. So from that perspective, what was happening, we saw, was that it was better to facilitate the making of private arrangements than to force people into the statutory system, which was something inflexible that very often increased the tension between parents and got in the way of other successful arrangements that parents might be able to arrive at.

So we would see this as building on the 2008 Act. It is going a step further in two directions. The first one is to introduce the charges, and we have looked at the charges—

Chair: We will have questions about that later.

Nick Woodall:—and think that they are largely more reasonable. The other thing is to integrate family-based support to help parents at the point of separation to work through a range of different issues. That is something again that we feel is useful.

Q3 Chair: And we have a whole load of questions on that as well. Janet, can I ask you very briefly?

Janet Allbeson: We accept that it is good to help more parents think about how they can focus on their children in the future, and try to overcome conflict between them and issues around what they are going to do for the children for the future. It is great that the Government wants to put more support into those advice and support services for parents. That side of it I think is good. Where we find difficulty is in the whole area of suggesting that that is the only route—that family-based arrangements are a model that all parents should adopt. In fact, as Caroline said, if you look at the range of children and the circumstances of their parents, unfortunately they are not all in previously married couples. There are children where the parents never lived together at all or never even had a relationship. They may have been cohabiting, but it might have been for only a short time. We know from all the research that they are far less likely to be able to come to a lasting satisfactory, voluntary private arrangement, particularly when they are on a low income—where money is tight. It is much easier if money is not a problem to reach a voluntary arrangement.

Some of the issues around the idea of private arrangements being good because they are flexible and because parents can decide it for themselves can be a different point of view. What is good for some parents, because they can make payments at the amount they want when they want, could be a bad thing for the parent with the main day-to-day responsibility for children, because they need the money to be steady and reliable for their children's everyday needs. The other big problem, of course, is enforcement and the fact that private voluntary arrangements, if the non-resident parent does not pay, have nothing to make him pay.

I should just put my hand up there and say that I am using the terms "parent with care" and "non-resident parent" because those are the terms that CMEC[2] uses. I tend to refer to non-resident parents as "he" and parents with care as "she" because 97% of parents with care are mothers and the same proportion, obviously, of non-resident parents are fathers. That is why I am using those terms.

Q4 Chair: And June, very quickly?

June Venters QC: In answer to your question, I think the Government is going in the right direction in part, but as a family lawyer what I would have preferred to see—and I hate to be controversial, but I am going to be—is the same system that the Government has introduced with regard to family law, which came into force on 6 April. That is that no one can issue court proceedings in family proceedings, subject to exceptions, without meeting first with a mediator. My concern is that, as a family lawyer, I have seen many couples have maintenance completely unresolved. It does seem to me, and I echo the point that has just been made, that we do need to look beyond actually getting the agreement agreed and put into place, because it has to then be complied with and there do have to be teeth to ensure that happens. I do question, I have to say, why we need to go to the expense of setting up another Government agency when we already have a court in place with existing staff, with existing systems, and that should be the last alternative but it has teeth. So that is my position.

Q5 Chair: Thanks very much. Now you have your breath back, Adrienne, perhaps you could introduce yourself for the record and answer the question, but just very briefly, do you think that the Government's road of travel is the right one, as far as you are concerned, with the Government's proposals in their Green Paper.

Adrienne Burgess: Certainly, my name is Adrienne Burgess; I am from the Fatherhood Institute. Apologies for my struggles with London transport. Basically, I agree with Nick. I think there is a great deal that is positive here, and I think that we need to expect people to not simply reach for the state to sort out their child maintenance, and that it all should be seen as part of the whole. We all know, and you I am sure no less than we, that there are families who are not going to be able to do that, and that therefore the system is there to catch those families. That is the charged system that we are going to come to later. But I do not think that the Government is ignoring the fact

[2] Child Maintenance and Enforcement Commission

that there are going to be many families who cannot make those comfortable agreements by themselves.
Chair: Okay, and it is on that very topic that Glenda Jackson has some questions.

Q6 Glenda Jackson: Thank you very much, and thank you all for the written evidence that you have supplied. I must apologise—I have to leave at five o'clock. Going back to the point that you made, Caroline—if I may call you Caroline—that there is so little evidence. Given the limited amount of evidence, and you said you can model in some instances families that will go through a voluntary procedure, can you equally model those families that are reluctant to go through that procedure? Is there a profile for families who would find that voluntary nature of coming to an arrangement between themselves impossible to go through?
Caroline Bryson: Yes, certainly. They are the converse. I would say that modelling is probably too proper a word; I think we are inferring from the evidence we have—
Glenda Jackson: Yes, I understand.
Caroline Bryson:—because we do not have the kind of evaluation evidence we would want. But certainly, there are certain groups where you might be most concerned about the ability to make family-based arrangements. Janet mentioned one of them, which is issues around people who have no current contact. That accounts for about a third of people, where the parent with care says they have no contact with their non-resident parent. That is a real issue, and if you look at the people with a successful private arrangement at the time the survey was done, virtually no-one had no contact with their non-resident parent. That might sound obvious because otherwise you would not have a private arrangement, but there was not an arrangement in place that meant they had no contact.
The only people who have arrangements in place where there is no contact are those people who have gone via the CSA. There would be issues about how that would be dealt with in the family-based arrangement system. That would be an example of ones where they might go through the charging system.

Q7 Glenda Jackson: But in those situations where there is contact, is there any evidence to show that that is always beneficial. I am simply looking at my own constituency caseload here, and I know where there is constant contact, and it is constant contact that is battling, so I am trying to dig out this.
Caroline Bryson: Certainly there are different types of contact, and I think there are some issues around whether contact is always a good thing; that is slightly outside of the evidence I can draw on today about the debates around whether contact with non-resident parents is always a positive thing. There are certainly cases around safety concerns and domestic violence where that is not the case, and I know that the Green Paper is aiming to deal with those in a slightly separate way that others will be able to draw on. There is a middle ground of situations where people have less than good relationships with their ex-partner that would make it difficult to have a family-based arrangement but would not necessarily mean that having good contact with the children and their non-resident parent is a bad thing. There is a big middle ground, and then you have people where, as you say, maybe equating contact with maintenance is not necessarily an appropriate thing.

Q8 Glenda Jackson: And also, where, not infrequently, the children are used as ammunition. If I could ask you, Janet—I hope you do not mind me calling you Janet—do you have any experience or evidence of where there is a voluntary situation that that endures longer and is more productive than those that go down the statutory intervention route?
Janet Allbeson: I think what Caroline was saying is that where relations are amicable between the parents and where there is a degree of trust, it can be where there has been involvement from solicitors so it has all been drawn up, very carefully thought out and the non-resident parent's full financial position has been explored and everyone is happy with it. In that sort of situation, those sorts of arrangements, where both parents are happy with it, it is financially viable and it is reasonably amicable, can last. You need a degree of amicability usually because a child maintenance arrangement has to last anything up to 15 or 16 years. There are always points when circumstances change—there might be another partner or other children—and those are the kind of tensions that can happen. You have to have a degree of flexibility to negotiate those things.
We know from research though that voluntary arrangements do tend to fade away. They are associated with younger children, and when children start to grow up a bit it becomes equally likely that you will have no arrangement, or, if you have an arrangement, it is likely to be with the CSA. There seems to be a fade off a few years after the original private agreement was made. I think that is one issue with this idea that, "Let's get all the support services together to get people to make a private agreement"; actually, in lots of cases just getting an agreement is not enough. It might need to be revisited.

Q9 Glenda Jackson: Okay. And to touch on the families that you referred to, the ones that are not families and it is accepted—where there has been no cohabitation, there is no contact and things like that—and where usually it is the mother who is raising the children, in my experience, they are sometimes extremely mistrustful of possibly what they regard as authority. Is that your experience? In your experience, who do those mothers trust most in a situation where they have no intention whatever of attempting to make any kind of contact or where it would be impossible?
Janet Allbeson: It is interesting. There is a group of parents who go to the CSA; they have made the decision that they want maintenance. It is quite interesting; there was a piece of research recently from the Child Maintenance and Enforcement Commission itself showing that most parents with care who go to the CSA are doing it as a last resort. That is partly because its reputation is so bad, so if you do not have to use it, you do not. Those are people

who have decided they need maintenance and have gone into the system to do it.

If you look at the people who do not use the CSA, six in 10 have no arrangement at all. Often that is a kind of deep hopelessness. I think Caroline's research showed that a proportion—just under 20%—say, "He won't pay," but they have not gone to the CSA. I think that is a level of giving up, where in some ways we want the Commission to flag up and say, "Do use us. We can really help you." Or the 30% who do not know where he is: we want the Commission to be out there saying, "Look, we can be really helpful to you," because actually this is all about children at the end of the day. Although ideally a family-based arrangement is fantastic, in terms of having a good child maintenance policy that is going to benefit all children, you also have to take account of the fact there are parents where a private arrangement clearly is not going to work, but those children still need supporting. They still have material needs that need to be met, and two parents are better than one in meeting that.

Q10 Glenda Jackson: On the issue though of where no claim has been made, where you refer to hopelessness—again, I am just referring to an admittedly small constituency casebook in this area—not infrequently it is said to me, "If I approach the authorities, someone will take my children away." In your experience, is it the voluntary sector? Would it be an organisation such as yours or the CAB[3], for instance, which, if that hopelessness could be tackled, would be the most direct route for those mothers to go through because they would trust that kind of advice?

Janet Allbeson: It is fantastic if that conversation can take place with parents, and for them to go through what their options are. Obviously, Gingerbread does that because people are approaching us maybe because they have debt problems or they generally cannot cope financially.

Glenda Jackson: Indeed.

Janet Allbeson: And you can point out to them what is out there and perhaps allay some of their fears about the CSA, but if you can make services in the community accessible and comfortable so they feel able to have that conversation, I think there is a service… We are not quite so opposed as Nick is to the CSA. I think the Government present it as being very adversarial, of poisoning relations between parents, but in a lot of cases it is doing an incredibly useful job in securing money for children in circumstances where parents cannot agree.

Q11 Stephen Lloyd: Can I ask Janet one question on something she said, if that is alright? I may have misheard. Did you say that, in your experience, six out of 10 of the families make no arrangement at all, and does that mean that they do not get any money and they just give up or that they receive some but it is not a formal arrangement? That was a very high figure.

Janet Allbeson: I was quoting, actually, Caroline's research, which is, if you are looking at the group who are not using the CSA, what are they doing? Obviously, a proportion of those are making private voluntary agreements. I think it is about two-fifths. No, sorry, three out of 10 people who do not use the Agency have a private voluntary arrangement, one in 10 has a court order, and the rest have no arrangement at all.

Q12 Stephen Lloyd: Thank you for that. Caroline—it is obviously your research—but do you think that means that six out of 10 are actually getting no money at all from their partner or they are getting some but it is ad hoc? Because that is a huge figure.

Caroline Bryson: That is just the ones who say they have an agreement in place, and that can be relatively hard to define. We did also ask people about informal arrangements and, to save me going through all the papers here and digging it out for you, I can get back to you on that, because there is, as you say, a breakdown. There is another proportion who have some kind of informal payments—arrangement is the wrong word; it may be reciprocal issues about looking after children or it may be that they buy the school uniform or give the children pocket money.

Glenda Jackson: Have them for the weekend.

Caroline Bryson: So, those kind of ad hoc things, but they are not regular arrangements that the parent with care would be able to rely on.

Janet Allbeson: I think the research does drill down a bit more into the 30% who do not know where he is. There are a variety of reasons why. It may be she does not think he is going to be able to pay, and that is one of the groups.

Q13 Stephen Lloyd: That is a very high figure.

Janet Allbeson: It is a very high figure, absolutely. From our point of view, there is a serious problem in this country of taking responsibility for maintenance and seeing both parents' responsibility for their children involving a financial element. That is one of the things that, obviously, the Conservative Government, which introduced the Child Support Agency, was hoping to address: that parents should not be able to turn their back on their children when they separate.

Nick Woodall: Can I just come in there? There are a couple of things. The first thing is I think we should be talking about private arrangements rather than voluntary arrangements, and I would absolutely concur with what Janet is saying there in terms of promoting financial responsibility after family separation. But I would challenge the idea that is coming forward that private arrangements are somehow less successful. The biggest study into child maintenance was conducted by Sir David Henshaw, who said, "Such arrangements tend to result in higher satisfaction and compliance, and allow individual circumstances to be reflected." This is not about private arrangements not working; he has identified that they work better.

I think the other thing is we need to be careful in the conversation that we are having that, actually, the statutory system is not being removed. The proposals are not saying that, and those parents who cannot make their own private arrangements will still be able to use the statutory scheme. It is simply about what

[3] Citizens Advice Bureau

Henshaw said, which was that we should make private arrangements more accessible and stop this statutory system being the default option.

Q14 Kate Green: Can I just come in on that? Do we know of the people who make private arrangements—I think, Caroline, you were saying something about the characteristics of those people, are they, to some degree, a self-selecting group?

Caroline Bryson: This is exactly the point. The evidence that we have is that there are associations between good quality contact, good quality relations and effective family-based arrangements or private arrangements. We cannot assume a causal link here. There is no evidence to suggest that having an effective private maintenance arrangement leads to good quality relationships and contact. There is no evidence of that. Conversely, the million-dollar question in all the research that has been done is trying to unpick that cause and effect, and there is no doubt of some element of it going both ways, but there is probably more evidence to suggest that those who have good quality relationships end up making effective private maintenance arrangements.

If you look, for instance, at the survey we did, there were two questions that asked about the relationship with the non-resident parent or the parent with care—the other parent. One was: "What was it like when you split up?" or "What was it like at the final point?" because some people had never been together, "and what is it like now?" Certainly, there was an association between those who said they were more amicable at the time of split-up and making private arrangements, so that would suggest to me that it is going in that direction, which is, I think, what you were asking, but I do not think we can say, from the evidence that we have got, that private arrangements lead to good quality contact.

Q15 Kate Green: I do not think Nick was quite saying that, were you, Nick? You were saying they were more likely to last.

Nick Woodall: Yes, and that they were able to be more flexible. What we have found is that—and this is not the case in all cases, and I think it is important to say that; we are talking about the breadth of experience that parents go through—if parents are helped to collaborate around issues such as child maintenance, then they feel a greater sense of ownership over them and they are able then to manage them over time and be flexible when children's needs change. What we quite often find is that children's needs change but parents cannot alter the arrangements they have, and that is the same in their parenting-time arrangements as it is with their financial arrangements.

Q16 Glenda Jackson: But you did just say when they are "helped" to make these private arrangements. Who assists them to make these private arrangements? Again, I am simply going on my anecdotal evidence of private arrangements that do not last.

Nick Woodall: Absolutely. What the Government is proposing is that something is brought in underneath to help parents to do that. So instead of parents being automatically directed down the statutory system, the Government appears to be saying, from the proposals it has put forward, "Let's look at what we can put in place to support parents who are capable of making private arrangements to do so, and we retain the statutory system for those parents who are unable or unwilling to do so," so it is the best of both worlds, we would say.

Q17 Glenda Jackson: Yes, but what I am trying to dig out here is this is a situation that already takes place, where private arrangements are reached, and you said people can be helped to reach these private arrangements. What I am asking you is: do you have evidence of who are most useful in bringing about these private arrangements? Is it solicitors? Is it other family members? Is it their own common sense?

Nick Woodall: It is a range of different people. I think it is to do with, quite often, a cultural thing. If people know other people who have made successful private arrangements, they are more likely to try that. I would welcome things such as the Child Maintenance Options service, which shows videos of people who have made successful arrangements. People at the point of separation are in chaos emotionally, find it very difficult to know what to do, feel that there is no way forward together; what they very often need there is to be supported and held. They need the kinds of interventions that bring them closer together rather than push them apart, and we would argue that any proposals that do that—anything that puts the brakes on people going down an adversarial route—should be welcomed.

Janet Allbeson: Just to come back on the fact that it has been voluntary to use the CSA since 2008, so people have all had a choice whether to make private arrangements or use the system. People have not been forced into the adversarial child support system; it has been a choice, or rather parents with care have been able to choose. I think voluntary arrangements, when Sir David Henshaw was looking at it, he was looking at the research. He did not do any original research himself. What the research shows is that voluntary arrangements, for those who do them, work well. Of course, you have to recognise that, if they do not work well, there is a standby option, which is you go to the CSA. The statistics are always going to look pretty good, because the group who do them are the group who get on and manage, and have usually been married or had a kind of long-term relationship, so they are more committed to their children. When that breaks down, that is when the CSA steps in and picks up the pieces, really.

Nick Woodall: I do not think you can draw that inference, Janet, from Henshaw's report. He says that it would help the child's welfare through increased compliance. This is not about looking simply at the group that already made them; he looked at the whole cohort of separated families and deduced that the private ones, where they worked, were better.

Q18 Kate Green: In your experience, Caroline, is that what your survey would bear out?

Caroline Bryson: The survey would bear out that, amongst the self-selected group, compliance levels are higher, but conversely you can say that compliance

levels are lower amongst the CSA group, so I do not know what that suggests if you took the CSA group and took them into family-based arrangements and what that would mean for compliance. There is not any evidence either way to suggest that.

Q19 Glenda Jackson: This is general—all of you chip in if you have a reply to this: what is your perception of how those families who have made private arrangements would react if they had to attend, say, some kind of mediation service, and what about those who have not made any kind of private arrangements? What would their reaction be to being told, "You have to go down this particular route?"

June Venters QC: Would it help if, as a trained mediator, I came in at this point? One of the things that I am hearing this afternoon is private arrangements, and I think we have to get very clear what we are talking about. If we are talking about private arrangements between parents, that is one thing, and I think we have to assess the parents that we are dealing with, their level of intellect, their level of vulnerability and so on and so forth. If we are talking about them being facilitated to come to a private arrangement within mediation, that is a professional service that the Government has recognised.

Basically, going back to what I just said, in all other family proceedings from 6 April there is a clear practice direction that now requires every person who wishes to issue an application to meet with a mediator, subject to exceptions. That mediator—and indeed I have been doing this very regularly since 6 April—will meet with that parent very often and will assess whether they are suitable for mediation. One of the myths that again, forgive me, I think I am hearing is that, if you have parents who are in conflict, an agreement just is not possible. If that was right, I can tell you we would not have mediation at all, because that is what mediation is often about: resolving conflict.

The way that I approach couples—and this is just my style but I know that, essentially, this is the overall way that mediators approach couples—is to try to empower the parents, which is what the Government wants to do and which is absolutely right, to take responsibility for their own children. What I say to them is simply this: "What we want to try to help you achieve may not be utopia but it will be something that we hope at the end you will be able to both live with. The alternative is"—and I am talking about something different to maintenance—"if you went through the adversarial system—for example, the court—you would come before a judge, who would have to assess your circumstances, your family and your children in a very limited time. They are human. They have criteria to apply but they do not always get it right. One thing is for sure: one of you will like the order and one of you probably will not."

That is the alternative. That is called a reality check. That is what I think I would like to bring this back to here: first of all, fully understanding what mediation is. It is not about couples walking in holding hands and having a cup of tea. Very often we have to caucus. We have to have them in separate rooms. Very often there is high conflict. Very often there is domestic violence. We have to do a domestic violence screen test, but it is not an impossibility to still have mediation.

Ultimately, what I am talking about and what I said at the beginning is it needs to have teeth. When we then have a mediation agreement, both of them sign up to that agreement, and you will find the Court of Appeal in recent decisions is making it more and more the case that, if people have entered into voluntary arrangements via mediation, where it is demonstrated that it was done without pressure or duress, then it will be ultimately reliable and, thus, enforceable. Therefore, a private arrangement has some teeth through mediation, and I totally agree with what has been said about the greater likelihood of private arrangements—be it under mediation or not—being more likely to succeed, simply because, if parents come to something that they can both live with, that has empowered both of them, then that has to be more likely to succeed in my experience.

This country, in respect of mediation, is changing. We will have research from 6 April, because people who are coming to mediators, the mediator has to sign them off. If they are not willing to mediate, they cannot be forced; it is still at the moment voluntary. That research should be available, and the judges in those cases will be questioning: "Why would you not go to mediation?" I think that that is an enormous step forward.

Dealing briefly with trust issues, in 2008 I set up the first information and mediation information clinic with a GP in Surrey. At the end of the day, there is no better person, I think, in the community than your GP for trusting. I would like to see more joined-up services working together where GPs refer families to organisations—to charity organisations, to voluntary organisations and to mediation—with a view to trying to help families make progress. That is, essentially, my position.

Q20 Glenda Jackson: That would be lovely. I can imagine what the GPs would be saying to that if we argued that they had to take on another responsibility there. Can I just—

June Venters QC: Can I say, no, on the contrary—forgive me. On the contrary. If you look on the Ministry of Justice website, you will see what the GPs have said. They have to deal with many, many members of their community who have stress-related ailments, which is taking time and money from the NHS. By being able to move them on to organisations that can assist them, they are freeing up the NHS for people who are actually ill.

Q21 Glenda Jackson: That would be great if it happened. Can I just take you back to what you were saying: that the court, via mediation and there is an agreement by both partners, that is enforceable. Who enforces it? In my experience—again, this is anecdotal; it is specific to my caseload—of where there have been agreements, the person who welshes on the deal is the parent who does not have the residential care. How would that non-resident parent be made to pay the money that they owe?

June Venters QC: I can only give you the example of the case law that has come through so far. That was not in relation to child maintenance, because we had the CSA; this was in relation to an ancillary relief divorce matter, where the husband reneged on an agreement, and Mr Justice Thorpe referred back to the mediation agreement and was satisfied it had been entered into perfectly properly, and thus upheld the terms of that agreement. I might be being slightly adventurous here, but I do not think it is outside the realms of possibility that that is a direction that mediation will go in generally.

Q22 Chair: Can I just explore that a bit? Again, anecdotally—MPs are the worst for taking things anecdotally from their own caseload—the fathers who come to me who are most aggrieved, it has not been about the CSA because the CSA has successfully enforced their payments. It has been because the courts have not successfully enforced their access rights. Isn't that kind of problem going to be exacerbated by the changes?

June Venters QC: I think that there have been enormous changes in the last 12 months with regard to the family law system in total, and the court has far more teeth now in relation to enforcement, including insisting that parents attend parenting classes, which, again, is extremely helpful.

Q23 Chair: I saw there was a reaction from both Janet and Caroline.

Janet Allbeson: I think mediation is fantastic if you can get both parents to turn up. With child maintenance, what you've got is a relationship where one parent is the parent who is paying maintenance and the other parent is the one who wants it. The paying parent essentially is in a much more powerful position as regards when it is paid, how much is paid and whether to pay it. In terms of entering into mediation about the money, there is no means at the moment to require the non-resident parent to turn up. When it comes to parenting information programmes, those are where they are locked into a battle about contact where the court orders compulsory attendance at a meeting to talk about parenting, and the pre-action protocol, which is what you were talking about, where again you have to show you have gone through a process of considering mediation. It is there because both parents are engaged in an issue about contact.

With child maintenance, it is slightly different in that, as it is going to apply under the new system, it is the parent with care, when she comes to use the CSA, who will be asked, "Have you taken reasonable steps to make a voluntary arrangement?" She is the one who is going to face the charge. There is no countervailing compulsion on the non-resident parent to engage in that mediation process, so that is the Achilles heel of mediation in this context.

I think the other problem is cost. The Commission itself points out on its website that, unless you are eligible for legal aid—in other words, you have gone through a solicitor—it costs about £100 a session and you will need between one and six sessions. The group who we are dealing with here, who currently use the CSA, are people who are either poor or on quite modest incomes. Really, unless the Government is prepared to fund mediation, it is just simply out of their reach. In a way, the challenge for the Government in coming up, quite rightly, with good projects that support parents to overcome their difficulties is how to do it on an effective, low-cost basis.

June Venters QC: Can I just fill in the detail on that? The situation with regard to legal aid and mediation is simply this: if couples are mediating in relation to finances that are in dispute—in other words, a divorcing couple and their main asset is their home; it may be worth £1 million—because that is in dispute, they are eligible for legal aid. What is necessary—and I am glad this has been raised, because it is a tweaking only of the existing regulations—is to recognise that child maintenance also involves finances being in dispute. If that is the case, then people would be entitled to legal aid for mediation without cost, just as they are for mediation in ancillary relief.

Q24 Kate Green: Will that continue to be the case after the legal aid reforms?

June Venters QC: Yes, because the Government is prompting and promoting mediation because it is a much more cost-effective alternative to couples going through the courts. Therefore, that is being promoted and there are no plans at this moment in time to reduce mediation at all.

The other thing to also explain is that, when couples do meet in mediation and when they do come to agreements, I do want to make it absolutely clear that there is a thorough process of going through financial disclosure. It is not just a case of sitting down and acknowledging what one wants or what one receives. I will not do anything unless I have all the documentary evidence, which couples bring to mediation.

Q25 Stephen Lloyd: That is a very significant intervention from June, so back to Janet for a bit. Would you dispute what June said or would you agree?

Janet Allbeson: June is dealing with the 10% of cases that go to court.

Q26 Stephen Lloyd: We are talking mediation, aren't we? It is not just what you are talking about.

June Venters QC: I am dealing with a large proportion of people who do not go to court, because they are coming through mediation.

Q27 Stephen Lloyd: They get legal aid around mediation for child maintenance, as you were saying. That is a very significant point.

Janet Allbeson: Just to say the things that June has talked about to do with having to go to mediation before you go to court, and being forced to go to mediation if you are in the middle of a contact dispute whilst you are in the process of court proceedings, those deal with the 10% who go to court.

Q28 Stephen Lloyd: Sorry, that is not my understanding. It may be me being dim here. My understanding of what June is saying is that, if I am going through a separation and it is around child

maintenance, as they often are, I do not have any money and my partner does not have any, I am going to need legal aid to go to mediation. Are you then saying, June, it is not about me going to court? I am going to need legal aid to see if we can find a mediated solution to our child maintenance.
June Venters QC: Yes, and they may not consult a lawyer at all. They may do; they may not. They may not go through the courts. If they have achieved an agreement, they will not go through the courts. People access mediators completely independently of lawyers and the courts as well.

Q29 Stephen Lloyd: So, I can get legal aid so long as I have full financial disclosure and I do not have half a million quid under the bed.
Janet Allbeson: There is a financial eligibility for legal aid. At the moment, it is not necessarily the case that both parties get legal aid for mediation. June was saying you would have to change the rules to allow that. Obviously, there is a cost involved in that, and I think you have got to recognise that child support covers a much wider range of families. It is not just married people; it is cohabiting people and people who have not necessarily lived together. They are people who are not necessarily all going to access legal aid to come to sort out the arrangement.

Q30 Chair: Can I be clear on what is being said here? If we have a family who may not be married and may not be cohabiting but are a low-income family, will they always have access to legal aid in order to access mediation, or will there be families who will not be able to get mediation because they simply cannot afford it?
June Venters QC: Yes—both. The situation is that it does not matter whether couples are married or co-habitees or civil partners. They can have mediation. In principle, anybody can have mediation. In relation to financial eligibility, it is absolutely right that they have to be eligible, but the point I am making is that, as things stand at the moment, if they are mediating a family case that involves, for example, ancillary relief—i.e. sorting out all their finances at the end of a relationship—then any capital they have is disregarded for the purposes of mediation and they qualify for legal aid, providing their income is not above a certain level. With child maintenance—which is why I said the rules would need to change—the same does not apply. If they had, for example, savings of £9,000, that would be taken into consideration, because it is not considered to be a matter in dispute and, therefore, they would have to fund it themselves.

Q31 Chair: Is there any indication that the Government is intending changing those rules?
June Venters QC: I have not asked them yet.

Q32 Chair: You talked earlier about tweaking them, I think you said.
Janet Allbeson: I should add that we deal with hundreds of calls every week to our helpline, and getting legal aid, increasingly the conditions are extremely tight. Any single parent who is working, even though she may be on just above the minimum wage, she is unlikely to qualify for legal aid. The criteria have been drawn tighter and tighter, and really it is a minority of parents who, these days, qualify for legal aid.
June Venters QC: That is absolutely right.
Janet Allbeson: Rather than sending you down a line of it being accessible to everyone—

Q33 Chair: I want to be clear: if mediation is the right way forward—and it seems as though almost everybody on the panel is saying mediation is preferable to anything else—will it be the case that that will not be a route open to low-income families because legal aid does not apply because of the dispute that they are involved in? Therefore they are going to be at a disadvantage to those who can either afford mediation or their dispute is of a nature that would qualify for legal aid.
Nick Woodall: Can I just come in? Sorry, Caroline. Very quickly, I think we have gone down quite a technical route here around legal aid. I think the broader point that June is making is that it is a mistake to think that parents who do not have good relationships cannot reach agreements between themselves if they are facilitated to do so. The Centre for Separated Families believes that, actually, the Child Maintenance Options face-to-face service could very effectively provide a conciliation service.

Q34 Chair: Will that be free?
Nick Woodall: That could be free. Those are already employed, working within the child maintenance system, and could be redirected to provide a conciliation service for parents to help them to do it.

Q35 Stephen Lloyd: Is there sufficient capacity?
Nick Woodall: That would depend, obviously, on the demand for it. I would also argue that the organisations that we represent can also offer some capacity within that area.

Q36 Chair: We have now got questions on charging. That is question one we have just finished!
Caroline Bryson: Could I just come in as a point of clarification—

Q37 Chair: Perhaps you might get a chance later because we do have some questions on the charges, so you might get a chance in your answer to do that.

Q38 Stephen Lloyd: Thank you for that, Chair. Sorry to push you on, but the next part is also very important. It is the whole questioning around the impact of the charges. The first one is for Caroline, please. What evidence is available on the likely impact of introducing charges for applications and the collection service, especially for lower-income families? I am saying "evidence".
Caroline Bryson: In terms of evidence, there is very little evidence about how people are going to react to the proposed changes on charging, and it is hard to predict with any accuracy what will happen. There is one useful piece of evidence from a survey that was done a few years ago, which was asking in the Henshaw period about what might have happened

then, which was around how likely they would be to pay for a calculation service—one of the things that we are now talking about charging for: the calculation of how much maintenance to pay. It asked people how likely they were to use it if it was free, and then if it was £50 or £100. That is where we have got some evidence about what people predict they would do.
That evidence says that there was pretty high demand for using the calculation service, particularly amongst low-income families, so there was clearly demand, but when you put in the idea that there might be a £50 charge, which I understand is now higher than the charge that we are talking about, the numbers of people who said they would pay that dropped substantially, and again, particularly amongst the lowest-income group. Demand dropped by about a half. Among people on benefits, it dropped even more. That gives you some evidence of the fact that people may be put off by the charging system. I do not think that that is robust evidence—you would need to do a proper impact study—but the evidence is that people would be affected by it.
One thing to note there is that NRPs, non-resident parents, were less likely to want to use the calculation service in the first place, and were equally likely to be put off by the charging system.

Q39 Stephen Lloyd: Carrying on from that and looking particularly at the minute at Janet and June, following what Caroline said, do you believe that some lower income families are likely to be deterred from seeking statutory support because of the cost of the application fee and, therefore, disadvantaged, or is the evidence just too imprecise?
June Venters QC: All I can tell you is that running a free advice clinic every Monday evening for the last three years from a GP surgery—and I am sure that Janet will probably say the same—I have so many people bursting into tears because they simply cannot get support. So many of them are living on the breadline, and they are just not going to be able to pay the charges. £50 perhaps to some of us in this room may be something we could pay, but I can assure you, to a lot of the people I represent, it is a mountain.

Q40 Stephen Lloyd: £25?
June Venters QC: I think that we have to be realistic. These people are living very, very much on the breadline and I do not think, frankly, that they are going to be able to achieve anything, but maybe I am in a minority—I do not know.
Janet Allbeson: We have been inundated with single parents contacting us to say how desperate they are about the fact that they will have to pay in the future to access the CSA. We have got to recognise that people are living on incredibly low incomes, where absolutely every penny counts. Money is already stretched—that is what they tell us—meeting household bills and paying for children's shoes, clothes, school trips and school meals. The point is that, when you look forward to when it is going to be introduced in 2012–2013, we know that prices are going up: gas prices, the other day, were predicted to rise by 15%; electricity prices; we have got the housing benefit cuts coming along.

Q41 Stephen Lloyd: We know all the list of those.
Janet Allbeson: That is the context with childcare costs going up as well. Child maintenance matters incredibly and every penny will count. Looking more objectively at the evidence that people cannot afford it, there are expenditure surveys of what different families spend on different items. £50 is what the lowest single parent households spend each week on housing costs or on food. £100 is what single parents in general spend over two weeks on food and drink. We are talking significant sums of money. What single parents say to us is that they just could not afford it.

Q42 Stephen Lloyd: That is very clear, thank you. Turning to Nick and Adrienne, do you agree with Janet and June and, broadly, Caroline's research, or not, and why not, or whatever?
Nick Woodall: I think the first thing to say is that the proposals are intended to disincentivise using the statutory system. That is the point of introducing charges. That was Henshaw's thinking. Yes, it will disincentivise to some degree, but the figures seem to suggest that, in the average lifetime of a child maintenance claim, it will be worth £16,000—I think that is the latest research. It seems that that upfront payment is a worthwhile investment in that longer term thing. What we would say at the Centre for Separated Families is that we feel that there is no provision within the current proposals and the current range of charges for lower income families who are not in receipt of benefits. There is a gap between the £20 upfront rising to £50 over time for parents on benefits, and the £100 that everybody else should pay. What we feel is that there should be a sliding scale from the lower end to take account of those lower-income families who may not be in receipt of benefits.
Adrienne Burgess: I would agree with that. We have no evidence. We really do not know whether it is going to disincentivise them, so it seems to me that whatever is brought in, that needs to be really well monitored so that we see what happens, with the potential flexibility to change that. I do understand that the state is saying they want to disincentivise the use of the service. It may not be something that we particularly want. I am very much in favour of a very powerful child support regime that is quite punitive and that actually pursues parents for maintenance. I think it is very important that that happens. But given that the whole thrust of the last several years is to try to disincentivise the use of the system, and we do not have the evidence to know what the breakpoints are where it will disincentivise the most vulnerable, all we can say is suck it and see.

Q43 Stephen Lloyd: My reading of both sides of the coin, so to speak, is profound anxiety that charging will put off an awful lot of single parents in low income, not—
Janet Allbeson: It may be that single parents who have no realistic prospect of reaching a voluntary arrangement will be put off, but—

Q44 Stephen Lloyd: No, I hear that, and you not necessarily disagreeing but more saying, "One, there is no real hard evidence of that; two, perhaps there needs to be sufficient flexibility with the DWP that, if it looks like that does happen, there needs to be a quick change or an adjustment." My own instinct: I see people exactly the same as yours there, and I know the individuals who I fear if I told them it was £50 or £25, but I do understand where you are coming from. As far as I am concerned, we have got both positions down as evidence, with the addendum that you are adding that, if it does look as if what you fear is happening, then the Government needs to move quite flexibly. I do not know if anyone else on the panel wants to ask a question.

Chair: I think we will move on because we are running out of time. We have some questions on the establishment of the gateway.

Q45 Teresa Pearce: Janet, you suggested, I think, that the voluntary sector operate the gateway on a local level.

Janet Allbeson: No.

Teresa Pearce: No? I thought you did.

Janet Allbeson: No.

Teresa Pearce: Okay. It says here that Gingerbread did.

Nick Woodall: The Centre for Separated Families has included some of that in our—

Q46 Teresa Pearce: Janet, you are off the hook. Nick, if it was operated on a local level, how could we have a consistency of policy? Do you think that would be an issue across the country?

Nick Woodall: Yes. I think there is a range of different things. There is the gateway and the support, and I think that we see the support element working at a local level, so that parents are coming to a range of services that are going to help them to deal with some of the issues that they are working around. I think that our main concern is—and always has been—that the voluntary sector, by and large, working with separated families, articulates particular parental-rights positions. Organisations have grown up to represent the experiences of mothers and have grown up to represent the experience of fathers. Our concern would be that it is difficult to work around the interests of children when you are also trying to maximise the individual rights of a particular group of parents. Therefore, we do not see a place within that for working from that rights-based perspective, and we would want to see a consistent, child-focused, family-based support system—a holistic family-support system that worked with that.

Our other issue would be that we feel that there is, embedded within the support systems, certainly within the third sector but in most of the statutory sector as well, the dynamic of parent with care/non-resident parent. These are unhelpful ways of working, because it already divides parents at the point of the separation. The number of seasoned professionals who I work with who work in the arena of family separation who believe that you become a non-resident parent by abandoning your family is actually astonishing; that people believe that non-resident parents are somehow bad and should be made to do something, they should be forced into doing things, and parents with care are somehow the victims, as it were, which seems to have replaced the feckless girl trying to get a council house stereotype.

We need to work with mums and dads, because that is how parents conceive of themselves when they separate. It is after they separate that they encounter different agencies, whether they are third sector or statutory sector, which then place them into particular pigeonholes and treat them in those particular ways. It is those divisions that widen out and make private arrangements more difficult, so we would want to see a level of consistency. Whether that was overseen by the Department for Work and Pensions or whether that was overseen by an ombudsman or a third-sector body would be up to the Government.

Q47 Teresa Pearce: Adrienne, I believe from your evidence—I have got it right this time—that you believe that separated parents need access to a wide range of support services, including help with housing, employment, tax and debt—that sort of thing. Do you think the proposed gateway is likely to encourage provision of that sort of holistic, all-round service?

Adrienne Burgess: I do not know exactly how it is going to operate, and I think that it is absolutely plain, and when the CSA in Australia did their research to find out why people did not pay they found all kinds of things, which were to do with their own health was poor, they slipped into unemployment, and so the Child Support Agency there, and the obdurate debtors, they actually went after them and thought, "How do we do this in the best way?" They stopped sending brown envelopes, they phoned them up, they took them out for a cup of coffee; they knew that the objective was to get the money out of them, but they knew that, for most of these people, there were barriers and they tried to address those barriers.

It seems to me that any support service, whether it is connected with the gateway or whether it is a whole raft of local services, has to be able to do that. They have to particularly be able to address men. This is a very interesting thing because most of the local services, with the exception, very much, of Nick's here, if you were expecting children's centres to talk to single parents or parents, yes, loads of children's centres are engaging with what they think of as single mothers all the time, but these are separated mothers, and there is a father. Generally, very early on, it is not that there are a third of children not seeing their fathers, or mothers who do not know where the father is in the first couple of years; that is absolutely not the case. It attenuates over time, so whatever services there are have to be really skilled in engaging the one who matters. The one who matters in child support is the payer. The payer is the person they need to be talking to, in whatever ways they do it, to address his reluctance, his needs, his anger—whatever it is—his poverty that is getting in the way.

I was very interested in looking at some work in Australia when they looked at the time spent on the telephone by the CSA people who answered the phone. They found that they were talking for ages on

the phone to the women. They felt more comfortable with the women. They could empathise. They could talk about their issues. The persons they needed to be engaging with were the men. However these services are configured and however the gateway works, its ability to engage with the payer is key.

Janet Allbeson: I agree very much with Adrienne. If you look at the gateway as proposed in the Welfare Reform Bill, there are real issues, because it is essentially a sort of preliminary step to the person who is considering making an application to the statutory system, and she—probably she—is going to be asked, "What reasonable steps have you taken to make a voluntary arrangement, to see whether it is possible or appropriate?" The gateway is actually a dialogue, mostly, with parents with care, and I think there are real problems about that, because the primary mover in a child maintenance set-up is about the non-resident parent and engaging with him and his attitudes. The gateway, mostly, will not do that.

Teresa Pearce: I think we have covered most of the other bits.

Chair: And I think that is quite a telling point. Can we move on to questions about the quality of the local support services?

Q48 Kate Green: Perhaps I can start with Nick, because you have said that you support the idea of local support services operating from a hub, under one roof and covering a holistic range of issues for separating families. Do you think that is realistic in the current spending climate, and who do you think should be leading and organising such hubs?

Nick Woodall: I think that we probably have not been too specific about being under one roof, and I think that is just one of a range of different ways of doing things. I think, in our submission to the Welfare Reform Bill, we talked about the Isle of Wight Separated Families, which is an affiliate of ours, and the way that they have worked as a local organisation. It has been set up by a private businesswoman who has got an interest in family separation, and what she has done is drawn together a range of different people—counsellors, mediators, local CAFCASS[4]—to work together. It has really been about drawing together existing experience and expertise within the surrounding area and bringing them together in a coordinated way. There has been no additional expense to anybody there; it has simply been about the coordination of and making available the pre-existing support services. I think that is a very useful model and it is very interesting to see how that has been done. It has been a very bottom-up rather than top-down way of working.

As I have said, I think the Centre for Separated Families has got those concerns about consistency of delivery. I also think that there has to be an acceptance that local services will necessarily be slightly different from each other, according to particular individual needs within a location.

Q49 Kate Green: You were describing there a mix of statutory and non-statutory services, so can I ask Caroline, from your research, if you have got any advice on whether separating parents have a preference for certain types of support or provision?

Caroline Bryson: Yes. I just wanted to make a general point, though, which is that, following on from what Nick said, I am involved in an evaluation at the moment, which is not reporting until August so it is bad timing, funded by the DfE, which is one of the 10 child poverty pilots. It is about support for separating families, and what they have done—the funding stopped at the end of March—is that basically they have tested about 10 different models of providing coordinated support, as you were saying, across, for example, GP-led or Relate-led. Coming out in the summer, if there is any capacity to wait, will be some real evidence about what models of support work for which types of parents.

That aside, drawing what I know from that project and from other projects at the moment, one of the key points is in terms of how to communicate: there is a real preference for face-to-face support, and you talked about the Options face to face service, which I know is very limited at the moment. There is a real issue there and I know that has budgetary issues. In terms of who people go to, as you have mentioned before it tends to be that they go into some of the stalwart organisations—people tend to go to the CAB, they go to the CSA and GPs—and then what you are finding in things like the child poverty pilots, which is more up-to-date than the other survey work, is the importance of children's centres and schools. Those are becoming a route that people seem to be going down as their primary contacts. Those are the main points really to bring out.

The other thing to bring out, from the evidence from the child poverty pilots, is how people go into those support systems for different things at different times, so the importance of having a network that can provide different support at different stages. For instance, if you go at the point of separation, you are talking about financial issues—the off-the-top, immediate issues. A few months down the line is where people are going in and asking about mediation, which may or may not be the right time. Later on down the line, it is those who have been separated for longer who start coming to these organisations for advice over contact. The importance that has come out of the work that I have done is around supporting parents across all stages rather than thinking about it at the point of separation.

June Venters QC: Can I just make one point? I know Glenda Jackson is not here now but she spoke about how she thought that GPs would be horrified at the thought of taking on greater responsibility. Certainly, that is not the reaction that I have had. What I can simply say is this: when you are looking at coordinating services and providing support to families, one of the big issues is trust, and that was one of the first things we spoke about. It does seem to me that, if meetings and services could be coordinated within an environment that is a trusted environment in the community, the GP is a trusted environment. The GP does not have to get involved. It is enabling their services, their building to be used. People come to that building, in my experience over the last three years, with a different frame of mind than they may

[4] Children and Family Court Advisory and Support Service

come with, for example, to a solicitor's office. I do think that that sort of psychology is important, because you want to enable couples to build on trust. In my view, the place where they meet is quite an important starting point.

Q50 Stephen Lloyd: I do take your point, and I would agree with you and my colleagues around the table. I do not always agree with Glenda, so to speak, but where I have some sympathy with Glenda is that, if I had a magic wand, I would do exactly what you are saying, but I can just imagine, if I got all the GPs together, even in my own constituency, let alone across the country, and said, "By the way, because people trust coming to you," which is broadly true, "we would also like to set up a system where we could have mediation and regular meetings there between warring parents," they would just go bonkers because they would think, "Oh my God, I am going to have another 30 meetings this week." But I do take your point and I think it is important.
June Venters QC: But they would not be involved in the meetings.

Q51 Stephen Lloyd: No, I realise. It is just even saying that to them in that scale. It is a very radical idea, but I think a very simple one and a good one, though I can imagine some anxiety from GPs. I would like to ask through the Chair: have you actually put that to the DWP and the Department of Health?
June Venters QC: No, but I had the Solicitor General and the legal aid minister come to the surgery in January, and their write-up is on the Ministry of Justice website, and they are supporting it. I have taken part in meetings with a view to looking at how… I am talking about extending it across the medical profession, including hospitals and so on. Ultimately, part of it—not all of it—is about gaining trust.
Adrienne Burgess: I know of a case where there is now a children's centre worker attached to a GP's surgery, with a specific purpose. The GP is picking up these families and they can then refer them. This person is equipped to then refer them on to other services and provide some counselling and so on. What is stunning is that the only people the GPs are referring to this children's centre worker are women with children. She never sees a man, yet we know that men go to their GPs with depression and, in family breakdown, they are often there. That is the place they go, but he is not even referring them and that is amazing. When I said to this children's centre worker, she said, "Why would I want to see them?"
Chair: Caroline or Janet?
Janet Allbeson: One of the child poverty pilots on co-ordinated support for separating parents, which involves a GP study, is in Glenda Jackson's constituency. I have met the people there. The staff of the health centre there are very enthusiastic about the project. There is a relationship of trust with the GP, and if he or she can refer them on to extra support services, it has remarkably high take-up. There are lots of examples of very good local services that people use. The question is whether we have got a sufficient national infrastructure with the DWP working alongside the Ministry of Justice and Department for Education. I think there is a common theme across Government about wanting to do more to support parental relationships and help separating parents. There needs to be much greater co-ordination between the initiatives that are going on to do with parents who they are trying to keep out of the courts and, obviously, those they want to keep out the CSA. Despite the definite proposals for charging for bringing in the new system from 2013, there is a patchy network of good local services, which have very fragile funding. As to the 10 child poverty pilots, the money expired in March.

Q52 Chair: I was going to ask about that. Are some of these under threat?
Janet Allbeson: Will there be financial support for Sure Start centres to be running these things, or GP surgeries, at a time when they are facing big budget changes? The statutory services that might support a national infrastructure are under threat. Under both the previous and present Governments, Gingerbread has been campaigning for better support services across the country that people can access. At the moment they can be hard to access and quite expensive. There are also issues about making them accessible to non-resident parents in particular.
Chair: We come, I promise, to the last section about improving collection.
Andrew Bingham: Do we have time?
Chair: Yes.

Q53 Andrew Bingham: I have a general question. Most of us have probably had issues like this in our case work—about the CSA's ineffectiveness in collecting maintenance payments over such a long time. What do you think are the reasons?
Stephen Lloyd: In one sentence.
Andrew Bingham: I did ask whether we had time for that question.
Nick Woodall: In one sentence, I would argue that historically a lot of the problems the CSA has faced is because people were forced into the system who did not need to be there. I think that the proposals that have come forward to keep more parents who do not need to use the statutory system out of it will free up the statutory system to be more effective, and I think that not carrying forward cases from the old to the new system will help in that.
Janet Allbeson: But enormous mistakes were made at the start about trying to unpick existing maintenance arrangements that people were very happy with and had agreed through the courts. There is a huge legacy of failure, but the CSA has improved over the last few years. It had an operational improvement programme. Arrears is the one area that still has quite a long way to go, but part of the problem is coping with this enormous legacy of arrears from the time when the system was really bad—when the IT was very badly failing, and it still is not very brilliant.
One of the other big reasons was there was a degree of over-optimism about the extent to which parents would happily pay. There was an idea that if you just asked them to pay they would. There are lessons to be learnt there about recognising that there is a section

of the non-resident parent population who do not want to pay maintenance. They think they have got other priorities and will not prioritise their children. If as a society we care about children there needs to be an accessible statutory system that helps people and enforces maintenance. Starting again with the new future system, hopefully some of those lessons will have been learnt and the emphasis will be put on ensuring as many payments as possible are up to date and intervention happens quickly to make payments happen, rather than waiting for years, letting arrears build up and coming in, after huge delays, to present an enormous bill to a non-resident parent who throws a complete wobbly. It is about keeping on top of the work and not letting arrears accumulate.

Q54 Andrew Bingham: I have a question for June. Do you think the CSA has been effective in the fair payment arrangements in using the courts?
June Venters: In fairness, I am probably not the best person to answer this. Family lawyers have hardly ever got involved in maintenance since the CSA came into being, but if you ask the question that you asked a moment ago, I would have summed it up with two words, let alone one sentence: inadequate teeth. I am not the best to answer this, but my own experience of the very few cases I have come across is that it is the resident parent who comes with the result of the CSA's inquiry and says, "This is just utter nonsense. I know he's got more money than this. He's pulled the wool over their eyes. Where can I go? What can I do?" At this very moment I have a case in which the mother died last week and the father has managed never to pay a penny in maintenance. He is a very wealthy man. It is a lack of proper inquiry and enforcement, but I deal with only a minority of cases.

Q55 Andrew Bingham: It is interesting. Anecdotal evidence has been referred to. I do not know about colleagues, but I tend to get case work where it is the opposite.
Chair: Very much maybe bookkeeping is—
Andrew Bingham: No. I get more cases where it is the opposite—where there are people who have not got money and are being asked to pay.
June Venters: Absolutely.

Q56 Stephen Lloyd: On the "teeth" bit—because, God knows, we all get so much CSA stuff—if we look at Caroline on the research side and Adrienne on the fathers' side, though of course I hasten to add it is not always the fathers who do not pay, is there anything with the new approach that you would like to see to be done that perhaps would give it more robust teeth that would make a difference?
Adrienne Burgess: I think that you have to do all the things like attachment of earnings and be based in the tax office so you can have all the systems talking to each other. I know it is hard to say that as a representative of the Fatherhood Institute, but I think no man is so unimportant that he must not pay child support.

Q57 Kate Green: Sorry to interrupt you, but I have something in response to that. I know that Oliver would ask this if he were here. We were told that the best way of making payment was that automatically your earnings or benefits would be attached. Are you saying that should be the default position?
Adrienne Burgess: Yes.

Q58 Stephen Lloyd: It would make it simpler.
Adrienne Burgess: I do think that. But I also think something else. Nick has raised the issue of describing "the parent with care" and "the non-resident parent". Everybody hates that.
Nick Woodall: I do not think they do hate it; I think people use that because it is a very handy way of describing a situation to fit a particular philosophy.
Adrienne Burgess: Many people do not like it; they recognise that it is alienating, very gender-divided and does not represent the truth of families. For many families you do not have just one parent with care and one non-resident parent; you have a lot going on there, but the truth of the matter is that that is the way the system works. I think the terms "parent with care" and "non-resident parent" are absolutely legitimate given the fact that one parent is the primary carer in the benefits and tax system, and the other is a non-parent. Every time a man goes to Jobcentre Plus, they do not know whether he is a parent or not; it is irrelevant to the way they treat him. If you think about what has happened in the last few years, in Australia they looked again at the child support formula. You have a horrible sense of unfairness within the whole system. A man who provides half the care of his child still has to pay his partner money, but both are sharing the care equally. What did they do in Australia? They worked out a way of adding up all her income and his income, including benefits, which does not happen here, as part of the whole picture, and then looked at who owed what to whom for time with the children. Normally, money goes from the father to the mother because he is earning more, so when you work that all out it happens, but it feels a lot fairer.
The other thing they did was keep the equivalent of child benefit in Australia going to one person; they did not split it, but as soon as the non-resident parent has care of the child for 14% of the time he becomes a family. He is seen as a family, just as she always is, and then he can get the passported benefits. If there are issues about child disability, for example, he will be able to access—which is not the case now—mobility support because he is a parent. I think there is a wonderful opportunity here to start to think and to set up something that starts to think about how we think about parents once they separate, so that we do not suddenly think that one is a non-parent except for paying and one who is a parent with care.
June Venters: In the last two years the family courts have definitely moved in that direction. I can tell you that it is now much more likely that a shared residence order would be granted to parents. That does not mean they have the children living with them 50% of the time. You can have a shared residence order with the children living with one parent for 75% and the other parent 25%, but the message is, "We are equal parents."
Adrienne Burgess: But the benefits system does not operate like that. HMRC said to us in one case,

"Listen, if there are two children, get them to give each parent a child benefit book and then they'll be okay." HMRC said off the record, "We understand it's totally unfair that one parent has the child benefit books and they get everything that accords to the parent with care and the other one is a non-parent. Listen, if they have got two children, each one can have the child benefit book." And that was unofficial.

Chair: Before we close the session, Caroline, you had a point on which you wanted clarification. Did it get clarified as we moved through? It did. Thank you very much for quite a lively session. Thank you very much for that, and we will be writing something in due course.

Examination of Witness

Witness: **Stephen Geraghty,** former Commissioner of the Child Maintenance and Enforcement Commission, gave evidence.

Q59 Chair: Welcome. I saw you sitting there through the whole session. We are only just over 10 minutes later than the time we suggested. We have fewer questions to you on your own. I thank you for coming along. I ask you to introduce yourself for the record.
Stephen Geraghty: I am Stephen Geraghty. Until quite recently I was the Child Maintenance Commissioner. Before that I was the chief executive of the much-maligned CSA. The Child Maintenance and Enforcement Commission is running the CSA; it runs the Options service, which came up a couple of times during the discussion—it might be worth just touching on some of those things—and is building a replacement system of child maintenance for which the Green Paper talks about the way forward.

Q60 Chair: Perhaps later I will ask you whether you are enjoying yourself now.
Stephen Geraghty: It has only been a week, and I have thought a lot about this meeting.

Q61 Karen Bradley: Thank you for coming. I want to start off by talking about the accuracy of the assessments and the child maintenance payments. I start off with the NAO's[5] recent announcement that it was unable to sign off the accounts of the Child Maintenance and Enforcement Commission. What were the reasons for the NAO finding that there were so many incorrect assessments of child maintenance payments?
Stephen Geraghty: To be precise, what they qualified, or gave an adverse opinion on, was one note to the client funds accounts. There is no question that the money collected has not been accounted for properly; it has been collected, accounted for and paid to the right people and so on. Right from the beginning of the Child Support Agency the account had been qualified for the same reason, namely that the underlying assessments are not always accurate. That qualification has been on the accounts for 13 years. The Commission did a different exercise and a lot more work with the NAO for the last two years after it inherited the debt from the CSA. Because of the work that was done on clarity it was decided that there now needed to be an adverse opinion on that note. Therefore, these are mistakes, lack of information or IT problems that go right back to 1993, based on the underlying balances. The current level of cash value accuracy is running about 97%. About 95% of cases are accurate to the penny, but the problem lies in the historic balances we have heard about—the £3.8 billion of arrears—which have been around for quite some time now.

Q62 Karen Bradley: Is it a qualification similar to that of the DWP's accounts?
Stephen Geraghty: Yes. The most common error that is made at the moment is on either the effective date—from which date a change should take effect—or the definition of earnings. Both are very complicated, and they are the most common things. Because they have built up over many years they are in the balances.

Q63 Karen Bradley: But you are saying that in recent years 97% of assessments have been correct?
Stephen Geraghty: Not quite. 97% of the assessment value is accurate. That is the cash value in aggregate. Some of those mistakes are too much and some too little. If you offset them you get very close to 100%, but that is adding together the overs and unders; and 95% of individual assessments are accurate to the penny.

Q64 Karen Bradley: Obviously, overs and unders cannot be netted off?
Stephen Geraghty: Absolutely; it would be quite wrong to do it.

Q65 Karen Bradley: For one person with an over there is an under somewhere else. Turning to CMEC's own estimates, in 2010 there was an estimate that total child maintenance arrears stood at £3.7 billion and only 13% of these outstanding payments were likely to be collectable. Is that right, and why is the percentage so low?
Stephen Geraghty: It is right. It is likely to be collected rather than likely to be collectable. What we are saying is that, given the current rate of progress and what we do with the resources we have currently, where accounts are paying something towards their arrears, and there is a reasonable expectation they will continue to do so, it would give you that number. We think about the same amount again is potentially collectable if there were a different application of resources and so on. If you look at the overall total, you have to ask whether the £3.8 billion is really due. If it is, should it be written off now, and then what is left? Probably about £1 billion is not really owed.

[5] National Audit Office

These were estimates made in the 1995–97 period first to try to frighten them into giving information so we could make an assessment. The approach then was to put in these very high estimates, which is what the tax office tends to do so people provide the information. Most of that is written back off. Quite a significant amount of money has already been paid direct to the parent with care. When we recently did a sample of 10,000 old cases, which were closed but were subject to arrears, over half the parents with care said either that they did not want the money or had already had it direct from the non-resident parent (NRP). That is about a third in total. Then there is money that should be written off because the NRP is dead, which is a significant amount; the parent with care does not want it for various reasons; and some further estimates made in the 1993–95 period. Together, those two get you to about one third. Of the two thirds left of the £2.6 billion, we think that about £1 billion is potentially collectable. Most of what is left is over 10 years old, which rules out court action. If you look at the performance of the CSA over the last three years the balance of arrears has not gone up at all—in fact it has gone down slightly—and £3.5 billion has changed hands. Therefore, what is left unpaid is aging. As we get to grips with it, people who thought they would not have to pay now have to pay, and it is very difficult to collect. If you were a commercial lender, anything that was 10 years old you would not even still have on your books. If you look at door-to-door credit people, like Provident and so on, they would expect to take an impairment charge of about a third as soon as something is lent rather than wait that long. Therefore, the ability of people to pay in the arrears books is also very low. We did a sample of 1,000 cases that we credit-scored with Experian, a big credit-scoring company. Of those cases, nine—less than 1%—would have got credit for the amount they owed us. The chances of collecting from people with that sort of credit quality and arrears that old are very small. The recent performance of the agency has been very strong. £3.5 billion changed hands and the arrears have not gone up, but the outstanding problems are the history—the things that happened between 1993 and 2005 when all these arrears really built up—and the cost of the system, which is what the reforms are about.

Q66 Karen Bradley: So, it would not be unfair to say that a full review and proper impairment against some of these figures would change the balance?
Stephen Geraghty: We do not have an ability to provide for it. This is a note to our accounts. This money is not owed to the CSA. This is small amounts of money, 60% of the arrears are under £1,000, owed to a million people. Of course, some of it is owed to the Secretary of State, but we do not have any ability to impair it. In Australia they do; they have a classification of "not economic to pursue", and it goes off the books until something happens, say the NRP gets some money, get a job or something, but we do not have that ability here. We have a primary power on the books to do selective write off, but it has not been commenced. Of course, the cost of looking at each of those cases will be pretty high, apart from those where people are dead and it is obvious it should be written off.

Q67 Karen Bradley: Turning to charging, I ask what I suppose is a provocative question. Do you think it is reasonable for the Government to introduce charging for a service that in the public perception has not yet demonstrated that it is able accurately to assess and collect child maintenance payments?
Stephen Geraghty: I am loath to make a comment on policy when I have only just ceased to be a senior civil servant, if that is okay. If the Government chooses to introduce the charge it is something that can be administered. Some of the comments the Committee received from other people are probably more relevant. Obviously, the reputation of the CSA has not moved with its performance. These are facts; I am not expressing an opinion here. The view of the previous Government was that charging would be introduced once the future system was in and was seen to be working. As I understand it, there is a six or nine-month period proposed by the current Government following the introduction of the new system to make sure it is bedded down before charges come in and we start to move the case load. If you do not mind, that is as far as I would like to go.

Q68 Kate Green: Do you think six to nine months is a realistic period for the changes that have been proposed?
Stephen Geraghty: Yes. The new IT system is largely built now; about 84% of the specification has been built, and the first bits are in test. We are still a year to 18 months away from bringing it in. By the time it goes live, unlike CS2 it will have had a series of tests that have gone on for well over a year. By the time you get to about three months after launch you will have done all the calculation and application work; you will have had the first payments due and processed some payments coming in; you will have had some missed payments. Has it triggered the right things? In six to nine months you should have gone through the full cycle of things in the system, apart from the complexity of moving existing cases, which will have been done. To an extent there will be linked cases where a new application comes in and the NRP already has a case, so I think that is enough to do it given that it has been properly tested before.

Q69 Chair: What happens, when we move into the new system, to the notional debt, which you said was probably not real debt anyway? Does it continue to follow the new agency, as with the old agencies, CSA1 and CSA2?
Stephen Geraghty: Again, that is something you might want to discuss when you see the Minister. The proposal was to have a residuary body, which handled the debt under the Henshaw proposal. Again, I am just reporting history. The Henshaw proposal was to have a clean break between the two systems, have a residuary body that cleaned up, tidied up, wrote off or whatever was necessary, or collected as much as it could, and we started again unencumbered and unpolluted by the problems of the old system, in the sense of the regime, the debt and the problems with

the data and IT that it sits on. I think that is still a sensible approach. As the consultation under the Green Paper proceeds I am sure those things will be discussed.

Q70 Chair: Is it the case that the CSA is still chasing debt from non-resident parents when the child is way beyond 18 and out of full-time education?
Stephen Geraghty: It is not something to which we devote a huge amount of resources at the moment, but if there is a case, yes, we do. It is theoretically possible that the individual could now be in his or her 30s, but if the parent with care is actively pursuing it and we can find something we will pursue that. The first thing we do is distribute money we have got in, which is not always as easy as it sounds because some non-resident parents have many cases and there are arrears to be recovered and so on. Then we process new applications because two thirds of people will pay once assessed without our having to enforce. Then we deal with changes of circumstances to keep the assessments as current as we can. People can pay if the assessment is right currently, but if they lost their jobs two years ago and did not tell anybody and the assessment is running they will not be able to pay it or if so we have not processed it. Then we go for recent breakdowns—the first time a payment is missed—because that is the most efficient place to collect. After that, we go for arrears in cases where there is still a child; and after that we work cases where the child is now grown up and so on. That is how we do it. Of course, we are managing within a budget all the time. We have about 10% of our people processing new claims; about 40% are involved in keeping the paying cases up to date. The rest are chasing arrears: about 15% are involved in recent arrears and the other 25% or so are chasing historic arrears.

Q71 Chair: But those proportions have changed in recent years, have they not?
Stephen Geraghty: Yes. If you go back to 2005, the biggest issue on people's minds was that there were 300,000 cases that had not been assessed, so we had a lot more people clearing that. We are now down to 15,000, which is a month and a bit's intake. There is a natural cycle of finding the father; getting him to agree that he is the father; getting an assessment done and so on. We have improved the performance from the front because that is the most effective way to do it. 60%-plus of people will pay once they get the assessment without enforcement, and then we gradually move through. It is only in the last few months that we have increased the number of people working on historic debt in closed cases to the level it is at now, because the compliance in current cases is now at the same sort of level as Australia and well ahead of America and ahead of New Zealand. We have deployed resources to where the problem is, working it from the front backwards. The issues remain: arrears; mistakes and data corruption and so on that happened in the earlier years; and the cost of the system, because we are running two IT systems with different rules and databases, and we have about 100,000 off-main-systems cases, too.

Q72 Harriett Baldwin: To pick up on the questions Kate Green asked about IT systems, obviously you are very familiar with our predecessor Committee's report on IT systems.
Stephen Geraghty: Yes.
Harriett Baldwin: I think I just heard you say that the IT system agreed with Tata Consultancy in 2009 is still 18 to 24 months away, so potentially it will run to 2013.
Stephen Geraghty: I think I said 18, not 24 months.
Harriett Baldwin: I think I heard 18 to 24.
Stephen Geraghty: The current thinking is that it will be in the autumn of 2012, which is 18 months away.

Q73 Harriett Baldwin: You think that the autumn of 2012 is when it will be introduced?
Stephen Geraghty: Yes, for new cases, and six to nine months later for the transfer of the existing cases and charging coming in. We signed the contract in March 2009, as you quite rightly say. We have done the specification. These are very big, complicated systems. We have defined about 10,000 different requirements. There are links to 19 other IT systems, the biggest ones being for the tax office to collect data; Jobcentre Plus; the Government's Customer Information System; the banking system; and other parts of government for enforcement and so on. It is not a system that you would do in a couple of years, it really is not.

Q74 Harriett Baldwin: I can see that it will be very complex. Will it be able to incorporate the changes that the Green Paper recommends?
Stephen Geraghty: It rather depends on how the consultation turns out. The specification was written between March 2009 when we signed it and the following couple of years. Given what the Green Paper sets out for the first phase, there are not big changes there. My heart was running cold on behalf of my successor as I listened to the panel. If we really do have to start assessing the income of the parent with care to decide how much to charge her, that is a doubling of the data that has to come in. You then face the question: is it her income on the day she first makes the claim, on the day she is supposed to pay, or is it the day that she eventually does pay that you take into account?

Q75 Harriett Baldwin: Let me spread the coldness from your heart into your entire bloodstream, and raise the point that Universal Credit will also link into the HMRC systems from 2013. Presumably, that would be one of the 19 systems that your system would need to work with.
Stephen Geraghty: That would be the 20th.

Q76 Harriett Baldwin: How flexible is this system?
Stephen Geraghty: That would be relatively straightforward. We are working with the Universal Credit team to ensure that. The Revenue does not know what you are earning now; it knows what you earned last year. That is the database that we are linking into; it is one of the 19.

Q77 Harriett Baldwin: It is more real time HMRC.

Stephen Geraghty: As the real time database is developed we will link into that, and it will just switch. Therefore, the data coming in will come from a different database and we will switch from one to the other on whatever date it goes live.
We had thought of that one, so it's okay.

Q78 Harriett Baldwin: I am relieved to hear that, because it probably makes my final question somewhat less important. What has CMEC learned from previous attempts to introduce new IT systems? How will the past problems be avoided this time?
Stephen Geraghty: Referring to the introduction of the new system last time, which was in 2003, you would not need to experience it to see where it was wrong. I will not rehash it because reports have been done on it. Virtually everything was wrong, including the fact that it went live with lots of known issues. People knew there would be problems because the time pressure on them built up to make it go live. We have completely re-engineered that system. We have negotiated most of the development cost back from the people who developed it and reinvested it in changing that system very radically. I can go into detail if you wish. We tested that for 18 months before it went live. The way we have run the system since means it now works. We have not done everything you could possibly want. The data problems are still there, which is why there are cases that must come off the system, but part of the engineering we did was to develop tests so that the system now tells us there is a problem with a case. We get most of them fixed and the ones that we do not we take off and run. We then address the issue that makes those things stick. Last time I was here we were getting about 3,000 incidents a week. That is now down to 1,100. Of those 1,100, 450 or so are linked to 22 problems, which we will now go on to fix. We could still put some of those back on the system. I do not know whether you have noticed, but the growth rate of clerical cases has fallen dramatically. In the worst quarter it was 11,000; by the last quarter it was 1,800, so we are improving.

Q79 Harriett Baldwin: Are clerical cases what we would call manual cases?
Stephen Geraghty: Yes. I try to remember to call them off-main-systems cases because they are supported by some small systems. We have a database, account sheets and so on.

Q80 Harriett Baldwin: They would be what we would think of as manual cases?
Stephen Geraghty: Yes; the ones that are dealt with largely in Bolton.

Q81 Chair: I always thought you had them on bits of paper.
Stephen Geraghty: They were at first, but we have developed it and now there are over 100,000 of them, and we have developed small systems.

Q82 Stephen Lloyd: When we are talking about those numbers, remind me how many come through a week, if about 1,100 go offline or are dealt with manually?
Stephen Geraghty: These are not new cases; this is out of the case load. This is something that will happen with the data flowing round the system that creates an incident. The intake of new cases is about 10,000 a month.

Q83 Stephen Lloyd: 10,000 a month?
Stephen Geraghty: Yes, but these are not new cases. Occasionally, a new case will stick, but this could happen at any time in the life of a case. If there is a problem with data that comes in from one of the other systems it sticks. At its peak we were getting 7,000 incidents a week. We have whittled away at the problems that that caused. I keep saying "we"; I should be saying "they".

Q84 Chair: You still have not really left.
Stephen Geraghty: No, I have not.

Q85 Chair: You seem to be getting to grips with the IT system and certainly things are a lot better than the first time you appeared before the Committee. Obviously, some of the problems are not connected to the IT system in terms of collection and getting non-resident payers to pay and whether CMEC uses the powers it now has. You can now say this because you have left. Does it have enough powers? Is it using the powers it has? What powers does it need to make it more effective and efficient?
Stephen Geraghty: Referring to the combination of the powers it has and the ones in the 2008 Act that are uncommenced—to remind you, they are curfew orders, passport disqualification and driving licence disqualification without having to go to court—it has a reasonably strong suite of powers given the legal framework. It is not as strong as the US; it is probably stronger than Australia. I do not think there are any new powers not on the statute book, whether commenced or not, that would make a big difference. My personal view is that commencement of the passport and driver's licence disqualification would be a real step forward. One of the very good powers that came in under the 2008 Act and has been commenced is deduction orders from bank accounts—an ability to freeze and then seize money in a bank account. That was an idea we borrowed with pride from the Americans. The reason it is much more useful to them than us is that they have a database run by the Federal Government into which the banks load their balances every night, whereas we have to find out where your account is and get to it before you find out that we have found out, as it were. We have done about 600 deductions so far, whereas it is quite a big thing in the US now. They have a database that holds insurance pay-outs, bank balances, unit trust holdings and so on, and they just run their arrears file against it. That is a matter of intelligence rather than an additional power, and that is why it does not work better than it does. Of the remaining powers, we touched on money being taken automatically from people's earnings. For about half the people in employment we do take it from earnings and the others tend to pay. We get 90% compliance from people who are in employment; we get 80% compliance where we take it straight from their earnings, because they tend to leave the job if

they are not going to pay; or they are working for their mother-in-law who does not enforce it. In one case, six times they phoenixed the company—closed the company—which invalidated the deduction of earnings order. They opened another one that we had to follow through. I think that power is very strong. Last year 1,000 people received prison sentences. 35 of them actually went to prison; the rest received suspended sentences and then they tended to pay to avoid going to prison. We have started commencement of the power to seize 800 houses. We have taken 20 so far; we have 12 left. We have sold eight of them. Again, most people pay once they realise that you are that serious. Therefore, proportionate to the amount owed and the resources available to try to keep the current performance going, I think we are now making reasonable use of them. We are talking about 56,000 or 57,000 new deduction from earnings orders last year, which takes it up to almost half the employed people who are in the system.

Q86 Kate Green: A long-standing problem is self-employed non-resident parents. Can you tell us what progress you have made with them?
Stephen Geraghty: For the self-employed, usually the problem is that the parent with care does not believe the income. The compliance rate for self-employed people—bear in mind that less than 10% of the book are self-employed—is about 70%, so it is lower. In round numbers, it is 90% for the employed and about 80% for those on benefit, because they move on and off so quickly that you get out of sync with them. It is about 70% for the self-employed. For the remaining 13%—nobody really knows what they do—it is very low indeed. Typically, these are people who have been on benefit and have gone off the Revenue or we do not know where they are but the assessment is still running. Therefore, we use deduction from bank accounts largely against them and tend to go quicker for assets, house seizures and so on, or for committal proceedings with them. We have got that compliance rate up. It is still more difficult because clearly you cannot order them to make a deduction from their own wages. You can do it, but they are unlikely to take any notice of it. We do regular deductions from bank accounts. We now have 300 running where we take money every month out of a bank account, and they are typically self-employed people. If it was an employee we would do it from earnings.

Q87 Kate Green: Do you share information with HMRC about reported offences?
Stephen Geraghty: Yes.

Q88 Kate Green: More accurately, do they share information with you?
Stephen Geraghty: Yes. If a self-employed person does not tell us what they earn, we get it from the Revenue.

Q89 Kate Green: But you would start by taking what the self-employed person told you as the figure?
Stephen Geraghty: Yes.

Q90 Chair: I remember that on one occasion when you appeared before the Committee it was said that the enforcement powers would always act as a deterrent. From what you are saying, once you have pursued one or two cases that has proven to be the case.
Stephen Geraghty: Yes. The fact that you are seen to follow through on some and they are in the spotlight has an effect on those people. 35 people went to prison out of 1,000 or so who were given a suspended sentence at some stage. Most of them pay because they realise that you are serious. Whether we get enough sympathetic publicity about what happens and people who are not in the spotlight themselves and are not threatened with action then think, "I need to do this; otherwise, I will be threatened with it", is I think another question. We try to put out these stories but they are not always taken up.

Q91 Chair: In terms of resources, all departments have been cut because of reductions across the public sector. Presumably, that applies to CMEC as well. Will it have the resources going forward into the new system?
Stephen Geraghty: I think that will depend on exactly what they are trying to deliver. CMEC has a budget that is adequate to deliver its plan for this year. It does not have a budget, although there is a plan, for the rest of the Spending Review period. It is not an allocated budget because the consultation is going on. The question that you were debating about the likely impact of charging on volumes will be a huge determinant of how many people you need.

Q92 Chair: Obviously, the Government is looking for a lot of this to be cost-neutral, so you have the initial charging and the deduction from the cash transfer in order to help pay for it. Are they at the right level?
Stephen Geraghty: Nobody really knows. I think your previous witnesses were absolutely right that there is no evidence to say exactly what the impact will be. I was once pricing manager for a large multinational's UK operation. I have priced various financial services products. All of the relationship issues that influence whether or not you have a private agreement get carried over into the propensity to comply, exactly the same things. We once built a risk score as to who would comply; things like the same surname, how long they lived together, how long it was since they saw their child and so on were quite big things in there. What is likely to happen is that the people who would comply will avoid the charges, either by not using the collection service or having a completely private agreement, and you will end up with a smaller but very work-intensive case load. Therefore, you will still end up with a lot of the costs and not so much of the charges. If it were a commercial proposition it would be quite a delicate operation to set the pricing so you would keep in the people who would comply and pay. You can make it cost-neutral, but it will be quite a difficult thing to do.

Q93 Chair: So, the cost per head could go up?

Stephen Geraghty: I would be amazed if it did not. At the moment, 20% or so of the book is maintenance direct, paid by one parent to the other. Once we have done the assessment and it is kept up to date it does not cost us anything. In Australia, more than half the book is maintenance direct, which contributes to their lower costs, and they have a much bigger case load to start with. If you look at why it costs us more for each pound that we transfer, there are a number of issues. One of them is the case load we have now. In Australia, 94% of separated parents use the CSA but more than half just get the calculation, because it is linked to a tax credit calculation, which is dependent on the statutory maintenance formula, and then it is assumed that they pay, whereas people come to us only as a last resort. Therefore, the case load in Australia is only a third smaller than ours but its population is 40 million less. Their cost per case is low. We are dealing with more difficult cases now. As you drive out the naturally compliant through charging then the overall cost may well fall but the cost per case and per pound moved will go up. That is not necessarily a bad thing. You are still saving taxpayers' money, but it just means you look worse in the league tables.

Q94 Chair: From what you have said, things have improved quite a bit. Had the position been as it is today when Henshaw did his report do you think we would be looking at the new style of CMEC?
Stephen Geraghty: CMEC as an organisation is a different question. You would be looking at a new regime and IT system, because the two problems we still have are, first, the historical problems in the book, which I have talked about. It is not the most recent stuff; it is the £3.8 billion from which you need a clean break. We still have two IT systems, plus the support to the clerical case load, and they still do not work as well as they should. We still have the policy issue. We are trying to deal with current net weekly income rather than collection and enforcement. In Australia and the US you get an annual assessment—in some states in the US it is a lifetime assessment by a court with an inflation factor built into it—and so the effort goes into collection and enforcement. Here, in theory, we have to recalculate it if you get different amounts of overtime, if people tell us. We have lot more focus on reassessment to keep the system up to date, which the new system will take away. I think that for reasons of policy efficiency, which is what I have just described, we would still be looking to have one system rather than three different sets processing it and to have a more modern IT system, which automates a lot more things that are currently done manually.

Q95 Chair: But some of the policy may be different.
Stephen Geraghty: Possibly.

Q96 Chair: I do not know whether my colleagues have any other questions. If not, thank you very much for coming along this afternoon. And on the word, "Possibly", we will leave it there. It is a pity I cannot tempt you to go a wee bit down the line to talk about the charging, because obviously that will be crucial to the success or otherwise of the new system. Thank you very much for coming this afternoon, especially as you no longer work for the organisation. It is doubly appreciated.
Stephen Geraghty: Emotionally, you can tell that I am still involved.
Chair: Thanks very much.

Wednesday 15 June 2011

Members present:

Dame Anne Begg (Chair)

Harriett Baldwin	Oliver Heald
Andrew Bingham	Glenda Jackson
Karen Bradley	Brandon Lewis
Kate Green	Teresa Pearce

Examination of Witnesses

Witnesses: **Maria Miller MP**, Minister for Disabled People, Department for Work and Pensions, **Dame Janet Paraskeva**, Chair, CMEC, and **Noel Shanahan**, Commissioner and CEO, CMEC, gave evidence.

Q97 Chair: Thanks very much, Minister, for coming along this morning. Sorry for keeping you waiting; we had rather a lot of work to get done, as we were just finishing off previous inquiries. Thanks very much for your patience and welcome this morning. Could you perhaps introduce your officials for the record, please?
Noel Shanahan: Noel Shanahan, Commissioner and Chief Executive of CMEC.
Dame Janet Paraskeva: I am Janet Paraskeva; I chair the CMEC Board.

Q98 Chair: Thanks very much. Just a very general question to begin, but I would appreciate quite a short answer because we have a lot of questions to get through this morning. What are the Government's main objectives for the child maintenance system? What is it that you are you hoping to achieve through the Green Paper proposals?
Maria Miller: First of all, can I thank you, Dame Anne, for the opportunity to come along today and talk to the Committee about the proposals of the Government? Can I also preface my remarks by thanking colleagues who have helped to prepare for this meeting and also, really importantly, the more than 8,000 staff we have, working day in, day out, to support all of those people who are within the child support system? They do a fantastic job with a flawed IT system, and they do it day in, day out. We are very thankful to them for that.
The main objective of the Government in terms of child maintenance is clearly set out in our consultation document. We are very much building on the recommendations that were put forward by Henshaw in 2006, and adding to that even further by making sure that our future approach to child maintenance is put very much in the context of the realities of family life when families are separating. We want to drive parental responsibility, and we know that the most important way that we can help to do that is to help parents with their relationships after breakdown, and help them to come to good agreements about the future of their parenting, including child maintenance, as soon as possible after breakdown. That is something that does not happen at the moment.
We really want to make sure that child maintenance plays its part in improving the life chances of children in the broadest respect and to strengthen family life, and the Committee needs to really consider that we still have a system that is failing more than half of children living in separated families. That is not just a lack of joined-up family support services; it is that we have a flawed IT system. We can go into that in more detail. The Government is continuing to invest in improving the statutory system, as well as looking at ways of improving the non-statutory support that we can give to families. You will of course know that we are still considering the responses to the consultation. Perhaps members of the Committee can bear that in mind when I respond to their questions today.

Q99 Chair: Before you move on, what is the time scale for you publishing the results of the consultation? Do you have a date in mind? That would be useful for us, so we can get our report out before that.
Maria Miller: The consultation closed in April, and it is our intention to issue a response in the summer.

Q100 Chair: That is a Government "summer".
Maria Miller: Sorry, to be more helpful, I would hope before the recess.

Q101 Chair: Before the recess, but not much before the recess.
Maria Miller: We had around 700 responses, which is quite a good weight of responses, so I want to make sure that we have had the time to consider that in some detail. That is why it will probably be before the recess.

Q102 Chair: We are looking into July, but before the House rises for the summer.
Maria Miller: Yes.

Q103 Chair: A lot of the setting up of CMEC and everything had already been covered by legislation passed by the last Government, so why the Green Paper? Why was it necessary?
Maria Miller: I wanted to set out clearly what our vision is for child maintenance in this country. We really are moving forward in an important way to ensure that we put child maintenance into that broader context of the reality of family life when families break down. At the moment, when I go along to the Options service and listen to some of the conversations that people have when they approach us, you can see that, in talking solely about child maintenance, which is what Options really has to do, we are missing ways of supporting families more

broadly. The consultation paper sets out exactly how we might do that broader level of support. Within the Welfare Reform Bill that we are currently considering in the House, there are also three different legislative issues that we need to tackle to ensure we have the right tools in place to provide the sort of support that we want to have in the future. I really, Dame Anne, wanted to give the third sector and charitable organisations that are the experts in family support the opportunity to give us the benefit of their wisdom, as we move forward with what I think will be a more effective scheme in the future.

Q104 Chair: The way that CMEC is envisaged operating will be much cheaper, because it will be a lot less bureaucratic than the previous CSA. To what extent was that a consideration of the Government—that the Government could realise quite extensive cost savings by doing it this way?

Maria Miller: As Stephen Geraghty said when he gave evidence, it is highly probable that, as we move forward, the cost of cases could increase, not decrease, because of the nature of the cases that will remain within the system. This is not about cost-cutting; this is about a principled reform that will give families support that better reflects their needs. Obviously CMEC, as with every part of DWP, is under financial pressure; we live in very difficult economic times. I can absolutely stress to the Committee that what is driving our approach here, first and foremost, is continuing to build on the recommendations of Henshaw, back in 2006, and indeed the legislative programme that the previous Administration put in place, and really making sure that we view child maintenance in the round—something that I think has been the missing link in child maintenance in the past.

Q105 Chair: The whole point of child maintenance is to make sure that children get more money. I cannot remember in which country it is actually called Cash for Kids. It is about making sure that the children get the money. There is no evidence to suggest that the family-based arrangements that you are moving to are any more effective than the previous child maintenance under the CSA. Why is it then that the Government is going down an untried route that may, ultimately, not get any more money to the children or actually get less money to children?

Maria Miller: As I said when I started my remarks, we have to remember that, at the moment, only 50% of children who live in separated families have effective financial arrangements in place. We are not dealing with a very perfect situation at all; we are dealing with a very imperfect situation. There is also very firm evidence that shows that many people who are within the statutory system are not satisfied with the system. I do not think we should start from the premise that says, "We are in a good place; why are we changing it?" Far from it.

Our objective is very clear: we want more children to receive sustained financial support, in a way that they are not getting at the moment, both within a statutory system and outside of a statutory system. At the moment, the lack of support for separating families is giving us two real considerable problems. This is at the nub of what we are trying to deal with—that many families simply decide not to put an arrangement in place at all, because they feel that they do not have a level of trust in the statutory system, they cannot access the right support to get an arrangement in place or they see that they have very little option other than to go into the statutory system. There is very little support there for them to try to come to their own arrangements. Why is it good for families to come to their arrangements? It is because we are encouraging parents to take responsibility and to work collaboratively. We know that that is in the long-term best interests of the children. We should always go back to that, every step of the way. Families that have learned how to work together and collaboratively are more likely to be able to parent together in the round, as well as come to sustained financial arrangements.

Chair: We are going to have more questions on that, as we go through.

Q106 Brandon Lewis: You have partly just answered the first part of my question, but there seems to be some evidence that does show that higher-income families find it easier to come to family-based agreements. In areas for example like Great Yarmouth, my constituency, I have some very deprived areas. People come to see me who have other halves who are self-employed, claiming they have no income even if they have. They do not have any faith in that ability to get an arrangement. For people in that position, how do we deal with the perception—if it is perception—that there is some protection for them in terms of getting a non-statutory arrangement to work, be effective and be deliverable?

Maria Miller: The research that we have done would suggest that income level is not really the main determinant as to whether or not somebody can come to a collaborative arrangement, although you are absolutely right that at the moment the figures show that people on lower incomes are less likely to come to a collaborative arrangement, and therefore more likely to have to rely on the state to provide that support. Going back to what I said earlier, the two factors that are at play in terms of determining whether a family can come to a really successful arrangement themselves are common sense; it is the relationship between those two parents, and also whether they have sought that support early on after breakdown. Too often, people leave it for many years before they even approach the Child Support Agency. If we are able to tackle both of those issues—early intervention and real relationship support—then whether individuals are on high or low income, they should have the same opportunities to be able to come to more collaborative arrangements.

While I do not have research to back this up, I would perhaps suggest that one of the reasons low-income families are not making collaborative arrangements, at the moment, as much as higher-income families, is perhaps that they do not have as ready access to that type of support. I know from the extensive meetings and workings that I am having with family support groups, like the Centre for Separated Families or One Plus One, that they are very enthusiastic about our proposals, because they see this as an opportunity to

bring together their expertise and make it more readily available to all families, including low-income families. In fact, giving people the opportunity to come to their own family-based arrangements should be as readily available to low-income families as high-income families, because it is better for the outcomes of children.

Q107 Brandon Lewis: I agree with that. That leads me to another question, and this was raised to me in some meetings I had with legal representatives in my constituency a couple of months ago. They raised the issue around the fact that mediation can be expensive. How do low-income families access that? If we are looking at the kind of structure that you have just outlined, which I think could be successful, how do we ensure that some of these hard-to-reach families, not just low-income, will actually have knowledge of that, access to it, and an ability to understand it is there and how it can work for them, so we actually bring that together? Rather than it just being available, it needs to be used and effective.

Maria Miller: Just for clarification, "mediation" is a word that lawyers use, and it means something different to lawyers than to everybody else. It is a more technical form of intervention for families that are breaking down. When I am talking about family support, I am not really talking about what lawyers would call mediation; I am talking about relationship support, like the sort of support that Relate might offer to individuals, or therapeutic justice, which is something that I know the Centre for Separated Families feel is an important part of how we manage people through family breakdowns to successful outcomes for their children. I am not particularly talking about mediation.

However, I will say that I am working very closely with my colleagues in the Ministry of Justice, who are looking at how mediation can be used more effectively to keep families out of the court system. One of the differences in the approach that we are taking on child support is that we are working incredibly closely with MoJ and the Department for Education because, as with all things in Government, it is never within the remit of one Ministry to get the right results for families or for any individuals. MoJ is working very hard at the moment, as you will no doubt know, on the Family Justice Review, looking at how we can make mediation more readily available. We will work hand in glove with them on that to make sure that our recommendations are consistent with theirs, but also with DfE in terms of the relationship support.

In terms of making sure that individuals do have ready access to the support, it will be about working with the experts out there in the field at the moment. We know that there is an army of expert organisations that all individually do fantastic work in supporting families, but all too often it is happenstance as to whether those families ever find out about the services that are on offer. That is the change I want to make, and that is where I think the Government can play a role in making that more accessible.

Q108 Brandon Lewis: Have you got any specific ideas about how to achieve that to bridge that particular issue?

Maria Miller: I am very fortunate that many of the organisations that, day in, day out, support separated families have looked at our recommendations and are very excited about what we are talking about. They are already working together and have, I understand, formed an informal consortium for how this sort of support might be delivered in the future. I see the Government as being a facilitator. I do not see us as providing services that are already provided much more expertly by other organisations, some of which I have mentioned. It is to provide them with a way of coming together.

If you are familiar with the Options service, which we already provide as part of the child support offering from the statutory system, we already have as a Government some expertise in how to talk to families and help them to facilitate their own agreements. Now around 100,000 families come to family-based arrangements through the support of Options, but it really only deals with the finance bit. All the evidence would suggest that you need to put child maintenance into that broader perspective if you are really going to be successful for the future, and that is what organisations like Relate, the Centre for Separated Families, One Plus One and a whole host of other organisations can bring to the table.

Q109 Karen Bradley: Minister, one of the things we have seen in evidence that we taken on other inquiries, both internationally and in evidence we have taken on this inquiry here, is a feeling that direct payment—from payroll direct to the parent with care from the other, non-resident parent—seems to be a very successful way to ensure that the money is transferred as cheaply as possible. I just wonder if you could tell the Committee about any thinking you have done in that area and any responses you have received on that.

Maria Miller: You are talking about deduction of earnings.

Noel Shanahan: I can perhaps give some feedback on that. Deduction of earnings was introduced a few years ago, and it has been very successful. We have over 140,000 families where that works in approximately 80% of cases and the money flows through, straight from the earnings, straight through to the parent with care, straight through to the children. It has been very effective, is effective and shows high compliance. That is one of the areas where we would work with customers who come through to us who want to work on the statutory scheme. That is an option we have; we can work with them to put deduction from earnings orders in place. In fact, some non-resident parents actually request that; they see it as a way that works for them as well.

Q110 Karen Bradley: It is there as a voluntary arrangement almost for the parents, is it? It is not something you would compel.

Noel Shanahan: It is part of our enforcement tools. We have a range of enforcement tools, and the one that we use most and is most effective is deduction from earnings. That does work; it works well and is

part of what we will put in place if we find that the non-resident parent is not complying and paying for their children. We will put that in place via their employer. My comment would be that some non-resident parents ask for it. It works for them.

Q111 Karen Bradley: It is not something you have considered being adopted across the board.
Noel Shanahan: It is something we use as an enforcement tool, because we have a great range of parents with care who have a facility whereby now we make sure that, between the parents, we have a direct payment that goes through Maintenance Direct, we call it. It goes through from the non-resident parent to the parent with care. There are a number of options that we can work with parents to put those procedures in place, so that we can get that money flowing through to the children.
Maria Miller: On a policy level, it would not really fit with our strategy of promoting responsibility for it to be an immediate default that an individual's salary is deducted at source. Firstly, it is a burden on employers and, secondly, it really does not send the right message, which is that parents should take that responsibility themselves. I can understand why it might be an attractive potential fix to ensure more compliance, but at the heart of our recommendations here is how we drive parental responsibility. As I said at the beginning, still we have 50% of children not in receipt of financial support. We have to drive that culture change and that really is at the heart of our proposals.

Q112 Oliver Heald: Just following up on this point, of course it is vitally important that the parent who does not have care buys into the package. I think the idea of family-based arrangements is excellent. It is not calling it mediation but that sort of approach is long overdue and very welcome. Just on this point about ensuring payment on a regular basis, at the moment it is seen as a punishment of the non-resident parent. Why can't it simply be the norm? It is the main concern that parents with care have—the regularity of payment. If they do not get the money one week, it can be a disaster for the parent with care. Providing that the parent who does not have care has bought into the package, he or she has been consulted and they have had a proper mediation/support arrangement, why not just make this the norm, so that you absolutely guarantee that this payment comes through?
Maria Miller: I can understand the attractiveness of that as a way of, as you say, giving that certainty but, first and foremost, we have to look at a way that is really going to do more than simply get the money flowing. Our very strong evidence would be that this is part of a package of helping parents to parent together apart. Whether it is the finance, understanding the holiday arrangements or understanding where the child is living for how many days a week, this is part of a much broader package that parents need to work together on. I think that by simply saying, "You can have that deducted from your pay packet; you do not have to think about it," is missing the opportunity to drive that parental responsibility, post separation, which at the moment is simply lacking.

Q113 Oliver Heald: I do not think the two are exclusive. If you think about it, it is a great idea to have what you are proposing—support, discussion, looking at the whole picture on family breakdown—excellent. But just ensuring the money gets through can be part of it, can't it? Why should that be an alternative? It is actually just a sensible way of ensuring that this absolute curse for parents with care, which has been with us for so many years, is sorted out.
Maria Miller: Within our proposals, there are a range of ways that parents can make sure that that money flows regularly and in the way that it should, whether that is through making their own agreements or by using Maintenance Direct, where you can set up a standing order or direct debit from your bank account each month, with zero charges and no collection charges involved. You can do that as a way of ensuring that goes through, or you can opt into the statutory system and have the Government intervene and make sure that those payments are made as well. I do not think it is difficult to get that regularity. There is not really a necessity to use deductions of earnings as the only way to do that. That feels like a very heavy-handed approach, which is not really consistent with what we are trying to do, which is drive responsibility.

Q114 Oliver Heald: I must not trespass too much on your good will. My final point on this is, if you think about what we allow check-off for, we allow check-off from your pay for union dues and pension contributions. I would say that getting the maintenance through on a regular basis is more important than those. If we can have check-off for them, why can't we have check-off for this?
Maria Miller: Indeed, it will be available for people who do not do what they are supposed to do. There are costs associated with taking that route, not just for the employer but for the Agency as well. We would have that as a route for those who had failed to live up to their responsibilities as parents. It would be there. I just think our point of difference is that, rather than having it as the default option, which is not where we are strategically, we would have it there for people who simply were not living up to their expectations. At the heart of what we are talking about is how we drive parental responsibility. Simply having a default option that you do not have to think about misses the point somewhat. Did the Agency want to add anything in terms of the costs of taking that approach?
Noel Shanahan: When we go through Maintenance Direct, as an example on that, clearly there is always the opportunity that, if those funds then stop coming through, there are the enforcement costs that we will incur. There is ongoing administration and changes of circumstances, so there is an overhead to each of these options. Each of these options is part of our enforcement bag; they do carry costs and we have personnel that have to deal with them inside, day in, day out. Whenever there is a change of address or change of circumstances, that is an overhead and that

is a cost, whereas if parents made their own arrangement, perhaps through direct debit from one to the other, clearly that has no cost to the Agency.

Q115 Glenda Jackson: I would like to ask a question of Mr Shanahan, and then I would like to ask a question of the Minister. You said that there are already powers in existence whereby money can be taken directly from wages or salary. How does that work when the individual claims to be self-employed?
Noel Shanahan: It doesn't. When the individual claims to be self-employed and we find that the non-resident parent is not paying for their children, we have a range of enforcement tools that we would use, because it bypasses direct deductions from earnings. We have things we have used in the past such as bailiffs we would send out to seize assets. We used those 10,000 times through last year. It would force all the way through to, for example, house sales as well. Last year, over £2 million was brought through from forcing house sales. Where we have individuals who are not living up to their responsibilities and paying for their children, if they are self-employed and not working with the parent with care, we have a different range of enforcement tools, but they do address people who are self-employed who are not paying for their children.

Q116 Glenda Jackson: Thank you for that. Minister, you seem to have an image of what constitutes a family that does not match with many of the children within my constituency who I know are in a situation where their father is not maintaining them. Not every child or children that I know, for whom almost invariably the father is failing to accept their responsibility, has been raised for example in a married situation, in a house where they have lived for a considerable period of time, where the central breakdown of the relationship has come out of the blue. It seems to me to be a rather rosy picture of family that you are talking about, and the realities of families as I know them do not meet that model. That is the first question.
The other question essentially is this. Surely we are losing sight of what all of this is about if the Government is continually going to try to spread its wings and become marriage counsellors. That is not what this is about, surely. The basic issue here is that parents have responsibility to their children, full stop. If they are not willing to enter into exercising that responsibility on one of the most basic levels of all, which is regular payment to the caring parent, then there should be some means by which we could say as a society, "We would like you to brighter, we would like to be able to learn your responsibilities more effectively, but, if you cannot, we are going to take steps to ensure that the children do not suffer." In concert with my colleagues, it seems to me the easiest and most productive way of removing that particular bar to continuing disagreements between parents is to ensure that, once the amount of that money has been decided, it is taken from source. Can you dig the question out of that?
Maria Miller: Dealing with your first question first, you make a very important point: we have in this country a broad spectrum of family types, but it is important for the Committee to know that the average family type, if you can have such a thing, for the Child Support Agency, is a family that has been together in a long-term relationship, whether that is married or not. In many respects, they are still in contact with each other and many can even do things like discuss finances.

Q117 Glenda Jackson: I said, with respect, Minister, that not all broken relationships apply to the Child Support Agency.
Maria Miller: Absolutely, so what I am trying to set out is that one should not ever characterise those who use the Child Support Agency as being all of a certain type. There is a broad range of families. Most families fall into the type of having had a long-term relationship. Perhaps that is why 50% of families within the system are saying, "With the right support, we could make our own arrangements." However, you rightly say that there are many other sorts of families who perhaps have enjoyed far less robust relationships with each other and maybe no relations at all. The Government takes that very seriously, and that is why we continue to pay full benefits to families, whether or not they are in receipt of child maintenance. We will continue to make sure that the child maintenance statutory scheme is heavily subsidised, and the proposals we are putting forward still maintain a very heavy subsidy and in no way reflect the full cost of providing support to families.
However, to say that we should not try to recognise that some of those families in the system could make their own arrangements is missing a real opportunity. Even those who perhaps have had less long-term relationships, with the right support—again, there is evidence from other countries—families perhaps could, even in the most difficult of circumstances, still work together in the best interests of their children. Why is that important? We know that too many non-resident parents lose contact with their children, and that child maintenance and good relations between families can have a really important role in helping keep children in touch with both of their parents. I would be surprised if there was a member of the Committee who did not think that was important in most cases. There will be of course some exceptions.

Q118 Glenda Jackson: You have found one in me. I know many cases where the last thing that should happen to the child in this situation is that they should be in any kind of contact with their male parent.
Maria Miller: Those who look at these things in a great deal of detail would suggest that is a very atypical situation. For the vast majority of children, having contact with both parents is important. The missing element in the approach to child maintenance in the past has been simply looking at the money in isolation, which really comes down to your second question, which is: are you not just trying to be glorified marriage counsellors? Sorry, I am paraphrasing your question somewhat. Again, I would say that the weakness in the system in the past has been looking at the finance in isolation, and simply

saying what we are about is trying to move money from a non-resident parent to a resident parent, without really understanding the dynamics of that relationship and how we can help that happen more successfully.

We have done quite an important piece of research looking at the things that are most likely to promote positive financial support for children. I think I referred to it earlier; we see that good relations between the parents and early intervention—not letting things drift after breakdown—to get financial arrangements sorted out are both quite important parts of getting a positive financial arrangement in place for children in the long term.

Q119 Chair: I think we get the idea, Minister. I think you have said that. Thanks very much; we need to move on. Very quickly before we move off this section, in reply to Brandon Lewis, you said that your definition of mediation was not a lawyer's definition of mediation; it was more of a relationship. There will be times when the relationship is difficult and so the more formal mediation will be required. Will families be able to access legal aid for that kind of mediation?

Maria Miller: Obviously legal aid is not something that is within our Department; it is dealt with by the Ministry of Justice. You will know that they are currently looking at all of these issues, in terms of the Family Justice Review. What I can say to the Committee is that I am working very closely with my colleagues in the Ministry of Justice to make sure that there is really strong read-across here, because we do need to make sure that we look at it from a family perspective, and families do not think of themselves as Department for Work and Pensions, the Ministry of Justice or DfE. They see the Government as offering them a range of support and help. I would not want to comment on issues around that.

Q120 Chair: Are you in a position to make representations to the Ministry of Justice around these kinds of issues? Obviously it does affect how your Department is able to do its job.

Maria Miller: I am not sure that legal aid to claim maintenance is a necessity. If it is, then we have probably failed to do our job, which is to try to make it straightforward to have access to maintenance. What we are trying to do, in both the non-statutory part of our proposals and also the statutory part, is to make it much more straightforward for people to be able to get the right support to come to arrangements, whether that is outside of the system or within the system.

Q121 Chair: It comes back to Brandon's original point, which was that families who are better off, who are able to pay for that kind of advice or indeed get a proper legal settlement, are more likely to be successful under the new system than poorer families who cannot access that advice. If they are not going to get legal aid, they certainly will not be able to access that payment advice and help.

Maria Miller: The issue around access to advice for low-income families is an important one, and it is something that we will be looking at closely as we pull together and formalise what sort of support will be there for families. What we found in the initial discussions that we have had on this with those third-sector organisations that provide that sort of advice is that they already have, in many cases, ways of supporting people from low-income families to be able to access their services. This is something that those organisations are already used to and take account of.

Chair: On to the section about charges and other things.

Q122 Kate Green: Can you tell me what evidence the Government has looked at in considering the likely impact on families of introducing charging, and particularly the impact on lower-income families?

Maria Miller: What we have done is we have looked at the research that we have available as to what drives a successful financial arrangement between families. As I said earlier on in my answers to some of the earlier questions, the factors that are most likely to determine whether somebody has a successful financial arrangement are the relationship between the parents and also—

Q123 Kate Green: This is a question about what we know specifically about charging. It is not about what works.

Maria Miller: Sorry, you need to understand that it is relevant to look at what it is that makes it possible for somebody to come to a financial arrangement. It is about whether they have a good arrangement and whether they can get that arrangement in there early. Particularly, the reason why we are looking at charging, as part of the offer that we have put forward and the suggestions we have put forward in the consultation, is very much building on the 2006 report from Sir David Henshaw, which is that we need to prompt and promote families to consider, really take responsibility and to prompt a change of behaviour. If we are going to prompt that change in behaviour, we need to have a point to trigger that, which is why in the Welfare Reform Bill we have the idea of a gateway for individuals to pass through where they can be made aware of the range of services on offer. The statutory system is one of them but it has a charge attached to it. It is more to promote them to think about the other options that they have on offer, before simply saying, "No, I will go to the state-run scheme." Charging has a really important part to play for all families in promoting that reappraisal.

As Sir David Henshaw said, we have to consider really carefully the impact of that charging on vulnerable families. That is why, again, in the proposals we have set out, we have taken special account of the impacts or how we can mitigate any impacts on those families who have suffered domestic violence and also low-income families. Individuals who have suffered domestic violence will be given free access into the system and will not pay an upfront charge, because it is entirely reasonable that it would be difficult for them to work with their ex-partner. For low-income families, we have put forward a very heavily discounted upfront charge. Instead of £100, individuals will be paying an upfront charge of £20,

which we think is probably the right level to take account of the very real financial pressures that families are under and actually prompt that reconsideration.

Q124 Kate Green: There has not been any specific analysis of the impact of the £20 charge on the likelihood of a parent to make an application to the statutory service, if that is the only option that seems viable to them. We do know, I think I am right in saying, from evidence that was given to us by Caroline Bryson in an earlier evidence session that, had the charge been set at £50, which I appreciate is not necessarily the figure we are talking about, only 24% of parents with care who are on benefits would be likely to access the statutory system. Are you making any assessment of the impact that low take-up of the statutory system, because of the deterrent effect of the charge, which I think you were saying was one of its purposes, could have on hardship for children?
Maria Miller: Our intention is not to deter people from using the system if that is the only way that they can get maintenance flowing. That is absolutely clear as one of our objectives. What we do want to do, though, is promote a change in behaviour, and I do not think we can underestimate the difficulty of doing that. We know that these families who are on low incomes are just as able to make arrangements themselves that are going to benefit their children as people on higher incomes. We need to make sure that we do not, in implementing that charging, set it too low and not give the incentives to parents to do that work themselves. I think that is a very important part of our proposals.
We are still looking at the feedback we have had from the consultation. When we issue our response, I will be able to give you some fuller thoughts on that. We will be going through a further consultation on regulations before our charges are set. What we also need to look at is the context in which that charge is set, with regards to the other treatment of low-income lone-parent families. Just to remind the Committee, low-income lone-parent families see no reduction in their benefits if they are in receipt of maintenance now, and they keep full benefits.
Kate Green: And have not for a number of years.
Maria Miller: And that would continue. But the system remains incredibly heavily subsidised, so it is not reflecting the full cost of this. I think collaboration is just as important for poorer families as it is for wealthier families, and we should not pigeon-hole people in that respect.

Q125 Kate Green: Have you considered a situation where a parent with care, despite her best efforts, simply cannot persuade the non-resident parent to make a voluntary arrangement? In those circumstances, a low-income parent with care should be exempt from charges.
Maria Miller: We looked very carefully at how you structure a charging scheme to make sure that we have fairness. Again, I would remind the Committee that it is our very clear proposal that the balance of charges should always be more heavily on the non-resident parent than the parent with care, for the very reason that you are talking about: we want to make sure that there is a very clear incentive for the non-resident parent to come to a voluntary agreement. That may well be to use Maintenance Direct, quite a formal and structured way of passing money between families at breakdown. There is no charge involved at all. It can be done free of charge once the parent with care has made an application, and the Agency can come in at any point that those payments stop being made and sweep up that case into the statutory system and actually enforce any arrears as well. There are very clear options there for parents to be able to come to arrangements without any costs involved. The charging will always fall more heavily on the non-resident parent, hopefully to dissuade them from being difficult and not taking their responsibility in the way that you suggest.

Q126 Kate Green: I suppose my question is: is it fair to charge a parent with care who has done everything they possibly can to make a voluntary arrangement to secure maintenance for her or his children, but cannot do so because of a reluctance on the part of the non-resident parent?
Maria Miller: Obviously what we would want in an ideal world is that everybody does work together. There will be some instances when the situation occurs as you outline. In putting the charge in context, the majority of parents in the situations that you are talking about will be receiving between £20 and £30 a week. An upfront charge of around £20 will be the same as the first payment they may have got from their ex-spouse. We have to put this charge into context. It is not going to be an overwhelming barrier but it is something we will continue to look at.

Q127 Kate Green: Have you given any consideration to not levying a charge on the parent with care until maintenance is in payment?
Maria Miller: If you take that route, then you are taking away one of the important levers of encouraging parents to come to an arrangement. This cannot be a one-sided arrangement; it has to be an incentive on both parts. I would also urge the Committee to perhaps look back at the David Henshaw report of 2006, because he also picked up an interesting problem or observation that he had about the way that some parents in care will come into the statutory system simply to get an assessment, and then actually close their case, perhaps never having had an intention to follow that case through. At the moment, the cost of processing an application is around £400. Under the new system, it will be slightly cheaper—around £220. We have to guard against the system being used in that way. Indeed, another way that we would guard against that misuse is by giving parents with care the option of doing a calculation-only service, where they would be able to get from the HMRC data an idea of the maintenance that they might be owed without actually going into the statutory scheme itself.
Chair: We are going to some questions on the gateway.

Q128 Glenda Jackson: What will this gateway look like as far as the parent is concerned?

Maria Miller: In a way, it is probably easier for us to think about the gateway as being in two parts—the ability for parents to be able to get information and be signposted to maybe national information, but also local face-to-face support on how they can deal with family breakdowns successfully, of which part will be how they can deal with the financial arrangements around family breakdown. It would also be about how they can get support to make sure that their relationship with their ex-partner is successful, and that those parents can continue to be parents, even though their adult relationship has split up. The more formal part of that gateway service will be asking parents whether they have taken reasonable steps to come to their own arrangements before moving into the statutory scheme.

Q129 Glenda Jackson: First of all, how do they get to know about this gateway and where are these processes actually taking place?

Maria Miller: Communication has to be a really important part of the new proposals that we are talking about. Our Options service, which is very successful in supporting, as I said, around 100,000 people to make their own arrangements, has highlighted how important it is for us to understand how to get that message out there successfully to families. We know where families tend to go after breakdown for advice and support. Interestingly, they still tend to go to solicitors quite a lot; they tend to go to doctors quite a lot, and there are other touch-points that will be important places that we need to make sure understand the new system and can signpost people towards what at the moment we are probably talking about as being a web-based and telephone-based service, which can direct people to support, both on a national level and importantly on a local level as well.

Q130 Glenda Jackson: You are trying to attach those parents who are not part of the Options scheme at the moment, for whom this is a new path. Certainly in my experience, touch-points such as solicitors, for many in my constituency, would simply be out of reach. Doctors are under huge pressure already. Are they really the place to furnish this kind of information?

Maria Miller: I suppose what I am not saying is that is where we would want people to go. I am thinking about the people who need support and where they do go. Also, Sure Start centres are another avenue we believe could be helpful in trying to make sure people are aware of the support that the new upfront scheme will offer to them. It will be a matter of going out there and, with the help of many different parts of society, making sure that people are aware that this support is in place. Yes, communications will be very important and will form an important part of the proposals that we take forward. Once within the upfront support scheme, being able to signpost people to the sort of effective support that can make a real difference to not just their finances but actually their ability to parent when they have separated is something that is not available at the moment and is something that is really important.

Q131 Glenda Jackson: I will not take the cheap shot of pointing out that many Sure Starts are closing under the present austerity regime, but are you saying that the central entry to this gateway is going to be by the telephone or the web, and that the next step in affording support and information will also be like that?

Maria Miller: We have to look at the most practical way of trying to deliver support, in the first instance, and certainly the Options service, as a telephone-based service with a website as well, tends to work quite well. I happen to think, though, that when it comes to relationships and family breakdown, face-to-face support is also very important. What I will certainly be looking for from the consortium that has very kindly got together to look at this in more detail is how we can build networks of local support in our communities. Certainly the organisations that have approached us and have been talking to us about this feel that that is an important way forward, because also we have very different interests, very polarised interests, in non-resident parents and parents with care, who need perhaps quite different sorts of support that specialist organisations can offer.

Your point is a very important one and very well made, which is we need to take communications very seriously. At the moment, people find it very difficult to get access to this sort of information and support. One cannot make the assumptions that every family has access to the internet and that everybody is going to find it easy to talk about these things over the phone. To me, face-to-face will continue to be something that is very important.

Noel Shanahan: Even now, in trying to ensure that people are aware of the facilities in terms of Options, we have already started to talk to people involved in the early years of children's lives—midwives, social workers—and people involved in education as well to explain to them what is available now to help them with discussions, when they have problems that are perhaps leading to separation. The communication has already started, but certainly over this next year, part of our work is to find: one, the best way to communicate with these people and make them aware of those facilities and areas of support; and two, the barriers that are stopping partners working together to come to a collaborative arrangement. During this next year, this is very much part of our brief. What are the barriers? What are the things that would overcome them? How would we ensure we communicate to everybody, and all parts apply, as to where they would go and what facilities would be available to them? That is part of our work through this year.

Q132 Glenda Jackson: You do not know where they will be yet or what they will be.

Noel Shanahan: We certainly know that there has been a great deal of success from Options. We know that the feedback on what has worked, and it is on the web and on the phone, has been very positive. There will undoubtedly be a core of that but, as the Minister said, I am sure that face-to-face will feature as part of that too.

Q133 Glenda Jackson: How are you going to contact or is it part of the whole proposal to engage as fully the non-residential parent? The contact point that you have spoken about is midwives. It is very unusual for the father to be engaged in those kinds of considerations.

Dame Janet Paraskeva: One of the successes of Options has been that, in fact, 23% of the people who now contact Options are men, and that has been a significant change of the gender breakdown of the people who would contact the CSA helplines, for example. That is because the early communication work that we did actually very specifically tried to target non-resident parents as well as parents with care, or even friends of grandparents. What we were saying was, "Look, here is objective, straightforward information for you." It was one of our functions when we set up CMEC—to provide information and support. At that time, it was just straightforward information and support. Over time, we learnt that people needed a little more guidance, so we built that into the work that colleagues at the Options service were offering. Now with the Government's policy in relation to family-based arrangements, we have looked at the hierarchy of information and support that is on offer to people to really try to encourage both the non-resident parent and the parent with care to understand their responsibilities. That contribution to the overall gateway that the Government is proposing is going to be very fundamental.

Q134 Glenda Jackson: The problem surely is the issue of those who do not accept their responsibilities. I would be interested to know how this gateway is going to be able to attach them. The obvious one that screams at me is those issues where there has been domestic violence. How are you going to handle that?

Maria Miller: As we have said, when individuals and families who have been subject to domestic violence make contact to seek advice and support, they would immediately be tracked into applying to the statutory scheme. That is an important part of ensuring we recognise that those individuals would find it very difficult to take steps to make their own arrangements. The provisions within the legislation that we are currently putting forward talk about taking reasonable steps. I do not think there is any circumstance, we would feel, that it would be a reasonable step to expect somebody who has been subject to domestic violence to try to make an arrangement themselves. I have talked to the domestic violence organisations that represent victims of domestic violence about this. While there have been in our consultation some different views on this, we take a very firm view, which is we should give support to those individuals to make a direct application. Hence, we have removed the application charge.

Chair: I am conscious of the time. I think we need to move on, so I am going to another section, and it is about the quality of local support services. Some of the things that you were talking about might be covered under this.

Q135 Teresa Pearce: What I am hearing here is that, in the main, people will be expected to come to their own arrangement. If that is not possible, they would go to the statutory system, except in certain circumstances, which, as you have said, is domestic violence. For somebody who is then going to go to the statutory service, how do they evidence that they have been through that previous process? Do they just get a letter from somebody?

Maria Miller: You ask a really important question, and we have looked at this very thoroughly. In the legislation that we are setting out, we have made it clear that we expect people to take reasonable steps, but we do not expect this to become a very bureaucratic, "Here is a letter to show that I have been along to a certain organisation or I have sought certain advice." We would talk to the individuals who contact us and discuss what they have done.

Q136 Teresa Pearce: It would be like a self-certificate type thing.

Maria Miller: Yes, and therefore we want people to really make sure that they have thought about that thoroughly themselves. What we have learned from the Options service is that most parents who contact Options do not know what to do. It is quite an overwhelming feeling of, "We have no idea of what we do now we are separating." To signpost people to support would be a massive step forward for them to be able to get some sort of rational way forward, either that they can work with their ex-partner or that they cannot. Certainly the gateway is not meant to be there as a bureaucratic burden and a bureaucratic hurdle.

Q137 Teresa Pearce: Given that the ideal would be for people to come together and make their own arrangements, and not just financial ones, because often maintenance is tied up in one person's mind with access, which it should not be. That is the ideal, so what you really need is high-quality local support services to enable people to do that, which is quite difficult. In a marriage situation, if you divorce the reason is irretrievable breakdown of the relationship. In irretrievable breakdown of the relationship, you are asking people whose relationship has broken down to form some sort of relationship around the children. The quality of local support services is really important. Has the Government done any research into the cost to local and national Government of developing those services, at a time when local services are being cut and the third sector is being squeezed?

Maria Miller: We have spent a great deal of time talking to the third sector about this issue. We are very mindful, as you say, that the financial situation is very tight; you are absolutely right to say that. The very firm response that we are getting from the third sector is that this is absolutely the right way to go forward. We were talking to the Citizens Advice Bureau recently, which says that people who are having problems with maintenance are often having that problem simply because they have not sought help early on in the process and are now subject to debt or other such problems. Trying to get early intervention to make sure that people get that support early on in the process and knitting together those services that

are available on the ground more effectively, we believe, will be a start.

Would I like to see more money invested in providing support services in the long term? I absolutely can see that as a more attractive opposition than simply continuing to spend money on chasing arrears and the lack of payment, which is the balance of expenditure at the moment. The Child Support Agency at the moment costs the taxpayer £460 million a year, of which, from memory, around a third of the staff are chasing arrears and payments. That is a lot of money. We are as a Government spending around £30 million on parenting support through the Department for Education. Compare those two figures, and I know where I would prefer to see more money spent. It is not in simply continuing to chase the arrears.

Q138 Teresa Pearce: What you are looking for, what the Government is looking to do and what we would all hope to do is to change behaviours, and have it just that you cannot walk out on your children; you have a lifelong responsibility to them and the children are central to everything. That is a big ask of society and of the Government. Is it right to be introducing charges on people for statutory child maintenance services before that ideal is up and running?

Maria Miller: Is it a big ask, if we look at the data?

Q139 Teresa Pearce: I think so, otherwise it would have been done before.

Maria Miller: 50% of people in the current statutory system would prefer not to be in there. With the right support, they would not be in there.

Q140 Teresa Pearce: With due respect, that depends how the question was asked. Everyone would prefer not to be in that situation, surely. No one would prefer to be in a situation where they are bringing up a child alone and are happy to go through the Child Support Agency.

Maria Miller: No, the question is: would you prefer to be using a statutory system or making your own arrangements? That is a statutory system where you do not have to pay, and half of them are saying, "Actually, we would rather not be in the system." Again, if you marry that together with the fact that two-thirds of people who use the Child Support Agency are not happy or dissatisfied, it is not surprising that they want to—

Q141 Teresa Pearce: That is something people are aiming for; it is not where we are now. At the moment, if you have not split up and your relationship is in trouble, you have to wait quite a long time to get an appointment with Relate. Those services are not there at the moment, not enough to deal with all these people who are going to need to show that they have been through mediation or some sort of attempt to make an agreement before they go the statutory route. The fact that, if you go the statutory route, you have to pay this amount of money is a deterrent. You may not have much money; you may have done everything. You are the parent who stayed; you are the one who has taken responsibility, yet you are the one who has to pay. What I am trying to say is we do not have that fully integrated local support service yet. If we did, and then people did not use it, would not use it, would not try and they had to pay a levy, that is different, but the services are not there. There are certain parts of the country that may be better than others, but it seems to me unfair to introduce a charge to somebody because they have not accessed a service that might not be there.

Maria Miller: I would remind you that, as I said, we are spending £30 million through the Department for Education on helping to provide the sorts of services that our research would suggest might be effective. One of the other issues that we are trying to tackle at the moment is what the most effective services are. There is not a huge evidence base to suggest what the most effective interventions are. There is a lot of thought, supposition and anecdotal evidence, but the Department for Work and Pensions is working with the Department for Education to look at identifying the most effective ways that we can support parents. Probably, again based on the sort of evidence that we have to date, that is going to be in the area of relationship support—something that we are already spending around £30 million a year on. The Options service, we spend—

Noel Shanahan: About £5 million to £6 million a year.

Maria Miller: About £5 million to £6 million each year. Over the spending review period, that is obviously a significant sum of money. There is funding available and there. What I want to make sure, as I said earlier, is I, as a member of Parliament and a Minister, would much prefer to be seeing more money being spent on support services than simply having a statutory system, a third of which is simply chasing payments, when we know so many people simply do not feel that they even want to be there in the first place. There is an enormous opportunity to switch the focus here.

Q142 Kate Green: I wanted to ask very specifically on that point, Minister—you said 50% of people using the CSA currently would rather not be. Is that correct?

Maria Miller: Yes, I am being very general there, because in fact there are two figures. One is 75% of non-resident parents would prefer not to be using the system.

Kate Green: I am not surprised.

Maria Miller: Just over 50% of parents with care would prefer not to be using the system. I tend to use the lower figure generally. That does give a sense that we are not actually reflecting the wants of parents. I would suggest that the reason parents feel that way is because they know that one of the biggest problems for children following family breakdown, again backed up by evidence, is the animosity between parents. All of us, as constituency members of Parliament, know that finance can often be one of the big reasons why people break up in the first place, and the way the current system works can add fuel to that fire. Perhaps parents know that, with the right support, they might not have to go to the statutory system, which is very much one-size-fits-all, because it has to be, and is not meeting their needs. I am sure all of us, from our own constituency postbags, know how

difficult it is for some parents to fit within the statutory system.

Q143 Chair: Could I just ask where you are getting the figure from? In our predecessor report we had evidence from the National Centre for Social Research, which found that only 4% of parents with care would be likely to move from the statutory CSA service to private arrangements. You are saying 50% would not want to use the CSA, but actually a lot of the parents with care in my constituency would not want to use the CSA because they have such awful experience of the CSA. That is not to say they would not want a statutory service; it is just the CSA, because it was such a basket case of an organisation.
Maria Miller: I could give you the source of that report. Sorry, I don't have it in front of me.

Q144 Chair: That would be useful, because it depends on how you ask the question. In some great utopia, yes most people would not want to necessarily have to rely on a statutory agency, and also, because the CSA brand is so poisoned, a lot of people would not want to use the CSA, but they know that the only way they will get money is through some kind of enforcement. It is just that they hate the CSA so much that they are willing to say that.
Maria Miller: One of the other points I would add on to the questions I have had around the gateway is that I see third-sector organisations having a very significant role to play in delivering that upfront service, for the very reasons that Dame Anne has just outlined, which is the trust issue. If we have high levels of trust from parents, it would be my hope that the parents of many of those 1.5 million children who clearly at the moment do not have financial arrangements in place would perhaps feel more able to approach an organisation that had some of the trusted names in the family sector attached to it, rather than the statutory sector. I am hoping that, far from just looking at those families who are currently within the system and what they do, some of those families who avoid it, because of the reasons that you have just outlined, will perhaps be given the opportunity to think again, come forward, ask for advice and guidance and hopefully make their own agreements, but perhaps even some of them would prefer to come into the system. At the moment, we know that some do not do that because of issues of trust.
Chair: Sorry, I am going to have to move on to questions about CMEC and CSA's performance.

Q145 Harriett Baldwin: According to CMEC's last annual accounts, the cost of running CMEC was £572 million, and in total, £1.141 billion was collected or arranged. That means that it is costing about 50 pence for the taxpayer to pass on £1 to children. In addition, about one in six children who should be receiving money are not actually getting the money that they should be getting, in terms of numbers of cases. In addition, about £3.8 billion of arrears have built up that have never got through to children. Could the three of you give me a rating out of 10 for the CSA's current performance, and compare that with what you would have ranked it as 10 years ago?
Noel Shanahan: In terms of current performance, there has been some real improvement over the last two or three years at the CSA. Just some of the headline numbers: in terms of children benefiting now, 972,000. Just three years ago, that was around 800,000, so a real improvement there—over 20%. £1.15 billion is collected now, which gets passed across to children. Again, two or three years ago, that was down to £1 billion. Cases that we have in terms of where liabilities are being paid, where money is flowing, are now at just under 80%. Two or three years ago, that was down to 66%. Real progress has been made.
We are not happy with where it is; we want to improve. It is clear that the system that is in place now does need to be reformed. The elements in the Green Paper about the reform I absolutely support. Where we have a situation whereby 50% of the children who should be getting child maintenance are not, that just does not feel right. We have a situation that I have right now in the CSA in which there are in excess of 200,000 cases, which I call nil-assessed cases, where there is not an assessment on the book that says anything has to be paid. Why? They were set up years ago and there has not been a review since then. The new reforms suggest that we will look at those annually. That means that children now who are not getting monies will be getting monies. That is a key part.
We have also talked about the clerical cases, where the IT system is so much off the pace and has so many issues that we have 100,000 cases that are worked off the system. They are clerical cases worked on mini-systems. A great deal of work has gone into ensuring that we fix as many bugs as possible. We used to have well in excess of 1,000 of those cases coming off to join those 100,000 every week. That is now down to around 150 cases. Progress has been made, but while we have these issues in here, it is important that we do reform our system and do have new IT infrastructure. It is important that we take the opportunity to balance what is now the situation—that people default to the CSA. That creates more conflict than collaboration. It is important that we take these steps going forward, and deliver a performance that is far superior to what we have done in the past. That is not ignoring the good work that the folk at CSA have done in recent years.

Q146 Harriett Baldwin: Your marks out of 10 for now would be what compared with 10 years ago?
Noel Shanahan: I will give you two marks. For what the guys are having to work with, they are doing not a bad job, so that is 8.5 to 9 out of 10. In terms of the ideal world, we are probably around about 5 or 6, and I would like to be operating at 9 plus.

Q147 Harriett Baldwin: How would you compare the progress with 10 years ago?
Noel Shanahan: 10 years ago it is down—could do significantly better. If I read history, it is 2 to 3 and absolutely no gold stars.
Dame Janet Paraskeva: I am of the same kind of figures that Noel has outlined. In particular, the fact that we have 80% compliance is actually up there with

the countries of the world that are usually pointed to as having efficient systems, like Australia, New Zealand and so on. Our problem of course is that to get that 80% compliance, as you point out, it has actually been rather expensive and it still takes too long. Those are two of the main features of the design improvements that we will have in the new scheme, which will come on board towards the end of next year. I am not far away from those kinds of scores, certainly 10 years ago, to get it off zero, looking back at some of the history. Of course, some of that history is why there is a £3.8 billion set of arrears. As you will know from previous evidence, probably just over £1 billion of that is potentially collectable. We have actually been targeting that. We have 400 of our people—

Harriett Baldwin: I am going to ask you about arrears in a moment.

Dame Janet Paraskeva: You are going to be asking about that separately. Okay, because that is a significant legacy that we have been trying to deal with and it is a significant resource drain. We are nearly hitting the million children. That may be only 50% of the population out there who should be involved, but it is a significant improvement on where we were, even four years ago. I think we have doubled in four years.

Q148 Harriett Baldwin: Your marks out of 10 would be around this 8.5.

Dame Janet Paraskeva: I would go 7 for where we are. Perhaps I am a little harsher than Noel.

Maria Miller: I think it is the incredible hard work of staff that is masking some fundamental problems with the current system. That can only go on for so long. I would perhaps suggest the Committee looks at the trends on arrears, which have significantly improved in recent years, but we are seeing a slight deterioration in that. There is only so long we can go on with a system that is running two IT schemes with two different sets of rules, 100,000 cases that both schemes cannot cope with. The thing is, I think, perhaps more precarious than some of the results that we are looking at would suggest, because of the hard work of staff. I would hate to be putting values on to current performance because of that. As I started out saying in my comments today, we owe an enormous debt of gratitude to staff in the work that they are doing, but there are some incredibly fundamental problems that the new future scheme will fix.

Q149 Harriett Baldwin: Stephen Geraghty, Mr Shanahan's predecessor, said that performance recently had been very strong. What I am hearing from all of you is that there has clearly been a big improvement, but you all think it is necessary to replace the CSA with a new statutory system in order to improve things further.

Dame Janet Paraskeva: Absolutely, and that is the reason that you cannot say 10 out of 10. If you were talking about the effort and energy that people in the organisation put into making it work, you would give them 10 out of 10. Overall, in terms of delivery to children, it would not be worth the millions and millions of pounds that you would have to put in, frankly, to keep those systems going, because they are so complex in any case. What you would get, even if you poured millions into operational improvements, would be more expensive and not what we need going forward.

Maria Miller: It was actually a strategic decision by the Government not to invest further in the current schemes, because they really were past their sell-by date and needed replacing. Mr Geraghty is absolutely right. Under the current system, his job was to make that work as well as it could. The figures speak for themselves.

Q150 Harriett Baldwin: I know colleagues will be asking about IT in a moment, but I just want to go on to the arrears point that Dame Janet just brought up, because arrears have risen now to £3.8 billion that has not reached the children who should have received that money. Some of the arrears are now really very old, as I think you were beginning to say. £1.6 billion is over 10 years old. We could be talking about adults now, could we not? Some of the people who owe the money have died, and so on and so forth. The CSA has absolutely no mechanism to write off any of these arrears. What can we do about that?

Dame Janet Paraskeva: One of the things that we need to do is to prioritise, which is what we are doing. We have 400 of our people looking particularly at those cases where they believe some money can be collected. Within the resources that we have, we have to absolutely prioritise to try to get some of that money moving to those who need it. We have no powers to write off. We are talking to Government about what that should look like. We do have to also recognise, as you say, that some of these arrears are historic and actually the record needs putting right. There needs to be a clean break from that old legacy when we actually launch the new scheme, so that we do not carry that piece of history into a new scheme with us. Noel, you might have some more information.

Noel Shanahan: I think there are some severe question marks over the figure of 3.8. The work that the Department and CMEC have done identifies that, going back many years, we used to create something called an interim maintenance arrangement. Essentially it was a number that was brought up to say to the non-resident parent, "This is how much you will have to pay," and used as a bit of a lever when they would not give us their pay and information, which we have to ask for. So actually it was inflated, and it seems to be inflated by over 200%. When they did not pay, all those numbers have gone into the arrears. The truth is actually those arrears are somewhat inflated because of the tools that we used up to 18 years ago.

The second point is that, when we have done some sampling into these arrears, we have found that some of these payments have actually been made—a non-resident parent has paid. In certain cases, we have also found that the parent with care does not want the money now, circumstances have changed, but it is still on our books; it has still accumulated over a period of time. One, it is there, and we have limited power to

do a lot with it right now. Two, in reality, it is not a number that is as big as that.

Q151 Harriett Baldwin: You have mentioned that you have seized homes. I know people have gone to prison, and you have quite a few enforcement powers that you have not yet commenced under the 2008 Act, as we heard from your predecessor. Those are curfew orders, passport disqualifications, driving licence disqualifications and so on. Are you planning to introduce any of those powers? Do you have sufficient powers of enforcement?

Noel Shanahan: I think we have, currently, a solid range of abilities to enforce. I did mention some of them, in terms of seizing and selling houses. The most important thing is we do not want to become an estate agent. Obtaining and selling houses is not what we want to do; we want to create a deterrent. When we have looked at this now, the mere threat of selling a house means we have some very big cases where people have suddenly written cheques for £50,000 and £60,000. Used as a deterrent, it is the most effective thing. We have a range of powers that helps us to do that now. Certainly the ability from an administrative point of view to take away passports and driving licences would be a help. We would use them in very few cases, because again it is the deterrent that is there. We are talking with the Minister now about the appropriate time to introduce those.

Q152 Harriett Baldwin: Does anyone else want to add anything to that? I just have one last question, if I may. The National Audit Office has not been able to sign off the CMEC accounts, I understand.

Noel Shanahan: Yes, I would want to jump in and just be very clear on that. In terms of the CMEC accounts and the administration of CMEC, there is no problem at all. This is the running of the organisation. Those accounts are fully signed off, no issues. Where the question mark arises and the adverse comment arises is in what we call our client accounts, our client funds accounts. It is a totally separate set of accounts that involves the £3.8 billion. What has been made very clear by the NAO there is that, where we have receipts and payments—so money that is paid in now—does that go to the right parent? Absolutely right, that is not a question that has been raised. The specific point the NAO has given an adverse comment against is one of the notes to the accounts that talks about the £3.8 billion. As we have described, absolutely, there are real question marks about the validity and the accuracy of that. That is the specific element of this, and that is the history that the CSA has had for almost 18 years now. It has had similar comments over that period, certainly for the last 13 years. It is not new news, but the receipts and payments, yes, they work: they receive and go to the right people. The accounts for CMEC yet again get a tick in the box, too. It is specifically on the 3.8 and that one note to the accounts.

Q153 Harriett Baldwin: Do you think it is reasonable for the Government to start charging for a service that has not yet demonstrated perfection, I think we can all agree?

Dame Janet Paraskeva: I think it is important to recognise that the Government is not suggesting that they do that. What we are doing is introducing the new scheme towards the end of next year. We will run that new scheme for six to nine months without charging to make sure that, before charging is introduced, we actually have something that works well, works efficiently and works the way it was meant to work. We are not talking about introducing charging on the current system. That would be grossly unfair—to charge people on something that is not as efficient as we would want it to be. Charging is not proposed to be introduced until we have the system in and until we know it is working well.

Noel Shanahan: Just to support that, we have learned lessons from the past, particularly from the 2003 introduction. We are going to test this with a range of tests—the best part of 12 months of testing into this system—before it goes live with our first parents. We are going to test it, continue that testing and run for at least six months before we think about introducing any charges on this to ensure, both for our clients, our parents and for our own agents, who have had to operate under the old schemes, that it works and it works well.

Q154 Oliver Heald: Is it possible at the moment and, if it is not, would it be helpful to be able to make an arrangement with a non-payer to accept a lesser sum in an appropriate case?

Dame Janet Paraskeva: We have negotiated arrangements with people. If the parent with care agrees, we have acted in a small number of cases in that way, and that would certainly be part of our tool bag for the future. Far better to get some arrangement and some money flowing than absolutely nothing at all.

Q155 Oliver Heald: What is the significance of the parent with care being involved in the process?

Dame Janet Paraskeva: It is the parent with care who is owed that money, and so one would need their agreement, I think, to accept that contract agreement.

Q156 Oliver Heald: It is not a problem that he or she has to agree to a lesser sum? You may make a judgment that is the realistic amount of money you can recover. Is having to have that extra consent a problem?

Noel Shanahan: It is not a problem operationally, but of course, if the parent with care says, "No, I am not going to accept that level; I want that level," then we would go through the appropriate enforcement process.

Q157 Glenda Jackson: I wondered if there is a time frame, a time scale, that you could give us for how long it takes for you to introduce the most punitive methods of obtaining non-payment. Also, are there any definable patterns of behaviour in non-payers so that you could highlight those who are the most likely not to pay?

Chair: In 30 seconds.

Noel Shanahan: I will do my best. Your point earlier was about those who are employed. Reasonably

straightforwardly, within a few months we can get deductions-from-earning orders in place. Where it is somebody who is self-employed who does not want to live up to their responsibilities in paying for their children, that will take longer. It also means that we have to go to court as well, in certain instances. All the time, we are having a negotiation and discussion with these individuals, so we are not in the background putting these measures in place without communicating with them. Each time we do it, we have a conversation to see if we can avoid the enforcement measures. That does take months to get there. Certainly when it comes down to orders for sale of properties, that can be up to a year.

Chair: There are some important questions still to come in the last section.

Q158 Andrew Bingham: There will inevitably be an operational cost in closing the existing CSA cases and transferring them on to a new statutory service. Have any estimates been made of the level of that cost?

Noel Shanahan: Yes, you are right in terms of, as we are running right now with our existing CSA service, we will gradually introduce the new IT system next year, particularly for new parents who are joining us on that scheme. We will have parallel running for a period of time, as we ensure that the service is absolutely working and we are happy with the way that service is working. We are going to make sure that we run that for at least six months before we even consider any charging. Also, we will run that for at least six months before we start thinking about transitioning, migrating existing parents from the existing scheme on to that new scheme. We are going to have a six-month period of time where we are going to ensure that the new service is running and running well. When we are happy with that, charging is potentially introduced. At the same time, we will look to transition customers from the old scheme to the new scheme.

We are going to take a period between two to three years, and we will have a gradual build-up, where we are communicating and talking to people on the existing schemes about whether they want to set up their own collaborative family-based arrangements or if they want to move to the statutory scheme, once they have gone through and worked with the Gateway. We will have those conversations and gradually migrate them over a period of two to three years, starting slowly again to make sure we are happy with the service, from our agent point of view, and the service is meeting the needs of parents who are using it as well. We are looking at that over that period of time.

The period of time is going to require some additional resource, some additional people in there. For that end to end, we reckon it is around about three to four years, and that is going to be in the region of between £150 million to £200 million in terms of additional costs that we will be running with. It is interesting to compare that sort of level of cost with the cost of the existing what we call the CS2 scheme, which was introduced in 2003. That cost £225 million to put in place. We are reflecting on what that costs, and obviously working very closely with our IT partners on this to make sure that we can deliver on time, to spec and within our budget, and to ensure we can deliver a scheme that works straight away for our customers.

Q159 Andrew Bingham: Two things you mentioned in your answer: firstly, the IT system. Do you think the new IT system will be able to cope with this transition or is that going to need further enhancements? IT systems have a habit of not doing what they are supposed to do first time out.

Noel Shanahan: A great deal of work has already gone into the new IT system. I will stress again the significant amount of testing. We have learnt the lessons from the past. We are not going to press the button on this, whatever happens, until we are happy that it is working. The specification at this moment in time meets the needs of what we know we want. Clearly, if our requirements change and what we want to introduce changes, there would be additional costs involved in that. For now, we have a clear plan about what we are looking to deliver.

Q160 Andrew Bingham: Do you think parents who are on existing CSA schemes will find difficulties either reaching private agreements or going on the new system? If they have been on the CSA one for some time now, it is a big change for them. Have you spotted potential difficulties?

Noel Shanahan: As the Minister said, some of our research has shown that some of our existing parents will be quite keen to set up and look to set up their own family-based arrangements. It is also fair to say that a significant portion of our existing parents on the existing scheme have already set up their own Maintenance Direct system anyway, so they are already in that area. We will find that some people will move to a collaborative arrangement quite quickly, perhaps some with help, and then we are going to get the hard core of people who absolutely need the statutory scheme, and we will work with them to transition them over. That scheme, yes it builds in all the security, safety, engagement and enforcement but, in addition to that, it also produces some new facilities. For example, right now we take over 3 million phone calls a year. Quite often it is about, "When is my next payment? How much is it?" The new system will allow us to have that online, for those who use online. They can look at that information themselves. Again, it is driving efficiency, driving better results for children and driving better results for the taxpayer.

Maria Miller: Could I just add a couple of things the Committee might want to have a look at? Obviously the Government has taken a very strong position on the importance of looking at new IT schemes. Our scheme has not only been through the OGC's Major Projects Assessment Review, but it is also subject to the Major Projects Authority, the new MPA, which Francis Maude announced that all major projects would be scrutinised by. We have as a Government a real concern that there has been a poor delivery record

in the past, and we do not want that costly failure to continue. The Major Projects Authority will allow further scrutiny and certainly that is happening already; I can assure the Committee of that.

Q161 Andrew Bingham: I think we can all welcome that. You were talking about the collection caseload being reduced. Stephen Geraghty says that this might not deliver corresponding savings, because the smaller caseload will be a lot more difficult, technical and more work-intensive. Do you agree with that or not?
Noel Shanahan: To be clear, what Stephen said, and I do agree with what he said, is that overall costs will come down. There will be a better service flowing money through to children and a better result for taxpayers. Overall costs will come down. However, the case cost may go up, because those that we will be left with will be perhaps at the tougher end and require more enforcement work.

Q162 Andrew Bingham: Yes, so more per case but overall a smaller bill. To what extent do you think the overall costs will reduce? It is costing well over £500 million. Have you done any analysis of what savings you will take?
Noel Shanahan: Our aim, along with many other parts of Government, is to achieve at least a 30% reduction on those costs.
Maria Miller: Obviously when we look at costs and budgets, that is going to be determined by the final proposals that we come forward with. As I said at the beginning of the meeting, we are still looking at the consultation document and we have not finalised things like charging.
Andrew Bingham: I apologise; I missed the beginning of the meeting. I know at this stage, it is very much a little bit of that to try to work out where we are going with this.

Q163 Chair: The success of all of this will depend on a lot of changes of behaviour. I presume you will be putting in place tracking mechanisms to find out from those who are presently on CSA—they might be happy with CSA, and there are some, quite a lot actually, the majority—who find that the new system does not do for them what is intended, or indeed those who Teresa Pearce was pursuing—those parents with care who have to prove that they have exhausted all other arrangements, but the help to prove that is not in place—and all those other kinds of cases that may not fulfil the numbers that you have quoted here today. Will that tracking be in place and will that be quite detailed? If it is, when will we get the results of that?
Maria Miller: Having a baseline from which we can look at the effectiveness of the proposals that we have is obviously absolutely important, and it is not just those who are currently in the system but those who are not in the system, because our objective would be to get more people making effective arrangements. Working with the Department, the Agency has put in place a piece of research, which we will be reporting every other year, to give us the sort of information you are talking about. I am sure that would be supplemented by other pieces of activity as well, because it will be important for us to understand the dynamic effect of our proposals.

Q164 Chair: Particularly around the charging and whether it acts as a disincentive.
Maria Miller: We will need to understand the dynamic effect of the whole package of changes that we are proposing.

Q165 Chair: Final question: we will be publishing our report in the first week of July. This goes back to one of the first questions I asked. You said that the Government's response to the Green Paper would be this summer. Can we ask the Minister to not publish until they have seen our report, so that can be taken as part of the consultation and part of the Green Paper? Is that a reasonable request for us to make?
Maria Miller: I can certainly go away and look at that. As with many things, sometimes the publication of reports is not something that I can have whole responsibility for the timing of. I would need to go away and have a look at that.
Chair: It is well before; it is a good three weeks before summer recess.
Maria Miller: Can I come back to you on that? Is that okay?
Chair: That would be useful. Thanks very much, and thanks very much for coming along this morning.

Written evidence

Written evidence submitted by The Fatherhood Institute

We are pleased to enclose our submission to your examination of the proposed reforms to the operations of the CMEC and CSA systems including the introduction of charges.

We can see significant positive potential from the incentives created by charging for CSA collection services and we support the idea that fathers and mothers will be more successful at parenting apart if they can come to their own voluntary agreements on matters such as child maintenance.

We are concerned that the plans for support services which couples will need to reach their own agreements are currently much less developed than the plans for charges and transition to the new CSA system. We believe that there is a substantial amount of work needed to fill in this part of the plan without which there is little prospect of a significant drop in numbers of parents approaching the CSA for help.

Summary

1. Charging for CSA services will set up good incentives for couples to reach their own voluntary arrangements but will not in itself reduce the conflict between the couple that prevents them reaching an agreement in the first place. These reforms needs to also stimulate the development of a missed economy of paid for and free services to couples to support them to reduce their conflict and enable them to reach agreement on all aspects of how they will do their best for their children

2. The current review of the Family Justice System is also looking at the role of mediation and other services which could reduce conflict and reduce the need for court intervention in child related disputes. It is important that the thinking on support for couples to reach maintenance agreements is combined with the thinking on support to agree on care arrangements. To a large degree the services required are the same.

3. The services required already exist in the UK but are not yet available in sufficient volume because they are not widely promoted or easily accessed they are often by-passed by couples who tend to go straight to legal advice when they are separating and become drawn into a system which provides little space for them to reach voluntary agreements with their ex-partner. We need to stimulate demand for these services by changing the lawyer-first culture and increasing supply by offering a national framework for support to separating couples, within which private and voluntary sector providers can develop their offer.

Introduction

4. It is generally agreed that children in separated families do best when they retain a strong positive relationship with both parents (Dunn, 2004). Closeness to the non-resident father is associated with academic and behavioural outcomes in adolescents—positively with grade point average and college expectations, negatively with suspension/expulsion, delinquency and school problems (Manning & Lamb, 2003). High levels of non-resident father involvement protect against later mental health problems in children (Flouri, 2005).

5. In light of the evidence about the benefits of continued close involvement of non-resident fathers, the numbers of separated families without involved fathers represent a lost opportunity of significant importance for the children concerned. Among children who do not live with both parents, resident parents report that between one quarter and one third rarely, if ever, see their non-resident parent (Peacey & Hunt, 2008). Non-residence is the strongest predictor of low father involvement (Flouri, 2005). Children whose parents have separated and who live mainly with their mothers have, on average, markedly poorer relationships with their fathers than children who continue to live with both their birth parents (Laumann-Billings & Emery, 1996).

6. The payment of child maintenance is strongly correlated with paternal involvement. Research shows a marked positive relationship between payment of child support and increased visitation. The estimated impact of receiving child support on contact is more than 27 days per annum (Peters et al, 2004). And the payment of child support by fathers is unequivocally associated with children's achievements, health and wellbeing (Graham & Beller, 2002; Aizer & McLanahan; 2006).

7. In short, reforms which increase the numbers of non-resident fathers who support their child financially will lead to greater father involvement. If these reforms can also serve to reduce conflict between the separating or separated parents, there will be further benefits for the children concerned. The Fatherhood Institute is broadly supportive of the aims of the reforms and of the proposals contained in the consultation document.

To What Extent are Mediation and Advisory Services in Local Communities Equipped to Support Separating Parents in Coming to Agreements on Child Maintenance?

8. It is unfortunate that the two big questions around separation—the parenting arrangements and the financial arrangements—are being considered by two different government processes at the same time. We hope that these two processes are effective in talking to each other about how their findings can be integrated.

Reducing conflict is key

9. Encouraging parents to make their own maintenance agreement before they come to need services provided by the CSA means placing maintenance discussions in the middle of a tangle of other negotiations around child care arrangement and asset division. The difficulties couples face in reaching agreements on any of these issues are considerable and led to the creation of the original CSA in 1993. If we are to achieve a reduced need for CSA type services in the future we need to provide real help to parents to agree on maintenance, which should start with helping them to reduce their conflict and think in the long term. This will need investment but will have the additional benefit of enabling separated parents to work together well on broader questions of child care and shared parental responsibility. The support offered by the Centre for Separated Families is a good example of practice which enables parents to reduce conflict and give themselves a better chance of doing their best for their children. The Australian model of Relationship Centres has a similar broad remit.

But services are inadequate

10. Such services in the UK are rare and those that do exist are hard to find. We recommend an increase in the supply of these services and also a programme to train various professionals who come into contact with parents whose relationships are in trouble and/or who are separating or have separated (sometimes problems arise later on in the separation trajectory, after an initial period of relative calm). The Fatherhood Institute, together with Families Need Fathers, is currently conducting a very basic survey to identify the "father's journey" through separation/divorce—ie the points at which fathers whose relationships are on the "wind down to dissolution" or who have actually separated, come in contact with professionals of any kind (debtline counsellors, internet divorce/separation helplines, Job Centre Plus workers, Children's Centre workers, GPs, lawyers) or seek support from family or friends (including new partners).

11. We believe that there needs to be, in effect, a mass education campaign permeating an enormous range of services/information sources to sensitise lay people and professionals to signs of couple relationship distress; and to equip them to deal with initial problems and/or signpost distressed couples/individuals effectively to relevant services, either locally or over the telephone or internet. Child maintenance should be central to these discussions, and should not be treated as an "add on".

Parents need information to make the right decisions

12. Separating parents need information on what works best for children in these circumstances, how to make those arrangements, and how to calculate their various contributions. Fathers and mothers may need different kinds of information. For example, many fathers will not have any real sense of how much it costs, day to day, to keep a child fed, clothed, in lunch money and so on. Helping them understand this simple thing may well impact on their willingness to pay child maintenance. Fathers may also not know much about their children's health needs—where and when to take them to a doctor, for instance. Mothers, feeling unsure of the father's capabilities, may simply try to block contact. Both parents also need information on the effects of conflict on themselves, their partners and their children and how to avoid it. Both parents need to understand the very positive outcomes that arise for the child simply through regular child maintenance being paid.

And should be able to become informed through many different routes

13. Because of the rush to legal advisers, which characterises the current system, the space within which this information can be obtained and "thinking time" experienced, is restricted. We can expand this space by creating situations in which fathers and mothers, in the first stages of thinking about separation, can easily find the information they will need to make informed choices—and which will underpin the kinds of conflict-reducing conversations we want them to be having with their partners. Rather than setting up legal or statutory systems with significant emotional barriers to entry, we should identify where parents are turning for support, and enable and encourage them to talk to the professionals they come into contact with on a regular basis—employee assistance services, line managers, children's centre workers, GPs, teachers, JobCentre Plus staff, etc. Since it seems likely that many will turn to friends and family (our previously-mentioned "fathers' journey" survey will give us some idea as to whether this is the case for men), lay people may also need to be equipped with appropriate information and understanding. We cannot turn either lay people or professionals into relationship experts but we can quite easily give them sufficient skills, knowledge and understanding to be a "first port of call" for a mother or father who needs to explore their feelings and their situation, and to signpost to relevant services or information-sources. Discussions and advice relating to child maintenance should be addressed alongside, and as part of, other financial, practical and emotional factors.

Child maintenance is only one of the things that couples will argue about

14. By taking maintenance arrangements into the CSA system in 1993, the statutory service has in effect created a safe haven for settling questions of financial support to the children whilst leaving couples out in heavy weather fighting over the other issues they have to address. The CSA might have caused funds to move across the separated family and saved the tax payer considerable amounts of money, but the investment in this process did little to reduce conflict between parents. The support couples need to come to voluntary agreements

about child maintenance is, to a large degree, the same kind of support they need to settle across the range of questions which arise on separation. It makes sense to design a support service which reduces conflict and enables agreement not just on child maintenance but on everything else. Whilst financial support is important, it is the reduction of conflict which has the biggest impact on the ultimate outcomes for the children.

The Goal of the Support Offered should Not be the Narrow One of Getting Parents to Sign Up to a Voluntary Maintenance Arrangement

15. Services should have a broader aim of getting parents to the stage where they can parent well separately, including the provision of financial support for their child. A good integrated service should help parents to deal with a wide range of issues including:

- — Parental Responsibility and other legal/"rights" issues.
- — Parenting and contact arrangements.
- — Location/relocation.
- — Friends and family (social support).
- — Children's needs.
- — The "stages of grief" in the separation process.
- — Housing and employment.
- — Tax and benefits.
- — Debt/money management, calculation of child maintenance and sharing of financial responsibilities.
- — Own and other parent's health and wellbeing.
- — New partners (who may need to be included in discussions/arrangements).

16. The service should be able to view separating parents as a single (but multi-facetted) proposition in terms of finding solutions which enable both parties to move forward with their life as parents, workers, home builders and members of their communities.

17. The service should be able to provide skills and knowledge to the parents to deal with their new situations. For example, the Fatherhood Institutes provides a training course called "Staying Connected" to help separated fathers look after their own physical and mental health, reduce their conflict with their partners, and think through their future involvement with their children. This training has good results with fathers and their families but is currently only available to men whose employers are prepared to purchase the training on their behalf. Services should also be available to parents to come back to when arrangements breakdown or become outdated and need to be revised. The service should not carry a heavy government badge but should rather be a community service clearly available within civil society.

18. A good service would include these elements:

Service	*Provided by*
A national information resource—web based, with information for separating and separated mothers and fathers on how to resolve the issues they need to resolve. The web service should include interaction with on line advisers who can answer questions on particular issues and guide parents to the relevant material. The service must be gender aware and also aware of the different rights and needs of "parents with care" and "non-resident parents".	A consortium of charities skilled in supporting mothers, fathers, children, grandparents and other relatives through the difficulties of separated families, and equipping these to provide support to each other and more widely in communities.
A telephone helpline service covering all areas included in the website.	Provided by either on national provider, a consortium, or different providers in different regions but all linked to a single telephone number. Service to be let to a third sector provider in order to allow for the involvement of volunteers (who may not want to volunteer for a service run by a private company)
Locally available face to face services for separating and separated parents who need more support than is available through the website and the telephone service.	Local contractors, appointed through tender and funded by government sources on a payment by results basis.

Service	*Provided by*
More specialised interventions to address particular difficulties. eg Staying Connected for men struggling to cope with the after effects of separation; domestic violence support for adult victims of violence and for children who have experienced domestic violence; "perpetrator" and anger-management programmes for men and women who use violence; parenting programmes/support for parents who use, or have used, violence.	Provided by a range of organisations.
A wide network of practitioners able to signpost parents to the various elements of the support service.	Training and awareness raising provided by the NGO consortium with incentives built in certain practitioners contracts—eg GP contracts, schools' guidance etc…

19. The more vulnerable families should be able to access the face to face counselling services on a free to use basis. Separating parents who can pay for face to face services should be expected to do so. Face to face services should be able to support wider enquiries covering mental health, drug abuse, homelessness, unemployment and make referrals to the relevant services. They will need to be able to refer vulnerable parents onto more specialised support such as Staying Connected.

Conclusion

20. We do not believe that charges to use the statutory service, if they are confined to what most parents can reasonably afford, will make a big dent in the financial cost of the services currently provided by CMEC and CSA. We do believe that the major savings to be made will come from avoiding the need for these services for large numbers of families who will respond to support to reconcile themselves to parenting apart.

21. In order for this to work the system has to provide enough support to families to give them a reasonable chance to cope with their own situation, manage the conflict between separating parents, and reach a voluntary solution on maintenance and also on the other issues for which they might seek adjudication from the courts or else which might continue to create conflict for years, to the detriment of the children in their care. Designing a support service to help parents reach voluntary solutions, bit which does not also provide them with information and skills to reduce their conflict, will not have a significant impact on the numbers of people coming to the CSA for help.

References

Aizer, A & McLanahan, S S (2006). The impact of child support on fertility, parental investments and child well-being. *Journal of Human Resources*, 41(1), 28–45.

April 2011

Written evidence submitted by Low Incomes Tax Reform Group

1. Executive Summary

1.1 LITRG responded to the Green Paper *Strengthening families, promoting parental responsibility: the future of child* maintenance, focusing on two key areas—the use of HM Revenue and Customs data in child maintenance calculations, and advice to separating couples.

1.2 Our response to the Committee's inquiry therefore focuses on the questions raised as to whether the reforms are likely to deliver a more efficient administrative child maintenance service and the challenges involved in introducing a new computer system (which in turn will have to link to HMRC's system).

1.3 In the context of using HMRC data, we think that the Committee should press for DWP and HMRC to consult with interested stakeholders in detail on the relevant proposals. Failure to do so risks jeopardising the aim of the reforms. LITRG has raised potential problem areas in the past which have been left unresolved. Detailed consultation should therefore consider:

- income assessment and data issues for the self-employed;
- how to deal with cases where HMRC data might be inadequate—for example, whether employment benefits in kind should be included in maintenance calculations in order to truly reflect ability to pay (and, if so, how this data can be obtained);
- how unearned income features in the basic maintenance calculation, and what can be done to address manipulation of income (particularly now that the parent with care will face charges if they feel that the basic calculation using HMRC data does not reflect the non-resident parent's true ability to pay and that it should be varied);

— the processes surrounding the use of HMRC data, the parties giving consent for their data to be accessed and shared, and how calculations can be checked and queried;

— the potential for errors in HMRC data and the knock-on effects; and

— testing of IT systems to ensure that the interface is robust before launch.

1.4 Furthermore, we suggest that the Committee seeks assurance from the DWP and HMRC that advice to separating couples will include guidance and signposting to further help on both tax and tax credits issues which could arise as a result of the relationship breakdown. We raise below particular tax credits problems we have seen which could be avoided if full and joined-up advice were to be given. We recommend that the design of support services and guidance is consulted on in detail with interested voluntary sector groups.

2. Introduction

2.1 *About us*

2.1.1 The Low Incomes Tax Reform Group (LITRG) is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes.

2.1.2 The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it—taxpayers, advisers and the authorities.

2.2 *Our interest in this inquiry*

2.2.1 While the Child Maintenance Act 2008 was in development, LITRG sat on a DWP working group examining child maintenance variations. Amongst other things, this looked at the issues surrounding use of data from HM Revenue and Customs in the child maintenance assessment process.

2.2.2 LITRG continually raised various issues in this group, for example the problems of timing delays surrounding tax information for the self-employed and pointing out the possibilities of income manipulation (for example through using corporate vehicles) for non-resident parents to "get around" the rules.

2.2.3 Unfortunately, this group ground to a halt in late 2008 and, despite us pursuing the matter thereafter, it was not reconvened as far as we are aware. Most of the issues we had put forward were left unresolved.

2.2.4 It is with this background that we commented[1] on the Green Paper, also focusing on the need for joined-up guidance for separating couples who are tax credits claimants, the points from which are reiterated in this evidence to the Committee's inquiry.

3. Using HMRC Data

3.1 *General points*

3.1.1 In the past we have outlined our concerns about how HMRC data will be used in child maintenance calculations—issues which were not resolved before the working group ceased. Now the HMRC landscape is changing still further, with the prospect of PAYE "real-time information" being introduced in the not-too-distant future. Whilst this potentially allows child maintenance calculations to be based on more up-to-date information than the previous tax year data currently held, there will continue to be gaps. Examples include:

— determining earned income details of the self-employed;

— taking into account unearned income (particularly for those not filing a self-assessment tax return) to arrive at a full assessment of ability to pay; and

— dealing with non-resident parents who have the ability to manipulate their income (for example directors of limited companies using perfectly legitimate tax planning).

3.2 *The self-employed*

3.2.1 Similar problems arise in child maintenance assessments for the self-employed as for the calculation of Universal Credit for the same group.

3.2.2 Tax data may well be several years out of date, especially for an individual with an accounting year end which falls early in the tax year and who files their self-assessment tax return close to 31 January after the end of the year. We submitted a paper[2] to the Public Bill Committee outlining our thoughts, some of which may be of relevance here. For instance:

— Will the self-employed individual's taxable profit be used for child maintenance calculations, unadjusted?

[1] http://www.litrg.org.uk/submissions/2011/future-child-maint

[2] See http://www.publications.parliament.uk/pa/cm201011/cmpublic/welfare/memo/wr20.htm

— How will the newly self-employed be dealt with, ie those who have yet to file a self-assessment tax return to HMRC? And how will the issue of basis periods for the newly self-employed be tackled, which can create initial "overlap profits" (ie double taxation)?

— Will losses be relieved against profits in the same way as for tax purposes?

3.2.3 We think the Committee should seek assurance that there will be further detailed consultation on these issues.

3.3 *The process of using HMRC data*

3.3.1 We cannot as yet understand from the Green Paper how HMRC data will be used in producing child maintenance calculations and how parents will be able to understand the basis of the calculation and work out whether it is right or wrong. Even in ongoing relationships, one spouse will find great difficulty in getting HMRC to talk to them about their partner. So how will information be shared in the event of a relationship breakdown?

3.3.2 For instance, Chapter Two, paragraph 12 of the Paper says that parents will be able "to apply for, and the State provide, a maintenance calculation for information only without it creating any liability on the part of a non-resident parent". It goes on to say "This will be designed to help any set of parents that wish to make a maintenance arrangement between themselves and want an authoritative figure based on all factors as set out in legislation". So far, this sounds like a good theory.

3.3.3 But what happens then? What will the calculation show? Will it show the non-resident parent's income on which the calculation is based—per HMRC records, we presume—and how that income is made up? If the parent with care is provided with this calculation, presumably the non-resident parent will have to have given consent in the application process.

3.3.4 There are potential problems, such as:

— Not giving sufficient income detail for the calculation to be checked.

  We have seen that HMRC's own "P800" (PAYE tax calculations) issued in the last year have been deficient on detail and explanation as to how they are made up. And estimated figures have been used in them without that being made clear to the taxpayer and the source of the estimate. If such problems have been identified with calculations direct from HMRC, how can we have confidence that they will not be repeated when one Department is making use of another's data?

— The potential to breed mistrust between the separating parties.

  For example, if a calculation comes through which shows incorrect income details for the non-resident parent which they have not had an opportunity to check and, if necessary query or correct it before the parent with care receives it, this could foster discord between the parties. The parent with care will naturally assume that figures sourced direct from HMRC are correct, but we fear there are many reasons why that may not be the case. Even if the non-resident parent can then get the calculation corrected, the seed of doubt will already have been sown in the mind of the parent with care.

— The potential for under-assessment of child maintenance as against ability to pay.

  Following on from the above point, there is a converse danger for the parent with care if they place 100% reliance on a calculation using HMRC data. As alluded to above, HMRC's details of a non-resident parent's income might not be a true reflection of their ability to pay if tax planning has resulted in a lower taxable earned income figure. As we said in our submissions to the 2008 variations working group, the extent to which unearned income is taken into account in the maintenance calculation therefore needs further review. Similarly, we understood that employment benefits in kind are not included in existing calculations and again will not be in future, which could result in manipulation of income which in turn reduces the child maintenance calculation.

3.3.5 We therefore recommend that the Committee seek assurance that further detailed consultation will be undertaken as to the exact process of using HMRC data. This should be done through a working group of the relevant government Departments, plus stakeholders such as ourselves with expertise and experience in cross-cutting work. This might look at, for example:

— the circumstances in which HMRC data will be used. Paragraph 2 of Chapter Three states that data will "usually" be "accessed directly from HMRC"—it will be important to identify where that will not be possible or appropriate (perhaps for instance in the case of someone who is newly self-employed);

— how and with whom it will be shared;

— the opportunities for the taxpayer to check and correct it (and with whom—are queries about the income calculation directed to HMRC or the child maintenance service?); and

— how it can be substituted for more up-to-date details where there has been a change in circumstances.

3.4 *Errors in HMRC data—further knock-on effects*

3.4.1 We are also concerned that a process will need to be put in place to resolve errors which occur when couples are within the new scheme (having failed to make family-based arrangements) and incorrect HMRC data is used to assess child maintenance payments.

3.4.2 For example, what happens where there is an error in the assessment due to an HMRC error in passing information across? Or perhaps where an individual's employer has made an error and incorrect information has been given to HMRC and then passed on for the purposes of child maintenance?

3.4.3 There will need to be a mechanism in place for adjusting both the maintenance calculations and any charges which have been calculated based upon them, for example in the context of the suggestion at Chapter Two, paragraph 27 of the paper (that collection surcharges will be calculated as a percentage of maintenance).

3.4.4 And will the non-resident parent be responsible for checking the calculation on which the maintenance assessment is based and notifying any errors? How will issues be resolved if discrepancies are found? Fairness suggests that the individual should not be penalised as a result of an error, the circumstances of which are beyond their control and which he or she cannot reasonably be expected to check accurately.

3.4.5 We think the Committee should ask DWP and HMRC how the above issues are to be addressed. The process of using HMRC data must be considered carefully to ensure there are mechanisms in place to resolve such problems or queries.

3.5 *Testing of the IT interface with HMRC*

3.5.1 HMRC have experienced numerous problems in recent times on converting their former "COP" PAYE system to a single IT platform—the National Insurance and PAYE Service (NPS). Problems with data have meant that the system has produced variable results in taxpayers' PAYE Codings and reconciliation of their taxes after the year end. HMRC is undertaking a stabilisation programme to address these issues, but change continues apace with the proposed introduction of real-time information.

3.5.2 In view of this, we feel that launch of the new scheme in 2012 (Chapter Three, paragraph 5 of the Paper refers) is ambitious—particularly in view of the need to build an IT system without having yet put in place regulations covering the calculation of child maintenance under the new scheme (paragraph 7, first bullet).

3.5.3 The Committee should seek assurance that there will be an adequate period of consultation on the draft regulations and that stakeholders are involved in discussions early on to help identify where there might be problems with the interface.

3.6 *Manipulation of income—charges for the parent with care who challenges the basic assessment*

3.6.1 Whilst it does make apparent sense on cost efficiency grounds to avoid using the statutory system wherever possible, we follow on from our comments at 3.3.4 above (bullet three) with a concern about fairness for parents with care who wish to challenge the standard calculation of maintenance (based upon HMRC data).

3.6.2 For instance, a parent with care might be aware that the non-resident parent takes income in various forms from a company of which they are director—by way of, say, dividends or benefits in kind. If the child maintenance calculation does not assess that income (which, from participating in the 2008 working group, we understood it would not), the parent with care will know it does not reflect the non-resident parent's true means to pay. The non-resident parent, however, will be able to point to an "official" calculation of maintenance (referred to in Chapter Two, paragraph 14 of the Paper which says: "The additional advantage of the calculation will be the fact that it will have been produced independently by the Government").

3.6.3 If the non-resident parent is not prepared to accept any deviation from that "official" figure, the parent with care will have to go to the expense of using the statutory scheme which presumably will be able to vary the basic assessment as the variations process does now. This hardly seems "fair" and reinforces our recommendation above that more thought needs to be given to tackling these issues through the basic assessment.

4. Guidance for Separating Couples

4.1 The Paper asks questions surrounding integration of information, advice services and support to assist families in making child maintenance arrangements for themselves.

4.2 *Tax and related issues*

4.2.1 When a couple separate, there could be tax consequences. For example, although there is not usually a capital gains tax charge on disposal of the family home, issues could arise on separation, particularly if there is a delay between one of the partners moving out and a sale of the property or transfer of their interest in it.

4.2.2 Couples might also need to reorganise savings and reconsider their position on death or permanent ill-health, revisiting their Wills and insurance provision, with associated tax considerations. As a minimum, we

recommend that basic guidance on these issues should be available, with signposting to where further advice can be obtained.

4.3 *Tax credits*

4.3.1 Available information and guidance must include helping separating couples to determine their tax credits situation. For example, LITRG has seen an increasing number of tax credits interventions by HMRC compliance staff questioning claimants about their status as a couple (normally questioning claimants making a single claim as to whether there is an undisclosed partner and if they should be making a joint claim with that partner, and therefore whether they have been incorrectly claiming tax credits individually).

4.3.2 It is therefore imperative that couples are advised as soon as possible that their tax credits claim might be affected if they are considering, or going through, separation. They will need to take prompt action to notify a change in circumstances to HMRC and if necessary end a joint claim and submit new individual claims.

4.3.3 The consequences of getting it wrong include the added stress of an HMRC compliance intervention at an already difficult time. This can be coupled with a tax credits overpayment—debts of often significant sums—which will place added pressure on families and ultimately add to child poverty.

4.3.4 These cases can be extremely complex with the result that other voluntary sector organisations have turned to us for advice. The cost of dealing with them could be minimised or removed altogether if the claimant were instead to receive advice at the earliest possible opportunity, thus averting the problem before it arises.

4.3.5 The Committee should therefore seek assurance that there will be detailed consultation on the proposed guidance and support services is undertaken to ensure that tax credits issues are covered, with participation from interested voluntary sector organisations.

April 2011

Written evidence submitted by Dr C M Davies

SUMMARY

New CSA assessment regulations for child maintenance payments by a non-resident parent were introduced in 2003. Under the 2003 scheme no allowances are made for any essential living costs. This is unlike the original 1993 scheme. The change has produced a situation for some non-resident parents in which, if they comply with the assessment, they are left with insufficient means to pay basic bills. I give a particular example to demonstrate this.

The consequences of the change are documented in the records of the Work and Pensions Committee.[3] These include low compliance and difficulty in recovering debt. Evidence is presented that the current assessment rules are inappropriate.

The consequences in human terms for the non-resident parents caught in this situation are dire. Recommendations are made for prompt action to remedy the situation.

Dr Christine Davies was formerly a Senior Lecturer in Applied Mathematics at Royal Holloway University of London. She retired in September 2009 and is now Visiting Senior Lecturer. Her interest in the area of Child Maintenance arose through trying to help a particular individual affected by the current assessment regulations.

1. INTRODUCTION

1. I welcome the decision of the Work and Pensions Committee to conduct an inquiry into the proposed reform of the child maintenance system. I note the items on which the enquiry will focus in particular. I also note that the opportunity will be taken to follow up recommendations made by the Work and Pensions Committee in the last Parliament in its 2010 Report on child support.[3]

2. I focus in my submission on the regulations concerning the calculation of child maintenance. The appropriateness of such regulations is crucial to the successful working of any new scheme.

3. I also focus on the situation of the non-resident parent since it is in problems in this area that I have been made aware. I acknowledge that there will be some non-resident parents who are unwilling to accept responsibility for their children and avoid paying maintenance, despite being financially able to do so. However, there are many others who want to support their children—financially, emotionally and physically. The reality of the financial situation of some of them seems to have been overlooked.

4. There are other matters of concern that I could include, relating to the specific Government proposals. Since I am confident that these will be raised by other interested organisations and individuals, I restrict myself to the aspects listed above.

[3] The Child Maintenance and Enforcement Commission and the Child Support Agency's Operational Improvement Plan, Third Report, Session 2009–10, HC118

2. Regulations for Calculating Child Maintenance

5. The successful implementation of any scheme ultimately depends on the fairness and viability of the regulations concerning the calculation of child maintenance. The payments made by the non-resident parent need to be easily seen to be reasonable and to leave the non-resident parent with sufficient to live on.

6. In the original 1993 scheme ("the old scheme") allowances were made for items such as housing costs and essential travel to work. These allowances were removed in the 2003 scheme ("the current scheme"). The basic rate of maintenance for net weekly incomes of between £200 and £2000 was set at 15%, 20% and 25% for one, two and three or more children. Whilst this scheme has the advantage of simplicity it does not satisfy either the essential requirements of either fairness or viability.

7. I illustrate with the case of a young man currently paying maintenance for three children. With a net monthly income of around £1000, the CSA assessment is £250. After paying his mortgage (£400), petrol for travel to work (£200) and council tax (£120) the young man is left with just £30 a month. This has to cover gas, electricity, water rates, road tax, car insurance, food and household necessities. This is clearly not viable.

8. The family found it hard to manage financially before the break-up, although there were two wages coming in. With just one wage the man's financial situation is extremely difficult, even before consideration is given to child maintenance.

9. The young man would wish to contribute financially, as well as in other ways, to the upbringing of his children but is placed in an impossible situation. He cannot pay the assessed level of maintenance and also live.

10. There is something inherently wrong with an assessment system which leaves the non-resident parent with not enough to live on.

11. The Child Maintenance and Other Payments Act 2008 set out the formula under which it was planned to calculate maintenance in the future. The key concept is that non-resident parents' liabilities in the future scheme will be based primarily on their gross (taxable) income sourced directly from HMRC for the latest available tax year. The parameters of the scheme, such as its percentages for the number of qualifying children, are intended to produce broadly the same calculations as the current scheme.

12. If these plans are confirmed all the problems associated with the current scheme will continue.

13. The Green Paper "Strengthening Families, promoting parental responsibility: the future of child maintenance" sought views on the Government's strategy for reforming the child maintenance system. It stated that draft regulations covering the calculation of child maintenance under the reformed scheme would be developed during 2011.

14. In drawing up the new assessment regulations it is essential that careful consideration is given not only to the financial situation of the parent with care but also to that of the non-resident parent. The new regulations must be "fit for purpose" in that the non-resident parent is financially placed to meet his assessment obligations whilst at the same time being able to cover his essential living costs.

3. Evidence for the Inappropriateness of the Current Assessment Regulations

15. Changes in legislation are made with the best of intentions and are subject to debate and scrutiny. It can be hard to accept that mistakes can still happen. However, there is clear evidence in the papers of the Work and Pensions Committee[4] that the 2003 maintenance assessment regulations were ill-conceived and that they have had damaging consequences. I draw attention to some of this evidence.

16. The original (1993) assessment scheme gave limited allowances for some of the essential living costs of the non-resident parent. This would seem to be fair and appropriate. In HC 118 it is stated that under the scheme "a large proportion of non-resident parents (were) assessed as not being liable to pay child maintenance".[5]

17. This may be an unpalatable truth. I state it another way. The financial situation of many non-resident parents was found to be such that, when some of the essential living costs had been met, there was nothing left over to pay towards child maintenance.

18. Rather than acknowledge the unpalatable truth, new assessment regulations were introduced in 2003 which removed the allowances for essential living costs. As a result many more non-resident parents were assessed as liable to pay maintenance, although their financial circumstances were such that they were unable to pay.

19. HC 118 records that "the NAO reported in 2006 that one third of non-resident parents were not paying any maintenance to support their children" and that, although this had decreased somewhat by 2009 "compliance remained below anticipated levels".[6]

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[4] The Child Maintenance and Enforcement Commission and the Child Support Agency's Operational Improvement Plan, Third Report, Session 2009–10, HC118

[5] HC118, Ev 44

[6] HC118, para 51

20. I refer you to paragraph 17 above. If the non-resident parent has no money left over, he is in no position to comply. (As in my introduction, point 3, I acknowledge that there may be some who are able to pay but choose not to do so. Please take this as read throughout.)

21. Similarly, HC 118 records that the percentage of non-resident parents paying the full amount of assessed maintenance changed "from 46% in March 2006 to 51% in March 2009 (and further to 53% in September 2009)".[7]

22. Put another way, about half of the non-resident parents do not pay the maintenance at the level assessed. Again, I refer you to paragraph 17 above. For many parents this is because they do not have the financial means to do so.

23. If the non-resident parent cannot pay then arrears accumulate. HC118 reports that "at the end of March 2006, the value of the outstanding maintenance arrears was £3.5 billion, having risen by £242 million in the 2005–06 financial year". In September 2009 it was £3.796 billion.[8]

24. If the financial situation of non-resident parent remains unchanged there is no way in which these debts can be cleared. HC 118 reports that the Child Maintenance and Enforcement Commission (CEMC, the Commission) "has assessed that only $1.065 billion of this (2009) total level of arrears is collectible".[8]

25. Under questioning, Stephen Geraghty (CEMC) admitted that "people may not have the income to support" their debts.[9]

26. He referred to work undertaken on their behalf by PricewaterhouseCoopers on the collectability of arrears. They credit scored non-resident parents and asked the question "Would they get a loan for this amount of money?" It was found that "the number of them that would was extremely low".[9]

27. Set against this context it is not surprising that the two CEMC contracted debt enforcement agencies, iQor and Eversheds, collected only "£26 million out of £350 million which we put out".[9]

28. The Child Maintenance and Other Payments Act 2008 and Welfare Reform Act 2009 have given the Commission "a range of new administrative powers to support its enforcement activities and collection of arrears, which do not require recourse to the courts". These were added to by the Child Support Collection and Enforcement (Deduction Orders) Amendment Regulations in August 2009.[10]

29. Set against this context of paragraphs 15 to 26 in this section, these powers would appear to be unhelpful and unproductive, adding to the distress of what is for many non-resident parents already an impossible situation.

4. Conclusions

30. In summary, the 2010 Report on child support produced by the Work and Pensions Committee in the last Parliament[11] gives clear evidence that the current (2003) regulations for the assessment of child maintenance are inappropriate. With no allowances for essential living costs many non-resident parents are unable to pay and unable ever to clear their accumulating debt.

31. I have concentrated on the practicalities of the situation and made little mention of the human cost to the individuals concerned. Through no fault of their own and as a result of ill-conceived Government policy, many non-resident parents are caught in a situation from which there is no escape. There is only the prospect of increasing accumulated debt and continuing harassment.

32. I have heard first hand accounts of the depths of despair and utter hopelessness that this situation has produced. This is a vulnerable section of our society that deserves support and the problem needs to be remedied.

5. Recommendations

33. An urgent review should be undertaken of the current regulations for the calculation of child maintenance, paying particular attention to the reality of the financial situation of the non-resident parent. The resulting assessment must be fair and viable.

34. Ways should be found to quickly replace inappropriate assessments by amounts that are affordable, in order to stop the present problems growing. It should be anticipated this will result in some non-resident parents being assessed as not liable to pay maintenance.

35. A way should be found to cancel the debt of accumulated arrears for those non-resident parents who have been caught up in this situation, who have never had the resources to pay and never will have. It is not

[7] HC 118, para 54
[8] HC 118, para 59
[9] HC118 Q49
[10] HC118, para 63
[11] The Child Maintenance and Enforcement Commission and the Child Support Agency's Operational Improvement Plan, Third Report, Session 2009–10, HC118

sufficient that the CSA writes off the debt as uncollectable. The individuals concerned need to be informed that the debt has been cancelled and they are no longer liable.

36. A marker should be put down that there are taxation issues for non-resident parents that also need addressing. For example, although 25% of their net income may be spent on child maintenance no allowance is made for this in assessing their eligibility for tax credits.

April 2011

Written evidence submitted by Barnardo's

1. Introduction

1.1 Barnardo's works directly with more than 100,000 children, young people and their families every year in 415 services across the UK. These services are located in some of the most disadvantaged neighbourhoods. We work with children affected by today's most urgent issues: poverty, homelessness, disability and abuse. Barnardo's aims to reduce the impact of poverty on children, young people, families and communities through social, economic and community action—around one third of our work focuses on the alleviation of poverty, and it is an inescapable element of nearly all of our services.

2. Summary

2.1 Barnardo's is pleased to submit evidence to the Work and Pensions Committee's inquiry into child maintenance. Our response concentrates on the inquiry's focus areas of better outcomes for children, the impact of introducing charges, mediation and advice services and operation of the "gateway".

2.2 We include the following key points:

2.2.1 We believe that it is completely unacceptable to implement both an upfront application charge and ongoing charges of up to 12% to access the statutory support service. Charging will impact negatively on children's outcomes, by forcing many parents with care to accept lower maintenance payments or to force them to pay to access the statutory system and lose a percentage of valuable maintenance. Families living in poverty only have £13 per person per day to live on,[12] charges will mean that the poorest children will lose out, as parents will not be able to afford to use the statutory system.

2.2.2 The Government needs to assess the impact of charging to access the statutory service on levels of child poverty amongst lone parent families.

2.2.3 The Government must consider how integrated local support and advice services will be provided. We believe that capacity will need to be increased through:

- Investing in mediation and advisory services for the gateway to work effectively, and to prevent further conflict at different stages of family separation. Investment could come from efficiency savings elsewhere in the system.
- Investing in training for more mediators to cope with increased demand. Mediation should focus on all aspects of parental responsibility, not just financial.

2.2.4 The Government should involve the voluntary sector in the design, implementation and operation of the proposed gateway services.

3. *Are the reforms likely to achieve the Government's goals of better outcomes for children; delivering a more efficient administrative child maintenance service; and providing value for money for the taxpayer?*

3.1 The implementation of charging for the statutory child maintenance system will put the option outside the pockets of many low income families, meaning that the poorest lone parent families and children could be left without any maintenance payments at all. Barnardo's believes that the charging proposals for families using the statutory maintenance support system could impact negatively on the outcomes of the children involved, particularly where a family is living in poverty. Children living in poverty are:

- Likely to be overtaken in educational development and attainment by a less able child from a rich family by the age of six.
- Only a third as likely to get five GCSEs at A* to C than those from richer backgrounds.
- More likely to suffer ill-health, be unemployed or homeless as adults.[13]

3.2 Implementing a compulsory gateway, forcing family based solutions where they could be inappropriate, and introducing charges for the statutory service, could lead to more acrimony and conflict amongst families. This could be particularly problematic when there are changes in parents' circumstances, for instance when

[12] £13 per person per day After Housing Costs, adjusted for family size and inflation. Based on Barnardo's calculations for the 2011–12 poverty line uprated at RPI; based on the official 2008–09 poverty line of 60% of median income of £206 per week. Median income in the HBAI report: http://research.dwp.gov.uk/asd/hbai/hbai_2009/pdf_files/chapters/chapter_2_hbai10.pdf

[13] Barnardo's poverty factsheet http://www.barnardos.org.uk/what_we_do/our_projects/child_poverty/child_poverty_what_is_poverty/child_poverty_statistics_facts.htm

they find a new partner, move into or out of work, or have another child. All these situations could lead to renegotiation of payments further down the line, and could lead to conflict between parents. Parental conflict is a key variable associated with negative outcomes in children from both intact and non-intact families. Children who are the subject of protracted conflict between their parents following separation, or who feel themselves to blame for it, are particularly at risk of negative outcomes, including a higher likelihood of anxiety and behavioural problems.[14]

3.3 Barnardo's has concerns about how the new statutory system will identify cases where a parent has been subject to domestic abuse. In many instances this abuse will have gone unreported, so we are concerned about how a parent can prove their circumstances in order to be fast-tracked through the system. If a vulnerable parent is forced into negotiating a private agreement with an ex-partner, they could be put at further risk of emotional, financial, physical or sexual abuse. This will clearly have negative outcomes for the children and families involved. Barnardo's recommends that voluntary sector services who work with victims of domestic abuse are involved in the development of the statutory service and the gateway. The statutory service needs to be designed so that it is open and as sensitive as possible to the most vulnerable families, and that parents must have a right to be believed when they report that they have been victims of domestic violence.

3.4 Family breakdown and the resulting lone parent status often lead to financial hardship (usually for mothers). The new statutory scheme will add to the hardship through upfront application charges and ongoing maintenance collection charges. It has been suggested that poverty may be a significant factor in explaining negative child outcomes rather than family breakdown *per se.* When income is controlled for, the negative impact of parental separation is significantly reduced or disappears entirely.[15]

3.5 The new child maintenance arrangements are likely to deliver a more efficient service, through reduced caseloads and new IT systems. A more efficient service is likely to lead to cost savings. Barnardo's recommends that cost savings through the efficiency of the new systems should go into gateway support services for separated and separating families.

4. *What is the likely impact on parents of the introduction of charges, particularly poorer or more vulnerable families?*

4.1 Barnardo's has serious concerns over the implementation of charging procedures and also the use of the "gateway" prior to being able to access to the statutory service. For many of the most vulnerable and disadvantaged families (such as those affected by physical, emotional or sexual abuse; drug and alcohol addiction; homelessness; disability; mental health issues and poverty) adding another barrier to financial support is likely to lead to a lack of engagement with the statutory service.

4.2 The charging regime will force many parents into accepting family based solutions in situations where an ex-partner may be unreliable—not paying the correct amounts or not making payments on time. Giving the non-resident parent the power to decide on using the direct payment service, when they may be unreliable and uncooperative also gives a non-resident parent a lot of power over how and when the maintenance will be paid to the parent with care. The direct payment option could also give the non-resident parent personal contact details of the parent with care, that they wish to remain private. Ensuring the non-resident parent does not have contact details of the parent with care is extremely important for victims of domestic or other forms of abuse. There is also a clear safeguarding risk in cases where children have been abused by the non-resident parent.

4.3 Encouraging voluntary arrangements is a policy which we would support but there are some families (for example parents who have become completely estranged from their children) where a voluntary arrangement is not going to be realistic. Therefore the introduction of charging will see many vulnerable families left without the support they need to claim maintenance for their children.

4.4 Low income families have £13 per person per day to live on[16] and therefore an application fee of £50 for families on a lower income to access the statutory service and to pay an ongoing collection charge is an excessive burden, particularly when compared with what an average household spends per week on housing, fuel and power at £57.30, or food and non-alcoholic drinks at £52.20.[17] The impact of child maintenance payments is of particular importance at a time of rising food, fuel and rental prices, cuts to services, and job losses.

4.5 Placing extra charges and costs on single parent families will only serve to exacerbate this situation. In 2008–09, 47% of children in lone parent families were living with relative low income and material deprivation Children in lone-parent families were much more likely to live in "low income" and "low-income and materially deprived" households than those in families with two adults.[18]

[14] DCSF Evidence Review: Impact of Family Breakdown on Children's Wellbeing, 2009 http://www.education.gov.uk/publications/eOrderingDownload/DCSF-RR113.pdf

[15] DCSF Evidence Review: Impact of Family Breakdown on Children's Wellbeing, 2009 http://www.education.gov.uk/publications/eOrderingDownload/DCSF-RR113.pdf

[16] £13 per person per day After Housing Costs, adjusted for family size and inflation. Based on Barnardo's calculations for the 2011–12 poverty line uprated at RPI; based on the official 2008–09 poverty line of 60% of median income of £206 per week. Median income in the HBAI report: http://research.dwp.gov.uk/asd/hbai/hbai_2009/pdf_files/chapters/chapter_2_hbai10.pdf

[17] Family Spending: A Report on the 2009 Living Costs and Food Survey, Office for National Statistics. http://www.statistics.gov.uk/downloads/theme_social/family-spending-2009/familyspending2010.pdf

[18] DWP HBAI Survey, 2008/09 http://statistics.dwp.gov.uk/asd/hbai/hbai_2009/pdf_files/chapters/chapter_4_hbai10.pdf

4.6 The introduction of charging is a backwards step, which will potentially increase the number of children and families living in poverty. This would therefore be in direct contradiction to the Government's commitment to eradicate child poverty in the UK by 2020, as set out in the Child Poverty Act 2010. Whilst the Henshaw Review[19] did make a recommendation for the use of charging, it also recommended further research into the level and method of charging, and highlighted the need to protect vulnerable parents. The Government's Impact Assessment[20] of the reforms does not examine the impact of the proposals on children and families living in poverty, or the impact on the welfare of the children. This is of great concern to Barnardo's.

4.7 Barnardo's feels that application charges and ongoing maintenance collection charges are unacceptable and they must be abandoned for families on out of work benefits and those on a low income. Low income could be defined by those families receiving the family element of child tax credit. Charges should also not apply in cases when a direct maintenance payment could put a child who has been a victim of abuse at risk of harm from the non-resident parent, through release of personal contact details.

4.8 Barnardo's also recommends that further research needs to be carried out into how the implementation of charging will affect separating and separated families and their children, particularly to examine the impact on poverty rates for lone parent families and their children and the outcomes on children.

5. *What is the extent to which mediation and advisory services in local communities will be equipped to support separating parents in coming to agreements on child maintenance?*

5.1 The Government needs to give serious consideration to how gateway services will be delivered at the local level. The child maintenance system and gateway services will be aimed at all separating families; however, many local authorities will be cutting services over the coming months and targeting their existing provision at the most disadvantaged families. The Government needs to ensure that in areas where there are cuts to local services, such as children' centres, there is still access to support for all separating families.

5.2 Efficiency gains from the improved IT system, and fewer parents using the statutory support system as a result of family based arrangements, should be reinvested in the gateway services to advise and support both parents and families going through separation. Many family support services are already overstretched, and so the Government needs to invest in them further to enable them to cope with increasing demand.

5.3 Barnardo's would agree with increasing the use of family mediation, however, at the present time this option is not always accessible to the most disadvantaged families. The current costs are set locally and often operate on a sliding scale dependent on income. Fees can often start at £25 per hour for those on lower income,[21] but can involve between five and 12 hours of mediation dependent on issues to be discussed. The training to become a mediator is also lengthy, and therefore the Government needs to invest in training in order for services to be able to cope with increasing demand.

5.4 Recent emphasis from the Government concerning family breakdown/relationships has ignored the complex issue of contact between children and both parents where parental separation is inevitable. There is little funding available to support families to work through the issues to reach arrangements that are in the best interests of children, without recourse to the courts. Even then absent parents frequently have to pay for court ordered supervised or supported contact—this is over and above any maintenance. The issue is extremely complex and there is not a one size fits all approach, but families would benefit from access to better mediation services that cover all aspects of parental responsibility, not just financial, that clearly put the child first in all aspects of parental responsibility.

Case Study: Mobile Children's Contact Services, Barnardo's South West

The Mobile Children's Contact Service gets involved where there are disputes about contact with their children between parents that have gone before the court. Barnardo's advises on ways forward by observing and assessing parenting capacity (usually of the non-resident parent), observing children's responses to contact and ascertaining their wishes and feelings. The service also assists parents to put aside the acrimony between them in the best interests of their children and the child's right to have a relationship with both parents. Child maintenance often crops up as one of the key sources of acrimony, but in many of these cases there are allegations of domestic violence, and in some of these, the parent with care would prefer no contact whatsoever, including financial ie maintenance, in order to be/feel safe from harm.

6. *Comments on operation of the "gateway", which will require parents to consider a range of options for the agreement and collection of child maintenance before they are able to apply for statutory support*

6.1 Integrated services need to recognise that parents and families will enter the system at different stages in a family breakdown. There needs to be specific consideration on services that support families at different stages, such as when either parent enters or leaves employment, when parents find a new partner or have another child. Gateway services may be needed at very different points in time and the system needs to

[19] Recovering Child Support: Routes to Responsibility, Sir David Henshaw, 2006 http://www.dwp.gov.uk/docs/henshaw-complete22–7.pdf

[20] Impact Assessment, DWP, 2010, http://www.dwp.gov.uk/docs/ia-strengthening-families.pdf

[21] National Family Mediation Network, http://www.nfm.org.uk/faq

recognise this. The gateway also needs to recognise that there is no one size fits all solution, and every family is unique with different needs and expectations.

6.2 The Government in its proposals needs to make explicit how it will support families who do not have any access to the internet, cannot afford the cost of a lengthy phone call, do not have English as a first language, and those who would not know where to turn to during the time of separation. Barnardo's recommends that the Government involves the voluntary sector in developing the provision of services for the most vulnerable families during the difficult time of family separation.

6.3 The maintenance support system should make use of existing family and community networks, where parents already have a trusting relationship with a service. The Government should therefore look at integrating maintenance support in children's centres, schools, GPs surgeries, community centres and also in the workplace. In addition, some families will require specialist, targeted support, with universal services providing signposting to these.

6.4 Barnardo's would welcome the opportunity for the voluntary sector to deliver gateway services to support separated and separating families, particularly in settings where they feel comfortable, such as children's centres. Barnardo's already runs a Mobile Children's Contact Centre in Cornwall which can provide flexible sessions in venues to suit the needs of the individual family, particularly in rural areas where families find they need to travel long distances at inconvenient times to use contact facilities. The service offers a range of supervised, supported and facilitated contact, as well as unsupervised contact facilities, transport of children and young people to and from contact facilities, as well as parenting assessments and reports for court. The service can be used by (but is not limited to) children whose parents have separated to see their non-resident parent, other relatives or significant others.

6.5 Barnardo's recommends that the Government uses the cost savings of the delivery of the new statutory system, to invest in the gateway services for separated and separating families. The gateway system can only function if there is enough investment to cope with the demand and to ensure that there is support available for all children and families, particularly the most disadvantaged and vulnerable.

April 2011

Written evidence submitted by the Centre for Separated Families

Executive Summary

1.1 We believe that parents, themselves, are best placed to make maintenance arrangements for their family but that the state has a role in supporting them. We believe that the statutory scheme should only be used when parents are unwilling or unable to make their own arrangements. We believe that the proposed reforms will assist in this.

1.2 We disagree with those who argue that child maintenance is a child poverty issue. We believe that it is, essentially, a parenting issue and about how both parents will continue to discharge their responsibilities for their children following divorce or separation. We believe that the proposed reforms will increase the number of effective maintenance arrangements.

1.3 We support the integration of support services but have concerns that many existing services either fail to understand the complex needs and dynamics of separated families or work from parental "rights" based positions. We believe that all services must be delivered around a family centred model rather than "rights" based or "lone parent" models. Service delivery must be respectful, gender aware, empathic and empowering.

1.4 We support the principle of charging parents to use the statutory scheme as a way of incentivising private arrangements and to change the environment in which the statutory maintenance scheme is seen as the default option.

1.5 We believe that the proposed Gateway should be managed by the Voluntary Sector and could, potentially, utilise existing infrastructure such as Child Support Agency Centres. The Gateway should also include the current Child Maintenance Options Face-to-Face service which should be refocused to provide a team of specialist Child Maintenance Conciliators trained to support parents to make their own arrangements for child maintenance.

About the Centre for Separated Families

2.1 The Centre for Separated Families is a national charity (established in 1973) that works with everyone affected by family separation in order to bring about better outcomes for children.

2.2 We work to support parents manage the ending of their relationship in ways that minimise the negative impacts on their children. Our information and advice services are available to those who are sharing care, those who are caring for their children alone and those who are not able to spend time with their children.

2.3 Our child focussed work is designed to help parents understand and deal with their children's experiences of separation, understand and deal with their own experiences of separation, make private arrangements around parenting-time and child maintenance and improve communications.

2.4 In 2008, the Centre for Separated Families worked closely with the Child Support Redesign Team to help create the Child Maintenance Option service; designing and delivering the training to the contact centre staff employed by Ventura, designing and delivering the training to the face-to-face service delivered by the Child Support Agency and writing web and brochure material to support the service.

2.5 In 2010, the Centre delivered the same package of training to the Child Maintenance Choices service in Belfast which is delivered by the Child Maintenance and Enforcement Division of the Department for Social Development under the Northern Ireland Executive.

2.6 The Centre continues to deliver induction training to all new entrants to the Child Maintenance and Enforcement Commission Executive.

Delivering Better Outcomes for Children

3.1 It is widely accepted that children benefit from the ongoing, positive involvement of both of their parents after divorce or separation and that children who are able to witness their parents working collaboratively around their changing needs are better able to deal with the transitions that accompany family separation. We, therefore, fully support the intention of the proposed reforms to encourage the involvement of both parents in their children's lives after separation and to support the encouragement of family based arrangements.

3.2 We believe that families, themselves, are best placed to determine what arrangements will work best in their individual circumstances and believe that it is right that families are empowered to take responsibility for their children. We agree that it is right to support strong families to work together to reach agreements that are in the best interests of their children. We also believe that family centred services that help parents to unlock the blocks and barriers to effective child maintenance arrangements will produce better, longer lasting and more flexible agreements between parents, not just around maintenance but, around a range of other issues.

3.3 There is an increasing effort by lone parent groups to portray anything other than formal agreements pursued through the Child Support Agency as being less effective. This is contrary to the evidence and to the experience of the Centre for Separated Families which is that, when parents are helped to put in place private agreements for financial support of children that takes into account individual circumstances, they are more likely to be longer lasting and responsive to children's changing needs. They are also less likely to get caught up in the issue of how both parents will maintain relationships with their children.

3.4 We believe that whole family approach to service delivery that underpins the proposed reforms will help more families to make collaborative child-focussed arrangements for both child maintenance and a wide range of other issues.

3.5 We believe that the Government should develop a statutory scheme that assesses the capacity of both parents to contribute to their children's financial well being.

Providing Value for Money for the Taxpayer

4.1 By incentivising parents to consider making private, family-based arrangements, and supporting them to do so, the burden on the statutory scheme will be reduced. The statutory system will, as a consequence, be dealing only with those cases where parents are unable or unwilling to reach private arrangements.

The Likely Impact on Parents of the Introduction of Charges, Particularly Poorer or More Vulnerable Families

5.1 It has been argued that the introduction of charges will reduce the number of effective maintenance arrangements and that, as a consequence, this proposal will contribute to child poverty. We can see no evidence for this assertion.

Sir David Henshaw, in his 2006 report, identified that charging would:

> *"contribute to the objectives of the new system by incentivising private arrangements, which can be more successful, helping child welfare through increased compliance..."*

5.2 We believe that charging to use the statutory child maintenance system provides a powerful incentive for parents who are divorcing or separating to consider the alternatives to the statutory scheme and we, therefore, support the principle of charging parents for access to the statutory system. We also believe that the level of the charges suggested in the consultation paper (including reduced costs for parents on benefits) are, largely, reasonable.

5.3 However, we believe that the Government should consider introducing a sliding scale of upfront application charges for poorer parents with care who are not in receipt of qualifying benefits. This may begin at the same rate, and with the same instalment arrangements, as for those parents who are in receipt of benefits,

rising to the full upfront application charge. We have no view as to what income range such a sliding scale should cover.

5.4 It has been argued that charging parents for the collection of child maintenance will increase child poverty. However, when the proposed cost of the collection service is considered against the current statutory child maintenance figures, at the lower end of the proposed percentage charges, 16% of parents with care would pay no more than 35 pence per week and 40% of parents with care would pay no more than 70 pence per week. This would not be payable if monies were paid through maintenance direct. We believe that these charges are reasonable and will not increase child poverty.

5.5 We consider that the proposed calculation only service charges are reasonable and will have little or no impact on parents or children.

5.6 We believe that the proposals set out in the consultation document are fair and equal in their impact on men and women.

The Likely Level of Compliance for Child Maintenance Payments Agreed Through Mediation rather than Through Statutory Support

6.1 We do not consider that mediation, in isolation, will provide sufficient support for the majority of parents to reach their own private, family-based arrangements. Rather, mediation should be seen as just one of a range of support and advice services available to parents.

6.2 It has been argued that reducing the numbers of parents who use the statutory scheme will reduce the numbers of families with effective arrangements in place. We would point to the evidence provided by Sir David Henshaw, in his 2006 report *Recovering child support: routes to responsibility*, that:

> *"Parents who are able to should be encouraged and supported to make their own arrangements. Such arrangements tend to result in higher satisfaction and compliance and allow individual circumstances to be reflected."*

His recommendation that the Government should encourage parents to make their own private arrangements was, therefore, based firmly on the evidence that these produce better outcomes and greater compliance than the statutory system and that, as a result, *more* children would benefit from effective maintenance arrangements not fewer.

6.3 Our experience is that advice and support which is respectful, gender aware, empathic and empowering leads to greater engagement and greater compliance.

The Extent to which Mediation and Advisory Services in Local Communities will be Equipped to Support Separating Parents in Coming to Agreements on Child Maintenance

7.1 We support the recognition in the Green Paper that child maintenance is only one of many issues that separated families must deal with and welcome the suggestion that the government should consider the full range of support to separated parents to help them take the decisions that are in the best interests of their children. We support the proposals to create effectively integrated and trained local advice and support services to help parents reach family-based, private agreements.

7.2 It is widely acknowledged that the issues that prevent parents from making effective child maintenance arrangements are not necessarily directly associated with maintenance. These can be emotional or communications problems or they can be practical concerns around housing, debt, work and other similar issues. It therefore seems logical to provide parents with advice and support services that reflect this rather than dealing with maintenance in isolation.

7.3 There are significant differences in the ways that different agencies provide and deliver advice and support and services are often fragmented or isolated. Many of the specialist organisations working around family separation deliver support and advice through a parental "rights" lens, promoting the experiences and "rights" of either lone parents or fathers. Contact with these organisations actively works against the establishment of collaborative parenting arrangements and can exacerbate the differences between parents, increase hostility and feelings of injustice and widen the gap that may already exist.

7.4 The other significant barrier to collaborative family based arrangements is that the delivery of advice and support is based around the model of "parent with care" and "non resident parent". This model permeates service delivery in all sectors and is found, not only in the lone parent organisations, but in services such as mediation, social services and legal advice. This division of parents into two distinct roles, whilst sometimes reflecting the preferred division of parenting responsibilities in the family, more often than not serves to burden one parent and marginalise the other. It creates an imbalance in status between parents and serves only to push parents apart and make collaboration significantly more difficult. It also distorts the way in which separated parents are treated by service providers with "parents with care" being viewed and treated more sympathetically than "non resident parents".

7.5 Therefore, whilst we believe that maintenance should be more effectively integrated with other types of advice and support, we consider it imperative that all services must be compatible with, and support, the

intention of the proposed reforms to empower parents to make family-based, child focussed arrangements. This would preclude advice being delivered from a "parental rights" perspective and would be underpinned by a gender aware, "whole family" philosophy rather than the existing "parent with care", "non resident parent" approach.

7.6 We believe that all services who are engaged in supporting parents to make collaborative family based arrangements must do so from a position of promoting the interests of children even where this runs counter to maximising the individual rights of a parent.

7.7 We support the suggestion that advice and support services could be co-located under one roof and delivered locally. This is a model that the Centre for Separated Families is building with its affiliate, Isle of Wight Separated Families, where local services are joined up around a single ethos, delivering a range of services to meet local needs. We see this model as a separated family relationship hub around which parents are offered an opportunity to deal with the issues that come with divorce or separation and build collaborative family based arrangements.

7.8 Each local hub would, necessarily, reflect local conditions and local needs but would ideally bring together a range of providers with different expertise who would deliver a consistent and joined-up set of services. Fundamental to the success of this type of delivery would be a common philosophy which supported families to build collaborative post-separation arrangements.

7.9 Online information and guidance could also be offered through virtual hubs, where parents would be able to access information such as that provided by the Couple Connection, Relate, the Centre for Separated Families, Citizens Advice, Shelter and the Money Advice Service. All of these services would need to reflect the intention to encourage parents to build collaborative family based arrangements.

7.10 We support the suggestion that more professionals could be trained to recognise what advice and support family members need and to be able to refer them to it. This training must, however, be consistent with the aim of supporting parents to make collaborative family based arrangements for the care of and provision for children and must not promote "rights" based or divisive models of support.

The Operation of the "Gateway", which will require Parents to Consider a Range of Options for the Agreement and Collection of Child Maintenance before they are Able to Apply for Statutory Support

8.1 The Gateway should ensure that those parents who are capable of making private agreements are supported to do so and should offer an alternative to the "rights" based approaches that have been used by support organisations in the UK for many years. Child maintenance should be reframed as a parental responsibility that both parents must continue to carry out and the gateway should give this message clearly at all points of engagement with it. Child maintenance should be seen as a part of an ongoing collaborative partnership between parents. All parents engaging with the gateway should have this message clearly reinforced with a triage system that directs only vulnerable groups directly to the statutory scheme.

8.2 We believe that any such Gateway should be operated by staff with a skills-set conducive to meeting the needs of mothers and fathers as well as wider family members. The skills-set should also meet the needs of people who are experiencing situational distress due to family separation. The skills-set should enable Gateway operators to sensitively guide parents through the options available to them for the making of private agreements for child maintenance, ensuring that the strengths of each parent for doing so are supported. The Gateway should be supported by a number of hubs both virtual and community based which support parents to make private agreements for child maintenance. Sign posting to these additional services will increase the support on offer to parents to make their own arrangements for ongoing provision for children.

8.3 The Gateway service should be managed by the Voluntary Sector which is capable of delivering the high level skills set to ensure that the needs of separated families are met effectively. Voluntary Sector management of the Gateway will also ensure effective triage and sign posting is undertaken.

8.4 Voluntary Sector management of the Gateway using existing infrastructure, (for example by making use of the Child Support Agency Centres) could be operational quickly. Staff working for the Child Support Agency could be retrained to deliver the Gateway service ensuring that existing skills sets are utilised.

8.5 Voluntary Sector management of the Gateway should also include the current Child Maintenance Options Face-to-Face service which should be refocused to provide a team of specialist Child Maintenance Conciliators trained to support parents to make their own arrangements for child maintenance. Conciliation as an approach should be chosen over mediation because, in conciliation, it is possible for the third party to offer opinion and guidance. A conciliated agreement could be ratified as part of the overall divorce proceeding or could simply be recorded as a private agreement between parents.

The Scale of the Challenge Involved in Moving existing CSA Cases to a New Scheme and the Likely Impact of Introducing Another New Computer System

9.1 We welcome the phased closing of existing CSA cases over a two year period and the intention that all those who wish to continue to use the statutory scheme will do so by making a new application. We believe

this will increase the numbers of parents opting to make private family-based arrangements and reduce the number of statutory cases.

9.2 The introduction of a new computer system, one that is free of the inefficiencies and faults of the existing system and which will not begin with cases transferred from the previous system, offers the opportunity to deliver a much improved service for parents who opt to use the statutory scheme.

9.3 We believe that the proposed reforms must be integrated with the timetable for the introduction of "Future Scheme".

May 2011

Written evidence submitted by Gingerbread

SUMMARY OF GINGERBREAD'S SUBMISSION

- The Government's child maintenance strategy is likely to lead to poorer outcomes for many tens of thousands of children whose parents have failed to achieve the model collaborative agreement post separation that the government wants. A better strategy for child maintenance is needed that ensures that *all* children in separated families are effectively financially maintained by both parents.
- The Government's vision for vastly improved services to help parents develop private maintenance arrangements appears ill-developed when set against the harsh realities of cuts in central and local government budgets and the large numbers of parents who currently use the CSA who will be expected to make private agreements in future.
- Gingerbread is critical of the fact that the "gateway" proposals are expressly intended to reduce applications to the statutory maintenance service, rather than establish what would be the most effective means of securing maintenance for a child. There are therefore legitimate concerns about the lengths a parent with care will have to go to prove a private agreement is not possible or appropriate. The proposed restrictions on use of the Commission's collection service is likely to lead to greater personal and financial insecurity of parents with care.
- For low-income families in particular, child maintenance can make a huge difference to the quality of children's lives. The Government's charging proposals will cause many low-income parents with care and those receiving only modest amounts of child maintenance to give up on the statutory scheme altogether—even though they may face insurmountable problems in persuading a reluctant non-resident parent to meet his/her responsibilities voluntarily. In circumstances where every penny of maintenance counts, the loss of up to 12% of every payment as a collection charge will further impoverish already disadvantaged children.
- Questions remain as to the actual amount of money that will be raised by charging parents compared to the running costs of the future statutory scheme. Ultimately, we argue it is not a saving for the taxpayer if children living in separated families lose out on much needed financial support, and non-resident parents find it easier to evade their responsibilities.
- With the detailed rules of the future statutory scheme, the behavioural implications of the Government's proposals, and plans for managing the transfer of existing CSA yet to be finalised, much remains uncertain regarding the future administration of child maintenance and its effectiveness.

INTRODUCTION

1. Gingerbread is the national charity working for and with single parent families. It has been a longstanding goal of the organisation to help achieve an effective child maintenance system in this country so that the financial disadvantage faced by children growing up in separated households is mitigated. Gingerbread was a founding member of the "Kids in the Middle" coalition along with Relate, the Fatherhood Institute and Families Need Fathers and we are committed to seeking to improve the support given to separating and post-separated parents and children to deal with the fall-out from relationship breakdown and focus both parents on the future well-being of their children and on their mutual obligations, as parents, to contribute to their children's welfare.

2. Gingerbread has responded to the Government's consultation on its proposals for the future of child maintenance and we have forwarded to the Committee a copy of our submission. Where appropriate, we have cross-referred to our Green Paper response.[22] We welcome the Committee's inquiry and its broader look at the future of child maintenance, in the light of the Government's proposed reforms.

Are the reforms likely to achieve better outcomes for children?

3. The *Strengthening Families* consultation starts from the central premise that there are better outcomes for children where there is continuing engagement with the child from both parents. As an overall strategy to strengthen family relationships, the Government is right to seek to encourage more collaborative parenting. But in choosing to build its child maintenance strategy around a model of cooperative parental behaviour

[22] Not printed.

post-separation, whilst erecting procedural hurdles and financial penalties for parents in need of the statutory maintenance service because their circumstances fall short of this ideal, ironically the child maintenance strategy is likely to lead to worse outcomes for many tens of thousands of children. Children, particularly in low income households, are likely to end up poorer where their parents have failed to achieve the model collaborative agreement the Government want. For some, it will be because the parent with their day-to-day care, faced with deliberate deterrents, has given up on the statutory scheme altogether. For others, it will be because payments of already modest amounts of maintenance are reduced due to government charges.

4. It should be fundamental to any government strategy for child maintenance that *all* children have a right to be financially maintained by both parents, just as they have a right to a meaningful relationship with both parent and to be cared for. The strategy should be focused on ensuring that parents' responsibility to financially support their children is met—by whatever is the most effective means, in a particular case, to ensure that maintenance is paid on a sustainable and enduring basis. In many cases, a voluntary agreement will be the most effective arrangement. But in setting out to make it more difficult and expensive for parents to use the statutory scheme, the Government will be failing a large number of children who need the statutory service if they are to receive financial support from the non-resident parent.

5. Ironically, by deliberately impeding parent with care access to the statutory scheme, the incentives on a non-resident parent to make a mutually satisfactory private agreement are likely to be reduced. Arguably it is precisely because a parent with care can easily access an effective state child maintenance service that non-resident parents are more likely to agree good private arrangements in its shadow.

Advisory and Mediation Services

6. We refer the Committee to our Green Paper response, paragraphs 11–46. In summary, we consider not enough is being done to scope and prepare for the large numbers of parent who, in future, are being expected to make successful private maintenance arrangements rather than rely on the statutory service. During a two-year transition period starting in 2013, over a million parents with care who currently use the CSA will be given the choice of either opting into the new, more expensive statutory scheme or attempting to make private arrangements instead, with the help of proposed new support services. Parents tend to turn to the CSA when all other avenues have been exhausted.[23] Due to their circumstances, and the unwillingness of a proportion of non-resident parents to voluntarily meet their financial responsibilities, many will find making a successful private maintenance agreement difficult.[24] The challenge for the Government is to ensure that, given the numbers involved and the higher degree of intervention which may be required, that the necessary support is available for such families bearing in mind their modest circumstances.

7. An added issue to be addressed is the extent to which voluntary agreements once made, will continue to endure throughout a child's growing up. The evidence suggests that voluntary agreements tend to break down over time.[25] Children remain financially dependent on their parents for many years. During that time, their parents may re-partner, have other children, change or lose jobs, move away—all changes which can put a private voluntary arrangement under strain. It will be important that family support services which the government intends to put in place will help sustain private agreements during the whole of a child's upbringing.

Mediation and Other Services Aimed at Getting Joint Parental Agreement

8. The effectiveness of mediation in achieving effective and enduring child maintenance arrangements is far from certain. The Family Justice Review recently noted that "high quality evidence on the effectiveness and cost of mediation seems to be lacking." It also accepted that the evidence for the durability of mediated agreements is currently limited.[26]

9. An obvious limit to the use of mediation as a means to achieve a family-based arrangement is the importance of engagement by both parties. If the non-resident parent will not engage, even though the parent with care is willing, under the government proposals the parent with care and the children will face financial penalties for turning to the statutory system. A second problem is cost. Unless both parents are eligible for legal aid, mediation can be expensive. The Child Maintenance and Enforcement Commission's Option's website advises that mediation usually takes between two and six sessions and can cost over £100 per session. This will be out of the reach of most parents on low or modest incomes. Maria Miller MP has promised that "under the new scheme, parents will be able to access free support to help them come to their own family arrangements."[27] It remains to be seen whether this will include free mediation, at the expense of the taxpayer.

[23] (2011) Andrews S et al, *Promotion of Child Maintenance: Research on Instigating Behaviour Change* CMEC Research Report. This study found that most separated parents in the study believed that the CSA should only be used as a last resort.

[24] The characteristics of parents which make private arrangements more or less achievable are discussed in paragraphs 19–20 of Gingerbread's Green Paper response.

[25] See (2007) Morris S, Child Support Awards in Britain: An Analysis of Data from the Families and Children Study Paper for the Centre for Analysis of Social Exclusion, London School of Economics (2005) Atkinson A and McKay S, Investigating the compliance of Child Support Agency clients, DWP Report No 285.

[26] Family Justice Review, Interim Report March 2011, paras 5.102 and 5.105

[27] Letter to "The Times" 4 April 2011

The Operation of the Gateway

10. The operation of the proposed "gateway" to the statutory scheme is set out in Clause 128 of the Welfare Reform Bill. We are critical of the fact that the Commission's actions under clause 128—to encourage the making and keeping of private agreements, and to require applicants to the statutory scheme to first take "reasonable steps" to establish whether a private agreement is possible or appropriate—are to be carried out, not with a view to establishing what is the best means to achieve an effective maintenance arrangement for a child concerned, but with a view to reducing the need for an application to the statutory scheme. This appears to be in conflict with both the duty under Section 2 of the Child Support Act 1991 to have regard to the welfare of a child in the exercise of any discretionary power under the Act, and with the Commission's main objective as set out in Section 2 of the Child Maintenance and Other Payments Act 2008, which is "to maximise the number of children…for whom effective maintenance arrangement are in place."

11. Given that the purpose of the gateway is expressly to reduce statutory applications, there are legitimate concerns about the lengths parents with care will have to go to, to satisfy the Commission that they have taken "reasonable steps." As we discuss in our Green Paper response (paragraphs 42–46), little thought appears to have been given to the inequality of bargaining power which can place many parents with care in a in a vulnerable position when it comes to negotiating adequate child maintenance for themselves.

The Likely Impact on Parents of the Introduction of Charges, Particularly Poorer or More Vulnerable Families

12. We discuss in paragraphs 4–8 of our Green Paper response why child maintenance matters to parents with the main day-to-day care of children, and why, even if amounts are small, it can still make a difference to children's lives. In paragraphs 47–53 of our response we discuss the likely impact on parents of the introduction of charging, particularly on poorer parents. The issue of vulnerable families (and what this means) is discussed in paragraphs 42–46, whilst the specific issue of parents who have experienced domestic violence is discussed in paragraphs 59–63 of our Green Paper response.

The Effectiveness of Mechanisms for the Collection and Transfer of Maintenance

13. We discuss the proposed new rules for access to the collection service in paragraph 48 of our Green Paper response. There is a strong risk that the new provision will expose parents with care looking after children to greater personal and financial insecurity. When parents with care using the CSA were asked whether they would consider a "maintenance direct" arrangement, 96% of them cited at least one barrier that would make it difficult for them to switch to using it, mostly related to a lack of trust in their ex-partners to pay but also including a concern about direct contact with their ex-partner.[28]

14. It remains to be seen how quickly the Commission will access the use of the collection service where a payment is missed or only paid in part. Late and irregular maintenance payments can cause significant problems for parents with care looking after children, disrupting budgets and making it difficult to plan ahead.

15. Where a non-resident parent proves an unreliable payer, parents with care will face the unenviable decision of whether to tolerate erratic or partial maintenance payments, or suffer a reduction in maintenance by requesting access to the collection service plus increased antagonism from a non-resident parent, who will then required to pay 20% extra. By making access to the collection service more difficult and expensive for parents with care, the likelihood is that many will hesitate to use it. The result, for many who previously could rely on payments via the CSA, will be lower amounts of child maintenance and less reliable payments. Again, children in lower income families are likely to be the main losers.

Value for Money for the Taxpayer

16. We discuss the issue of fairness to the taxpayer in paragraphs 54–58 of our response to the Green Paper. The net value for money to the taxpayer arising from the government's proposals is far from clear. The Committee will know from its predecessor's 2010 inquiry that considerable savings were already planned, arising from the cheaper running costs of the new statutory service, once fully operational. The government has yet to announce its estimate of:

— the size of the future caseload of the new statutory maintenance service in the light of its proposals and the additional savings which result from this;

[28] Barriers cited included "wouldn't feel sure I'd get paid at all" (68%); "bad relationship/don't trust ex-partner" (61%); "wouldn't feel sure I'd get paid the right amount of money" (52%); "wouldn't feel sure I'd get paid on time" (52%); "don't want direct contact with ex-partner" (35%). (2006) Bell A, Bryson C, Southwood H, and Butt S, *An investigation of CSA Maintenance Direct Payments: Quantitative study,* DWP Research Report No 404.

— the number of parents who currently use the CSA who are expected to make successful private maintenance agreements in future;[29]

— the amount it expects to raise from charging a) parents with care and b) non-resident parents for use of the statutory maintenance service; and

— its latest expected budget for the future statutory maintenance service.

17. In terms of extra costs, the government has yet to give any detailed estimates of:

— the additional costs of investing in effective services which will encourage and support significantly more parents to achieve successful private maintenance agreements;

— the cost of implementing a "calculation only" service; the compulsory gateway and new procedures around access to the collection service;

— the cost of collecting charges from parents with care and non-resident parents, including enforcement action; and

— the costs of compressing the transfer of existing CSA cases to the new statutory scheme into two years rather than three, and the numbers of existing cases it expects to transfer over.

18. Ultimately, we argue it is a false economy and not value to the taxpayer if already disadvantaged children living in separated families lose out on much needed financial support and non-resident parents find it easier to evade their responsibilities.

A more efficient administrative child maintenance service?

19. The Child Maintenance and Enforcement Commission faces considerable challenges ahead as it prepares for the launch of the new statutory child maintenance service. Those challenges include:

— A reduced budget on which to manage the increased workload arising from managing three statutory child maintenance schemes simultaneously, pending the transfer of existing CSA cases to the future model.

— Adjustments to the IT systems being developed to take account of the government's new proposals.

— Understanding the behavioural consequences of the government's new measures and the impact on use of the future scheme.

— Managing the legacy of historic debt, whilst setting up better systems for arrears collection within the future scheme.

— Ensuring a seamless interface with HMRC so that the benefits of a more efficient approach to identifying non-resident parent income are realised.

20. There are concerns that the date for launch of the future scheme—originally scheduled for 2011—may slip further, with the detailed rules for the future statutory scheme yet to be published, and the government's final plans for child maintenance reform yet to be announced following the consultation. Until these are clear, it is difficult to see how the IT requirements for the future scheme can be finalised, let alone tested.

Moving CSA Cases to the New Scheme

21. The government has chosen to reduce the "change-over" period—when existing CSA cases will be transferred to the future scheme—to two years rather than three. It has yet to publish for consultation, its plans and priorities for the transition process. Questions which remain to be answered include:

— What working estimates does the Government have of the number of old and current cases which will transfer to the future scheme?

— Will parents using the CSA have to pay £20-£25 for the "calculation only" service to find out the amount of child maintenance they will be likely to pay or receive under the future scheme?

— Given that in many cases child support assessments/calculations have not been updated for several years, a number of non-resident parents may face a significant increase in their child support liabilities when transferred to the new scheme. What research has been done to identify the scale of the increases non-resident parents might face at the point of transition and how of many NRPs are likely to be affected?

[29] The Minister's own estimate (letter to "The Times" 4 April 2011) is that half of those who currently use the statutory system would be able come to their own arrangements with "the right support." This is based on questions asked in a large 2008 DWP study ((2008) Wikeley N et al, *Relationship separation and child support study*, DWP Research Report no 503.). Parents with care were first asked whether they would be confident in making their own child maintenance arrangements if they were able to use improved information and guidance services. 64% said they were not confident or not at all confident of doing so. Parents with care were then asked *"Imagine you had access to a trained, impartial adviser to help with making a private arrangement. How likely do you think you would be to make a private arrangement with your ex-partner?"* Here, the proportion of parents with care who said they were likely or very likely to be able to make a private arrangement rose to 51%. The Minister has yet to confirm what the offer of "access to a trained impartial adviser" means in practice, and the issue remains whether what will be offered will resemble what parents had in mind when they answered the question. There is a risk that, if the offer does not meet such parents' expectations, the Minister's optimism as to the proportion of existing CSA clients who will succeed in making private arrangements may be misplaced.

— In other cases, parents with care may suffer a loss of child maintenance at the point of transition, given that the calculation will be based, not on the non-resident parent's current income, but on the details of his income as it was in the last tax year for which HMRC have records. What research has been done to identify the scale of the reductions in child maintenance parents with care might have at the point of transition, and what estimates exist of the numbers likely to be affected?

— How will cases be treated where there are child maintenance arrears to be collected across different schemes?

— What will happen where a non-resident parent has child maintenance obligations to more than one parent with care, perhaps on different schemes?

Conclusion

22. At a time of strong financial constraints, there is clearly a need to consider the scope for reducing the costs of running the statutory child maintenance system. In our Green Paper response paragraphs 70–74, we put forward a number of ways that the statutory caseload could be reduced without erecting financial barriers at the point of entry to families unable to get maintenance via a private arrangement. We also propose positive incentives to encourage parents—particularly non-resident parents—to cooperate in agreeing child maintenance and put forward fairer principles to govern charging.

April 2011

Written evidence submitted by Advice NI

Background

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, NVQs in advice and guidance, social policy co-ordination and ICT development.

Membership of Advice NI is normally for organisations that provide significant advice and information services to the public. Advice NI has over 65 member organisations operating throughout Northern Ireland and providing information and advocacy services to over 100,000 people each year dealing with almost 250,000 enquiries on an extensive range of matters including: social security, tax credits, housing, debt, consumer and employment issues.

Introduction

In terms of the Green Paper, Advice NI believes that there is an unresolved contradiction pervading the Green Paper between supporting families and coping with family breakdown and all that that entails. Added to this is the clear indication that need (around any reformed child maintenance system) will come a poor second to financial expediency—a view prompted by the pointed phrase "stretched resources" in the Ministerial foreword.

The above contradiction is accentuated by a lack of understanding about the rawness and pain of family breakdown. The consultation document talks about a principle of encouraging a collaborative approach to the issue of maintenance. This is very often unrealistic within a world where both parents are unable to communicate with each other never mind collaborate.

Advice NI believes that the Green Paper has one major flaw; a lack of focus on the child(ren). This is primarily borne out by the proposal to charge parents with care (and by extension the child(ren)) for use of the statutory services.

Given the experiences of the past in relation to the child maintenance issue and the raft of welfare cuts proposed in 2010, Advice NI is not convinced that another system and associated new computer system will deliver for parents with care and their child(ren).

Advice NI's concerns in relation to financial expediency can be tracked though the "Changing landscape—supporting separating parents" chapter. Advice NI would be concerned that the voluntary sector will not have the capacity to deliver the help these proposals envisage given the growing pressure on the sector due to the recession, welfare cuts and budgetary cuts affecting frontline services.

Question 1: *Do you agree that maintenance should be more effectively integrated with other types of advice and support provided to families experiencing relationship breakdown to enable them to make arrangements?*

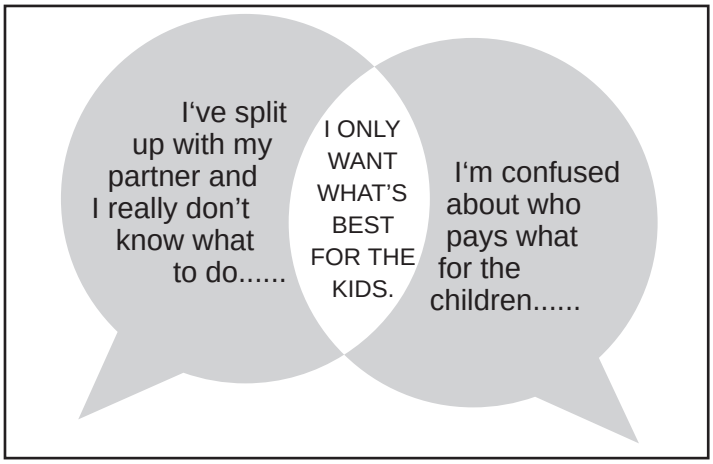
The Green Paper gives little indication regarding the "other types of advice and support" where the question of maintenance could be more effectively integrated. Family mediation, often described as a form of dialogue between two parties, is given as an example of an area of potential integration. Other examples include Sure

Start children's centres and web-based support. Advice NI would make the point that very often at the point of relationship breakdown both parents are unable or unwilling to engage or communicate with each other. It is this very scenario (where the non-resident parent refuses to acknowledge the child(ren) and meet their maintenance responsibilities) that very often compels parents with care to access the statutory services.

In Northern Ireland a "Choices" campaign by the Child Maintenance and Enforcement Division (formerly the Northern Ireland Child Support Agency) is currently underway which highlights that a parent looking to arrange child maintenance for their child(ren) has three options:

— a private agreement;
— a Consent Order (through the courts); and
— an arrangement using the Child Maintenance and Enforcement Division's statutory maintenance service.

The publicity campaign in terms of the "Choices" service is quite positive and tries to neutralise any potential feelings of tension and hostility by focussing on the child(ren):



Advice NI believes that this approach has the interests of the child(ren) very clearly at the heart of the system, whilst offering choices where the parties are unable to agree amongst themselves. Despite the raft of changes that have taken place in the field of child maintenance over the last 20 years, with the latest reforms introduced in 2007–8, the evidence we have to date is that in Northern Ireland the new provisions are working well.

Advice NI believes the issue of maintenance may be too important and "big" to be effectively integrated into other areas and we would advocate the approach which is currently bedding down in NI.

Question 2: *How best can maintenance support be integrated within the network of support services to better support families experiencing relationship breakdown to make family-based arrangements?*

Advice NI is very concerned that this top-down, un-evidenced approach is driven by financial expediency rather than ensuring that maintenance flows to children. Advice NI has just finished a piece of work "*The big idea: putting people first*" which advocates a people centred approach to systematic improvement in frontline services. Advice NI believes that this issue is too important and too complex to simply impose a top-down, untried, untested approach; particularly an approach where integration is simply a cut disguised as a solution. Advice NI would be opposed to the introduction of any approach which would negatively impact upon the delivery of child maintenance services. The Advice NI report is available at www.adviceni.net and we would welcome further engagement on the methodology employed.

Advice NI would also be concerned that spending cuts and efficiency savings will impact directly on the community and voluntary sector network and therefore on it's ability to deliver on the "Big Society" generally and on this model of integration in particular.

Question 3: *What information, advice and support services should be integrated to assist families in making family-based arrangements?*

Question 4: *What support around child maintenance is needed for the most vulnerable families to make family-based arrangements?*

Please see above. Advice NI remains unconvinced of (i) the need for; and (ii) the effectiveness of family based arrangements in relation to child maintenance potentially being incorporated within a broader base of services available at the point of separation. A fundamental issue is that the Green Paper pre-supposes an unrealistic position that preparations can be made for child maintenance, again reflecting the inherent unresolved contradiction, tension and conflict in the document between supporting the family unit and coping with relationship breakdown. The Green Paper talks about cases currently only being picked up at the "crisis stage" by which we presume means at the point of breakdown. Advice NI would have welcomed greater detail in the Green Paper as to how families could be identified and engaged prior to the point of breakdown and reaching the "crisis stage". Goals such as "moving more parents towards considering mutually-agreed family based settlements" may well be preferable, but as highlighted above may be unrealistic for many within the rawness and pain of family breakdown.

Question 5: *Is the balance of burden of the proposed charges fair between the non-resident parent and the parent with care?*

Question 6: *Are parents being asked to make a fair contribution to the costs of delivering the statutory child maintenance system?*

Advice NI believes that the Green Paper approach to charging is inconsistent and requires further thought. On the one hand the Paper argues for family-based, mutually agreed settlements that prevent the necessity of using statutory services. However where the non-resident parent fails to engage in such an approach (and it will generally be the non-resident parent), the onus will then be on the parent with care of the child(ren) to pursue maintenance. Advice NI would question whether the Green Paper is correct to describe as "choice" the decision of parents with care in this situation to pursue maintenance through the statutory services.

Advice NI disagrees with the intention to charge parents with care for the statutory service, regardless of the individual circumstances of the case.

Where it is demonstrated that the non-resident parent (or indeed the parent with care, in rarer circumstances) is not engaging in a collaborative based approach to the child maintenance issue, then the burden of any additional charges should fall to the party guilty of non-engagement. The current intention of spreading the charges between both the parent with care and the non-resident parent does little to incentivise the "reluctant" party to engage, and indeed may actually encourage non-engagement. Of course the exception is Domestic Violence which is discussed later.

Advice NI advocates that charges in terms of application fees and collection fees should fall to the party that fails to engage in collaborative arrangements. To do otherwise would appear to penalise the party trying to seek accommodation and ultimately directly penalises the children of the parent with care.

If this approach were to be taken, there is no reason why charges could not be set at a full cost recovery basis, minimising the burden on the taxpayer and further incentivising settlements outside the statutory scheme.

The intention to place some burden of charges on to the parent with care has laid the Government open to accusations of:

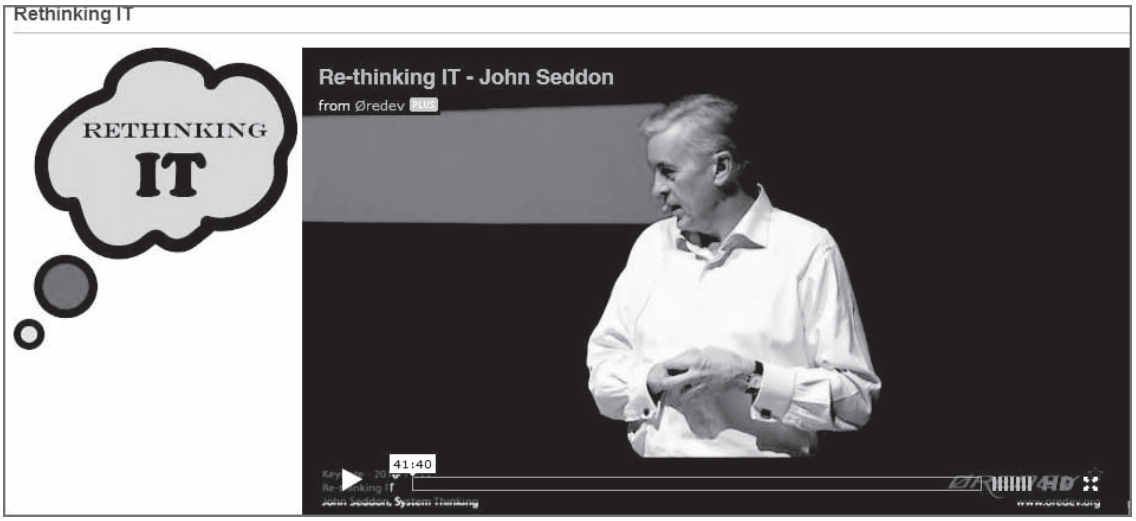
- penalising the child(ren);
- penalising the parent with care trying to do their best for their child(ren);
- penalising the most vulnerable, who the Green Paper acknowledges will be those forced to use the statutory scheme;
- creating an unfair charging regime, placing charges on to parents with care even though they are not avoiding their responsibilities;
- charges placed upon parents with care effectively mean that money is taken from the child(ren);
- charging the parent with care may well actually dissuade them from pursuing their rights in terms of getting maintenance for their child(ren) because of affordability; and
- ultimately the charging proposals will have a differential impact on (usually) women as they strive to raise their child(ren) often on minimal incomes.

Question 7: *How should the proposals in Chapter Two be tailored for separating families where there has been violence or a risk to the child?*

This issue forces the Green Paper to make a token acknowledgement of the importance of the child(ren), although tellingly there is very little detail on this most important issue. Advice NI would again advocate the "The big idea: putting people first" approach and advocate the design of a system which is based on listening to the voice of those separating families where there has been violence or a risk to the child.

More specifically, Advice NI believes that family-based, collaborative arrangements are completely unacceptable in Domestic Violence cases, and would question (i) how these cases will be identified; (ii) what evidence will be required; (iii) how will statutory scheme staff be trained in this area.

In terms of the proposed new IT child maintenance system referred to in the Green Paper, Advice NI would recommend that policy makers responsible for the new IT system follow the following link "Re-thinking IT": http://www.thesystemsthinkingreview.co.uk/index.php?pg=18&backto=1&utwkstoryid=313.



This is a short video of Professor John Seddon discussing the development of IT projects, the pitfalls and the best way to approach major IT projects—including the purpose of IT systems, studying demand on the system, measuring the capability of the system from the customer's point of view. Advice NI believes this video will be illuminating for everyone who takes the time to study it.

April 2011

Written evidence submitted by National Family Mediation

Thank you for inviting NFM to submit evidence to the Work and Pensions Select Committee. Attached is the consultation response submitted for the Strengthening Families Consultation process.

Since submission NFM has been engaged with other voluntary sector organisations looking at how to deliver maintenance services for separating or divorcing families in the voluntary sector.

We appreciate this is a complex area but firmly believe that family mediation provided by NFM services could transform the effectiveness of child maintenance arrangements if better integrated into the system. It would have the added benefits of:

— helping more children out of poverty;

— help manage the process of breakdown in a way that would ensure the best possible outcomes for children;

— reduce conflict between parents and remove economic and emotional obstacles for children caught in their parents conflict; and

— promote ongoing positive parenting relationships post separation.

To better integrate family mediation in the divorce and separation process, NFM proposes a model of service delivery that encourages personal responsibility, will achieve higher settlement and agreement rates and will ultimately generate potentially huge cost savings for the government.

The model:

Mediation is provided free at the point of access into the child maintenance system. The mediator at the suitability assessment meeting undertakes a means assessment in line with the current legal aid eligibility rates and criteria. All C-MEC and Options staff would need to be trained/informed to refer to mediation.

Parties assessed as eligible receive free mediation. Non eligible parties pay according to the current fee structures of NFM services.

The fee for mediation is recoverable when settlement has been reached and the parties' assets and liabilities have been shared. For all divorcing and separating families maintenance is seldom an isolated problem and there are other elements that need to be considered simultaneously. Parties assets and liabilities are usually "in dispute" until settlement is reached creating a hiatus. Providing mediation free will help to overcome these obstacles and once agreement is reached the fee for mediation becomes recoverable in the same way as the Statutory Charge is applied to legal services provided under legal aid.

This service could be managed and administered centrally by NFM to avoid complex and costly bureaucratic systems and will ensure streamlined and effective service delivery. Additionally it will help the DWP deliver maintenance services. Demand for maintenance services is likely to mushroom in the autumn when Legal Aid for divorce is withdrawn and many more people will approach maintenance services as they try to act as litigants in person because they cannot afford high street legal fees.

May 2011

Annex

NATIONAL FAMILY MEDIATION RESPONSE TO:

STRENGTHENING FAMILIES, PROMOTING PARENTAL RESPONSIBILITY: THE FUTURE OF CHILD MAINTENANCE

ABOUT US

National Family Mediation (NFM) is the only voluntary sector provider of family mediation. NFM is the umbrella organisation for its 50 member services in England and Wales. All are registered charities.

Family mediation was founded in 1982 by NFM. We have developed maintained and managed, the development of training, professional standards and the delivery of services.

Our unique and defining characteristics are:

— A focus on children.

— A not-for-profit system of providing services.

— Mediation that seeks to improve communication as well as achieving settlement.

— Specialised experience in the field.

NFM and its member services differ from other family mediation providers because:

— Services are distinct and separate from legal practices.

— They provide a range of services in addition to all issues family mediation (children, finance and property).

— The fee structure is affordable.

— It is a network of services linked by an affiliation criteria that supports professional and business practice.

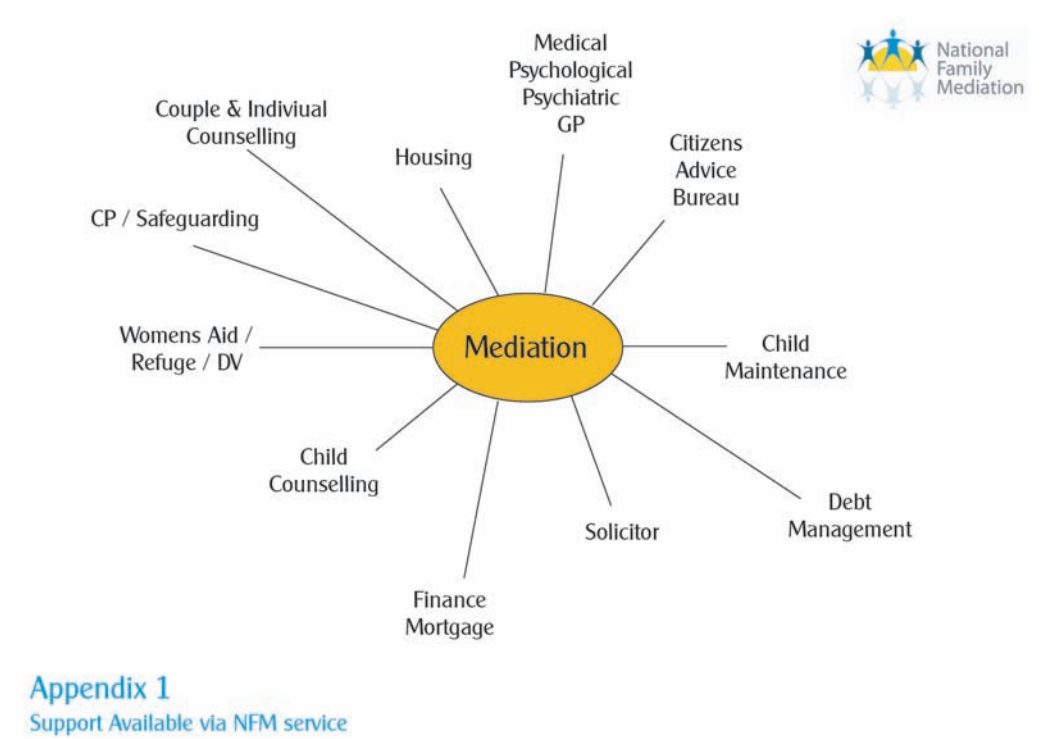
— Our network provides national coverage and is responsive to local need.

The consultation document has identified the problems families experience when a parental relationship breaks down. It also identifies the ambition and aspiration to help families through this difficult and traumatic time. It does not however appear to recognise or understand the complex issues that families have to address simultaneously in order to achieve an equitable separation.

Before considering how to effectively integrate child maintenance services there is a need to chart the points of entry for child maintenance services and clearly identify for whom child maintenance services are most relevant.

Child maintenance is a crucial issue for families who are separating but can seldom be treated in isolation from other aspects of the relationship break up. The reality is that child maintenance forms part of the overall settlement. In mediation we are very aware of the significance of child maintenance both for the immediate relief of financial pressures for families as they try to bring about changes and in the longer term to ensure parents are supporting their children throughout their life.

The diagram below illustrates the links NFM services have with external agencies that are required to enable a family to make the changes but also shows the number of places people with relationship breakdown problems may present.



Appendix 1
Support Available via NFM service

Typically most people who divorce or separate have to deal with often complex situations that include arrangements for children, finances and property. As they try to unravel and disentangle what was once a joint and shared life parents have to negotiate a whole range and variety of services from the mortgage or tenancy to pensions and child maintenance and arrangements for children going forward. All of these issues are addressed in mediation.

Arrangements for children include how children will maintain relationships with both parents, how wider relationships are maintained such as friends, school, social networks, extended family relationships grandparents, aunts, uncles and cousins. A critical part of this is how a child's economic situation can be maintained. Research evidence (Marital splits and income changes over the longer term Feb 2008 Stephen P Jenkins I.S.E.R) shows that at the point of separation women and children are most at risk of falling into poverty and that economic success of a family is often dependent on women with their children forming new intimate relationships. This creates additional complexities as step-families are formed and expand to include half siblings.

Whilst we understand the desire not to link maintenance with contact the reason this happens is because conflicted relationship breakdown and adversarial proceedings that exacerbate conflict make people retreat to their positions of power. For women with care of children this is expressed by control of the father's relationship with his children through restricted and limited contact and for the fathers it is the control of the flow of money. This creates a horse trading environment where the losers are the children. Most other support services are unaware of the links between the presenting problems be they practical or emotional and do not consider peoples circumstances in the round. For example the GP deals with the presenting health problems of depression, anxiety, tension and sleeplessness; Schools identify behavioural problems in the context of school life and frequently only work with one parent, the mother; employers experience lost productivity and absenteeism as personal problems overwhelm employees. Benefit changes might be associated with relationship breakdown but advisors do not give accurate information about services that might help and advise. Support services such as CAB or Relate are approached for singular and different reasons none of which identify relationship breakdown and all the ensuing complexities nor provide information about managing the process as a whole.

Recent Ministry of Justice Research has identified that there is no one precipitating factor that makes people resort to court or the law to resolve their difficulties but that a combination of issues and a general inability to resolve single issues means that people seek legal advice. It is this action that then triggers access to the statutory element of services such as C-MEC.

NFM services would provide a cornerstone to delivering services to families experiencing divorce and separation if they were properly integrated into the advice and support network. This is not currently the position and local services, statutory agencies and government departments remain consistently unaware and ignorant of the services NFM can and do provide. It has extensive and unrivalled experience in this field.

Our own research (Consumer Perceptions of Family Mediation Oct 2009) shows 73% of people seek legal advice post relationship breakdown and only 7% are aware of mediation as an alternative. 97% of people felt using solicitors would be costly but all substantially underestimated the true cost. When given information about mediation 86% of people thought that they would prefer to try mediation as it would save money and help preserve and promote ongoing parental relationships.

Solicitors are the gateway to services that include child maintenance. There is a gulf between lack of awareness of alternatives that empower people to find their own solutions followed immediately by use of legal services. In negotiations solicitors use the statutory C-MEC services to inform division of assets and liabilities and future maintenance arrangements. These then form the basis of court ordered settlements. This effectively bypasses the voluntary services the Options service could provide. It is the over reliance on legal services that then impacts on statutory services that include not only C-MEC but CAFCASS, Local Authorities and the most expensive resource of all the courts and child maintenance tribunals.

The proposal to charge families for using the statutory services C-MEC provides could be viewed as reasonable if all other options had been tried. This is not the case. The stepped process is fractured and comprehensive advice and support available post relationship breakdown is almost non existent. This creates a segmented approach to problem solving followed by an immediate transition into statutory services via the legal process. It also fails to empower people to solve their own problems. If the charging policy were to be introduced at this stage it would affect women and children most as they are the ones who are financially and economically vulnerable post separation. The DWP must also bear in mind the proposed changes to the availability of legal aid that will take divorce and children's disputes out of scope. This may also affect welfare benefits and housing advice—crucial areas affected by divorce and separation. Without access to self help services the cost to families in legal fees will grow exponentially creating an unintended consequence as one government department policy impacts on another area of reform.

In conclusion NFM would support the reform to charge people for using statutory services if there were sufficient education and awareness of potential services and especially mediation services to empower people to make their own arrangements. This could be achieved by supporting a combined approach to child maintenance and relationship breakdown with the particular expertise of CAB, The Money Advice Service and NFM. Relationship support services should be trained to identify financial and economic issues surrounding relationship breakdown whilst focusing on their primary raison d'être relationship support services.

The Options service should be better promoted and work in collaboration with appropriate voluntary sector services to ensure promotion education and awareness of services that seek early amicable resolution. This must additionally support the broader government policy to encourage continued parenting after separation. The child welfare paramountcy principle should be the over riding determinant for any changes to be made that would include the development or expansion of existing services such as NFM and its member service providers whose skills and services focus entirely on promoting parental responsibility post separation.

Written evidence submitted by Where's My Dad

I have been reading the written submissions and watching the hearings via Parliament website with interest.

The wheresmydad.org.uk™ Charitable Organisation (#wco) provides practical information, support and assistance to Non-Resident Parents (NRP) that have lost contact with their children because the Parent with Care (PwC) has arbitrarily decided to stop access or the "authorities" are not fulfilling their duty of care to the child and for both parents.

We believe that Child Maintenance and Contact are both part of a bigger picture that should be taken into account where parents do not live together, for whatever reason.

I was pleased that Dame Anne Begg raised the issue that within her own constituency surgeries a significant number of NRP's are forced into paying maintenance through the CSA/CMEC route but have no recourse to enforce Court Orders or contact arrangements that may in force. As you can appreciate, this is a major issue for NRP's.

Looking at the submissions, I see the Low Incomes Tax Reform Group indicates there may be problems relying on the HMRC data. We'd like to point out that there are some simple ways to alleviate this fear:

- — place more responsibility on the tax payer to ensure their information is correct and up to date;
- — effective transparency and sharing of fiscal data between central and local government, and where appropriate the banking sector;
- — use HMRC as the gateway to a persons fiscal data, perhaps providing an "end of year" statement showing tax/ni collected, benefits received (including local government) etc thereby providing a "single version of the truth"; and
- — ensure improved collection rates of Child Maintenance (and fines) by always having this collected using the soon to be HMRC Real Time Information system.

Dr CM Davies provides good examples of where the current system of calculation does not take into account the circumstances of the NRP and therefore causes great hardship and distress. In addition, an NRP needs to provide adequate accommodation to their child(ren) and the "system" needs to take this into account—including that additional bedrooms may be needs. Adrienne Burgess made a good point that the "system" should treat NRP's as a Family where they have 14% of residence. This would ensure the NRP gets all the systematic support that is currently only afforded to the PWC—including lower cost social housing and other passport benefits.

Ms Burgess also made a valid point that the way maintenance calculations are performed currently preclude benefit payments, however were the parents living together their joint income would be used. In addition, there are basic living expenses that should be taken into account, eg housing costs and travel to work etc without this, the NRP simply would not be able to afford to pay the maintenance imposed and therefore creates arrears that simply cannot be realistically paid.

All in all, I am pleased the issue of Child Maintenance is being reviewed although disappointed that it has taken so long. We agree that both parents should shoulder responsibility for their children, and this includes fair access to to the child(ren) and fair payment by both.

This is a complicated issue, however I strongly believe that Child Maintenance should not have it's own agency. The payments issue should be resolved via mediation & subsequent court approval—taking into account all circumstances of both parents. The concept of shared or co-parenting should be enshrined in law, with all the support that this should afford being mandated to be provided by the relevant agencies and bodies.

Perhaps the Committee should encourage the interaction on this subject between Sir Alan Beith of the Justice Committee, Rt Hon Iain Duncan Smith of the Social Justice Committee, Graham Stuart of the Education Committee, Rt Hon David Cameron of the Childhood and Families Taskforce and David Norgrove of the Family Justice Review Panel. Not forgetting to take into account the valuable work of Rt Hon Frank Field and the Review on Poverty and Life Chances.

As a final comment, where parents do not live together, the PWC should not have a significant improvement in living standards at the expense of the NRP. Their living standards should reflect their own income bracket. If the parents could not afford to look after a child together—they should not be having a child!

May I congratulate you on your work and wish you well in your endeavours.

May 2011

Written evidence submitted by Caroline Bryson

Evidence drawn from:

Relationship separation and child support study, DWP Research Report No 503.

By Nick Wikeley, Eleanor Ireland, Caroline Bryson and Ruth Smith.

In 2007, the National Centre for Social Research (NatCen) in collaboration with Professor Nick Wikeley, then at Southampton University, carried out a survey on behalf of DWP among separated parents, both those using and not using the CSA. Although the survey precedes the removal of the obligation for parent with care benefit claimants to use the CSA and the introduction of the full disregard, it nonetheless provides arguably the most comprehensive picture of the circumstances of separated parents. It includes useful evidence for the Committee on:

— The proportion and profile of parents who make successful private arrangements;

— How well private arrangements might work for the current CSA population; and

— How parents may feel about the introduction of charges for statutory services.

In this document, I briefly outline some of the *key* findings from the study in relation to the points above. I cite the table numbers from the full report which provide more information.

A key point to note, for those referring to the full report, is that the report systematically compares parents who were using the CSA and parents who were not. This distinction is not particularly useful for the Committee, as those not using the CSA consist of both those who manage to make effective private arrangements and those who have no maintenance arrangements. Of particular interest to the Committee is how those with *private arrangements* compare to those *using the CSA* and, in turn, those without any arrangements. In the evidence below, I have attempted to pull out the evidence most useful to the Committee. One other point to note is that the evidence from the perspective of non-resident parents is not as robust as the evidence from parents with care given a poor response to the survey from non-resident parents, particularly those who were not using the CSA. Those who did respond appear to be biased towards those with better relationships, more likely to have contact with children, and so on. This is a problem inherent in all survey research. I have therefore focused here on the evidence provided by parents with care.

The Proportion and Profile of Parents Who Make Successful Private Arrangements

In the 2007 survey, among parents with care who were not using the CSA (*table 4.1*):

28% had a private arrangement in place.

10% had a court or consent order.

62% had no arrangement at all.

Having a private arrangement in place is correlated with certain family characteristics. That is not to say that *all* parents with these characteristics have private arrangements, but rather that they are *more likely* to. These characteristics tend to be less prevalent among the CSA population.

Characteristics associated with making private arrangements include:

1. *Having a friendlier relationship with the other parent*:

Among parents with care who were not using the CSA, twice as many parents with a "very" or "quite friendly" relationship with the other parent made a private arrangement compared to parents with a "not very" or "not at all friendly" relationship (*table 4.1*):

46% of those with a friendly relationship had a private arrangement.

19% of those with an unfriendly relationship had a private arrangement.

The proportion of parents with care using the CSA who have a friendly relationship with the other parent is half that of the proportion of parents with care not using the CSA (*table 2.6*):

14% of those using the CSA were "very or quite friendly" with the other parent.

27% of those not using the CSA were "very or quite friendly" with the other parent.

2. *Having a higher income*:

Among parents with care not using the CSA, those with an annual income of less than £10,000 were half as likely as those with higher incomes to have a private arrangement (*table 4.3*):

17% of those with an income under £10,000 had a private arrangement.

33% of those with an income of between £10,000 and £20,000 (for example) had a private arrangement.

More parents with care using the CSA are in this lowest income band of under £10,000 than parents with care not using the CSA. This is largely accounted for by the parents with care on benefit (*table 2.14*):

39% of those using the CSA had an annual income of less than £10,000.

30% of those not using the CSA had an annual income of less than £10,000.

3. *Being in paid employment*:

Among parents with care not using the CSA, those in employment were nearly three times as likely to have a private arrangement in place as those not in work (*table 4.4*).

35% of those working had a private arrangement.

13% of those not working had a private arrangement.

Parents with care using the CSA were less likely to be working. Again, this is particularly an issue for parents with care on benefit, rather than other CSA users (*table 2.9*):

51% of those using the CSA were working.

66% of those not using the CSA were working.

4. *Having been previously married or cohabited with the other parent*:

Among parents with care not using the CSA, nearly three times as many parents who were married or cohabited made a private arrangement compared to those who did not live together (*table 4.2*):

34% of those previously married or cohabiting had a private arrangement.

12% of those not previously married or cohabiting had a private arrangement.

This is an issue where there are few differences between the CSA and non-CSA population, with both having similar proportions who had been previously either married or cohabited (*table 2.4*).

In the report, we grouped parents according to a range of characteristics and circumstances, including the frequency of contact between children and non-resident parents, status of previous relationship, friendliness of relationship, views on current contact arrangements and ability to discuss financial matters. These groups allowed us to see how different types of relationships (rather than individual factors) are associated with maintenance arrangements. The five groups can be broadly described as "happy with contact", "unhappy with contact", "no face-to-face contact", "contact with children but not ex-partner" and "no contact at all" (*table 5.1*):

— Parents with care not using the CSA were more likely than parents with care using the CSA to fall into the "happy contact" group:

32% of those using the CSA were in the "happy contact" group.

45% of those not using the CSA were in the "happy contact" group.

— Parents with care using the CSA were more likely to be in the "unhappy contact" group:

25% of those using the CSA were in the "unhappy contact" group.

16% of those not using the CSA were in the "unhappy contact" group.

or "no face to face contact" group:

16% of those using the CSA were in the "no face to face contact" group.

9% of those not using the CSA were in the "no face to face contact" group.

— Among parents with care not using the CSA, those in the "happy contact" group were the most likely to get maintenance and virtually none of those with no contact did so (*table 5.2*).

— Conversely, among parents with care using the CSA, more than half of those in the "no contact" group still received maintenance (*table 5.3*).

How Private Arrangements Might Work for the Current CSA Population

Here, I show the survey evidence on compliance (ie whether maintenance paid and, if so, whether regularly) among the two groups, and about how confident the current CSA population thinks it would be in making private arrangements.

1. *Compliance is high among the current private arrangement population. However, this cannot be used as evidence of what will happen to compliance levels among the current CSA population if they are not using the CSA*

Within the CSA population, levels of compliance are lower than those in the non-CSA private arrangements, particularly among those with less friendly relationships:

— Among those with a maintenance arrangement (of any type) in place, the proportions saying that maintenance is actually paid are high (*table 4.24*). However, they are highest among those with a private arrangement in place:

95% of those with a private arrangement say it is paid and, among those nine in ten say it is paid regularly (table 4.27).

88% of those using the CSA say it is paid and only six in ten of these say it is paid regularly.

— Moreover, among parents with care using the CSA, the proportions saying maintenance is paid increases in line with the friendliness of the relationship. So, for those with less friendly relationships or no contact, 83% and 82% respectively say that maintenance is paid.

2. *A minority of parents with care currently without private arrangements said that they would be confident in setting one up, with information and guidance*

Of those using the CSA:

24% said that they would be confident in setting up a private arrangement (figure 7.1).

22% thought that parents should try to make arrangements between themselves and 54% thought it should be with the help of a government agency (table 7.1).

Of those without a maintenance arrangement (and not using the CSA):

40% said that they would be confident in making a private arrangement (text after figure 7.1).

How Parents may Feel About the Introduction of Charges for Statutory Services

Parents with care were asked how likely they would be to use a calculation service—a service to calculate an appropriate maintenance level—if they had to pay for it. We asked how likely they would be to use it if it were free, cost £50 or cost £100. The amounts are somewhat less than now proposed, and here I report on the difference between likely levels of use if it was (a) free or (b) £50 (*figure 8.1*):

84% of those using the CSA would be very or quite likely to use the service if it was free.

47% of those not using the CSA would be very or quite likely to use the service if it was free.

Demand was highest among the more conflicted families (ie other than the "happy contact" group) and among those with lower incomes.

The proportions saying they would use the service dropped by around a half if there was a £50 charge:

36% of those using the CSA would be very or quite likely to use it if it costs £50.

24% of those not using the CSA would be very or quite likely to use it if it costs £50.

June 2011

Supplementary evidence submitted by Stephen Geraghty

During the child maintenance evidence session on 16 May, Stephen Geraghty quoted a few facts and figures the sources of which are given below:

Questions 61 and 63: The current level of cash value accuracy for CSA cases

Mr Geraghty mentioned that accuracy is "is running about 97%". And that "About 95% of cases are accurate to the penny". He also had the following exchange with Karen Bradley MP.

Q63 *Karen Bradley: But you are saying that in recent years 97% of assessments have been correct?*

Stephen Geraghty: Not quite. 97% of the assessment value is accurate. That is the cash value in aggregate. Some of those mistakes are too much and some too little. If you offset them you get very close to 100%, but that is adding together the overs and unders; and 95% of individual assessments are accurate to the penny.

The Commission publishes a quarterly summary of statistics (QSS) report which outlines progress against a range of performance indicators. These are published on the Commission's website at http://www.childmaintenance.org/en/publications/statistics.html

The most recent QSS, published in March 2011, available at http://www.childmaintenance.org/en/pdf/qss/qss-mar-2011.pdf (see page 7) states that cash value accuracy across the previous 12 months was 97.4%.

Accuracy began to be calculated using this measure in 2007 and, has been published regularly in the QSS since June 2010. The June publication at http://www.childmaintenance.org/en/pdf/qss/QSS%20June10.pdf shows that accuracy across the 12 months prior to that stood at 96.5%.

Prior to June 2010, accuracy was reported using a different measure known as "accuracy to the nearest penny." External reporting ceased as this was no longer one of the Agency's main accuracy targets. This is the measure Mr Geraghty was referring to when he cited the 95% figure.

The Committee touched on the different means of calculating accuracy in its previous report on child maintenance, published in February 2010 (see para 46).

Question 85: The use of powers to enforce CSA payments

We have done about 600 deductions so far ...

The March 2011 QSS (Page 24) shows that 320 lump sum deduction orders were authorised in the 11 months to February 2011 and 275 regular orders—where money is taken at regular intervals from the bank account—in the same period. This is a total of 595 deduction orders over the period.

Last year 1,000 people received prison sentences. 35 of them actually went to prison; the rest received suspended sentences …

The same page in the QSS shows that there were 35 prison sentences in the 11 months to February 2011, 885 suspended sentences and 60 orders to pay (actual prison sentences suspended on condition that the non-resident parent makes payment).

We have started commencement of the power to seize 800 houses. We have taken 20 so far; we have 12 left. We have sold eight of them ...

The same page in the QSS shows 820 properties have been referred for consideration since the power came into force (2008/09—105, 2009/10—335 and April 2010—February 2011—380).

Internal management information as of April shows that 10 properties have been sold with another 8 on the market or under offer. Our February data shows that eight had been sold. This is not routinely reported externally.

We are talking about 56,000 or 57,000 new deduction from earnings orders last year …

The same page in the QSS shows that 56,925 new deduction from earnings orders were imposed in the 11 months to February 2011.

For about half the people in employment we do take it from earnings and the others tend to pay. We get 90% compliance from people who are in employment; we get 80% compliance where we take it straight from their earnings, because they tend to leave the job if they are not going to pay…

This is not currently reported in the public domain.

Page 6 of the March 2011 QSS states that the non-resident parent in around 44.7% (approx 512,000) of cases is employed and in 8% (approx 92,000) of cases is self-employed. Deduction from earnings orders compliance has not been reported since June 2009.

Table 10 at http://www.childmaintenance.org/en/publications/xls/CSA_jun09_tables.xls shows that compliance on deduction from earnings orders at the time was typically around 79%.

Written evidence submitted by the National Association for Child Support Action (NACSA)

INTRODUCTION

1. National Association for Child Support Action (NACSA) is an organisation dedicated to helping parents who experience difficulties with the Child Maintenance and Enforcement Commission. We offer support to both Parents with Care (PWC) and Non Resident Parents (NRP), together with their extended families. We also provide support and guidance to MPs, Solicitors and Employers.

2. NACSA's aim is to provide an affordable service to help and educate parents of the correct procedures within Child Support legislation, The legislation is notorious for its complexity and this leads to misunderstanding and frustration and is often the reason for parents failing to make the right decisions for themselves and their children and possibly why many NRP's are non-compliant. We report any wrongfull application of the law by the agency to the clients case so that steps can be taken to put it right. We also guide our clients in presenting their case to the court or tribunal. As it stands, Child Support legislation creates an impossible barrier for the everyday person who may find him/herself in dire straights merely through a lack of appropriate understanding.

3. The following response is provided to the Select Committee to highlight some of the difficulties that we as an Organisation witness on a daily basis, and how the Green Paper proposals fall short of providing assurances to parents, that an improved service is imminent.

GREEN PAPER RESPONSE

4. NACSA generally welcomes any measure that will encourage parents to consider private arrangements for child support within the wider context of separation/divorce. Promoting good relations between parents will ultimately benefit everyone, especially the children and NACSA would support any proposal to introduce measures that would help to encourage open discussion; an opportunity to air and overcome initial grievances and achieve an agreement which will promote harmony rather than animosity. We believe the historical record of child support being dealt with in isolation is not conducive to an amicable arrangement.

5. However, we do have concerns that Government has a very "rose tinted" impression of family separation if it believes that parents will generally be more willing to discuss private arrangements merely because a Gateway is provided for access to the services they require before application to a Statutory Service.

6. There is an army of parents who have already experienced poor service from CSA and CMEC, and whose bitter experience has resulted in the creation of private arrangements. The removal of compulsory Section 6 applications has certainly enhanced the ability for couples to make amicable arrangements. However there are vast numbers of clients who are unable to achieve this outcome through personal difficulties following separation, fear of retribution, lack of trust as well as those couples who are newly separated/divorced and yet to overcome the hurt and anxiety over the separation itself. Achieving a private arrangement for child support payments may not be the uppermost thought at that time.

7. The Green Paper makes reference to the reformed Statutory Service as being:

8. *"efficient" and "introduced in phases to avoid the errors of past reforms and supported by a new computer system*"

9. Parents were promised similar assurances after reforms that subsequently became Child Support, Pensions and Social Security Act 2000, but the IT system became a "financial albatross" and the phasing program achieved little more than an administrative nightmare and a bigger divide between families whose cases were assessed differently based purely on the start date of their case.

10. We thus have to question what measures will be implemented to prevent similar problems developing in this process. We feel the proposals are full of 'feel good' promises but are lacking sufficient detail to reassure the user that the mistakes of the past will not be repeated in the future.

11. So whilst we welcome any proposal that will encourage open dialogue and more parents resorting to private arrangement, we are not persuaded that the proposals will meet the requirements to achieve this outcome.

The Gateway Process

12. The gateway process should essentially provide "Plain English" information and support services to parents before deciding that the statutory scheme is the better option.

13. There are many organisations that offer support for specific aspects of divorce or separation and these groups are better experienced to guide parents as necessary in their respective fields. Mediation/conflict resolution groups, together with schemes that promote responsible parenting should also be highly publicised and encouraged.

14. Help lines must be manned by staff that have sufficient knowledge of, and confidence in the services that would be signposted, coupled with a user friendly website offering a range of tools to aid the user to best determine the options available to them.

15. Parents require easy access to relevant sources of information that they can understand, and confidence that the information given to them is accurate and impartial before deciding if a private arrangement can be established, or if an application to the Statutory Scheme is required.

16. On the reverse side of that view, we are also mindful of the number of parents that from the outset will know that a private arrangement is not possible, (aside from the vulnerable groups which we refer to later). Such groups may include those PWC's who have a truly errant ex partner who will avoid payment at all costs, along with many cases of NRPs who are compliant in supporting their children, but encounter regular investigation because of the vexatious nature of their ex partner. Many NRP's see applications made with threats of "*financial ruin*" as opposed to "*financial support*"

17. Without doubt a large number of cases, who may not otherwise fit within the determined "vulnerable groups", may still require application to the Statutory Scheme without first exploring the benefits of a private arrangement. This raises the question as to what evidence will be required to "justify" an immediate application, and who is responsible for monitoring such evidence to determine its authenticity? Are those parents who are not willing to engage in a private arrangement (for whatever reason), to be subjected to delay in the processing of their application purely because no attempt at private negotiation is evident?

18. The Green paper explains how those parents considered to be at risk of Domestic Violence will be deemed a "vulnerable group" and will immediately be accepted onto the Statutory Scheme with application fees being waivered.

19. Whilst not wanting to dilute the importance of additional consideration being given to those at risk of Domestic Violence, we have to question whether the proposal to waiver fees for such groups would be an incentive for false claims to be made.

20. Who defines what is to be construed as "Domestic Violence"? Will the Statutory Scheme require a degree of "violence" to qualify for charges to be waivered? Would only documented violence be admissible as evidence? And what level of evidence will be required to support claims of "domestic violence"?

21. The Child Support Act 1991 gave consideration to Domestic Violence cases by the "Good Cause" option allowing those families at risk of harm or undue distress to "opt out" of the system. However, this option did not always protect those that required it, and was open to exploitation by those that did not. We therefore have to question what measures will be introduced to ensure similar abuse of the system is not encountered merely in a bid to avoid the charges?

22. NACSA appreciate that there is a cohort of parents who will traditionally rely upon solicitors and court applications to determine divorce settlements which would incorporate financial requirements for child support. Such applications would not require the processes discussed in the Green Paper, and as they are based within court environments they are outside of our client database, and thus our involvement.

23. However we do have concern with the ability for a parent to overturn a court order after a period of 12 months by making an application to CMEC. It is our contention that if financial arrangements for the children has been decided upon by the court, that decision should remain in authority. Applications to the Statutory Scheme should be prohibited.

Charges

24. As an organisation that offers help to both PWC and NRP we see a wide spectrum of reasons for application being made from

- PWCs not able to secure private regular maintenance.
- PWCs who were required by past legislation to make an application for maintenance whilst making a claim for a prescribed benefit.
- PWCs using CMEC to assist in their own personal feud against the NRP.
- NRPs seeking a fair calculation of maintenance without instructing costly legal advice.
- NRP/PWCs seeking to overturn a court based agreement in a bid to achieve a 'better' maintenance arrangement.

25. Because of the various reasons behind an application, there are viable arguments both for and against the proposal to introduce application fees.

26. However, we are mindful that if the Gateway process were to operate successfully, the only clientele using the Statutory Service would be those who have no other alternative. If that were the case, it would seem unjust to then impose an application charge.

27. Accordingly, any Statutory Service could involve a high percentage of potentially non compliant NRPs. In the present scheme, a PWC with a non compliant ex partner is often left without appropriate support, followed by an ongoing pursuit to ensure action is taken quickly and efficiently to secure maintenance payments. It would be particularly unjust for a parent to have to pay for a service that encounters the same difficulties.

28. There may also be NRPs forced onto the Statutory Service despite making valiant attempts to achieve a private arrangement, and NACSA particularly welcomes the proposal to allow the NRP to now apply for Maintenance Direct. We welcome the opportunity for the NRP to have collection fees waivered should he be willing to pay directly to their ex partner.

29. NACSA fully support the statement that any default on payment would result in the case being moved immediately back onto the collection service followed by appropriate enforcement. Our concern rests with the speed with which such actions would be taken. If the Maintenance Direct arrangement fails the PWC must have confidence that the Statutory Scheme will process her application with speed so that any period of her receiving no money is limited. Presently, cases moving from Maintenance Direct to CMEC collection can be slow and become complicated to a point where the case is rendered a "clerical" case bringing with it inexcusable delays.

30. NACSA acknowledges that there is a core of parents that will avoid maintenance payments at all costs, and the Statutory Scheme will have to engage with its range of powers to secure maintenance by enforcement. In that respect, the proposal to introduce enforcement fees could be acceptable. However, we would express concern over such charges being applicable before reassurance was given to parents that the system is working as it should.

31. It is sad reflection that so many of our cases involve inaccurate and highly inflated debts that are eventually cancelled and at times overpayments become payable. It is, and would remain inappropriate to apply enforcement charges against an account that is clearly in arrears because of the failings of the Statutory Scheme rather than any non compliance on the part of the NRP.

32. Taking into consideration both the advantages and disadvantages of the proposal to charge an application fee, NACSA contends that on the whole, it would not be appropriate to impose such a charge. However, the proposals to introduce a fee for use of the collection service, and an enforcement fee may be justified once parents can see that the system is operating with maximum accuracy and efficiency.

Conclusion

33. Overall there is little in the Green Paper that gives reassurance to parents that the Gateway Process will achieve its aims. There is concern that the measures may offer some relief to those parents in a situation that can facilitate a private arrangement, but may penalise those who are not.

34. We welcome the suggestion that child maintenance will no longer be treated in isolation, but have concerns that the process may become more complicated for applications to be lodged, will remain open to exploitation in a bid to avoid fees, and more importantly may still deliver a substandard service to parents.

35. After 18 years of a child support system that has failed parents and children, we have concerns that the proposals are to be rushed through without due thought and consideration of the implications to all parents. Sadly, that can only result in further conflict and negative reaction.

May 2011

Supplementary written evidence submitted by the Department for Work and Pensions

Thank you for inviting me to the Select Committee on 15 June and providing me with the opportunity to explain the rationale behind the Government's proposals for the reform of child maintenance.

At the inquiry I agreed to write and provide sources for the research evidence I quoted during the session.

(a) Only 50% of children who live in separated families have effective financial arrangements in place.

This is an estimate derived by CMEC and DWP analysts using data from several sources; Information on the circumstances of families outside CSA is based on combined analysis of CSA administrative and survey data (Families and Children Study 2010, Labour Force Survey 2010, Families and Children Study 2008, CM Options surveys 2010 and 2011).

(b) Income level is not really a determinant as to whether or not somebody can come to a collaborative agreement

Qualitative research with non-CSA parents commissioned by CM EC indicated that the key factor affecting parents' behaviour surrounding child maintenance arrangements is the quality of the relationship between parents, and the associated attitudes and emotions.[30] The research also indicated that the level of income is not the key factor influencing the existence of a child maintenance arrangement. The research involved 67 interviews with non-CSA NRPs and PWCs and 13 case studies with people from the close parental circle such as families and friends.

(c) The Government has done an important piece of research looking at promoting positive financial support for children,

This is the same research as mentioned at (b).

(d) 50% of people using the statutory system would prefer not to be there.

Of parents surveyed in the Relationship Separation and Child Support Study (2008), around 50% of parents-with-care and a majority of non-resident parents using the CSA indicated they would be likely to make a family-based arrangement if they had the help of a trained, impartial adviser.[31]

(e) Noel Shanahan cited research that CSA parents would be interested in setting up their own family-based arrangements.

This is a reference to the same research cited at (d).

As well as responding to the specific points I would also like to take this opportunity to correct the assertion *"£3.8 billion that has not reached the children who should have received that money"* (Question 150). In fact, almost half of the £3.8 billion is not owed to children at all, but to the Government. Until 2010 benefit rules required some benefit payments to be reduced for those parents who received maintenance, and in some cases, especially before October 2008, this resulted in some non-resident parents being required to make payments directly to the State.

Finally, I agreed to consider whether it was possible to wait and receive the Committee's inquiry report before the Government publishes its consultation response. I am keen to publish the Government response to the Green Paper and have committed to do so before summer recess. Unfortunately, in order to undertake the

[30] Andrews, S, Armstrong, D, McLemon, L, Megaw, S and Skinner, C (2011). *Promotion of child maintenance: Research on Instigating Behaviour Change.* Child Maintenance and Enforcement Commission Research Report.

[31] Wikeley, N Ireland, E, Bryson, C and Smith, R (2008). Relationship separation and child support study. DWP Research Report 503.

process to publish before recess it has not proved possible to wait until the Committee have published their final report.

I will ensure that proper and due consideration is given to the Committee's report and commit to responding separately to any issues it raises.

Maria Miller MP
Minister for Disabled People

23 June 2011

Written evidence submitted by Fyfe Ireland Solicitors

I refer to my telephone conversation with you on Thursday, 23rd about the Committee's response to the government's Green Paper and concerning the lack of any substantial Scottish input in respect of the Green Paper to date.

I have been a practising solicitor for 35 years and am a double accredited specialist in child and family law. I am vice-convenor of the Family Law Committee of the Law Society of Scotland. Child support law forms a substantial part of my practice and I am a former chairman of Child Support Appeal Tribunals. I lecture on the topic of child support to the Law Society of Scotland, the FLA and to students of Edinburgh University.

The following comments are my own although I would be surprised if many family lawyers in Scotland would find much to disagree with.

The ministerial foreword at paragraph 9 tells us that the DWP has developed its proposals "jointly with ministerial colleagues at the Department for Education and at the Ministry of Justice". Neither body has any jurisdiction in Scotland and it is disappointing that there was no attempt to speak to the Scottish legal profession nor to the Scottish Government about either substantive or procedural matters.

There are two main areas of concern with a particularly Scottish dimension. The most obvious one is the proposal that there should be a gateway staffed by public servants who would assess applications for child support maintenance and advise parties. As far as I am aware there is no body in Scotland equipped to do any such thing to any acceptable standard. How in any event is any one body to provide advice to both sides of an adversarial dispute? It is a matter of fact that most disputes in child support are adversarial not only in questions of law but also of fact and it cannot be that a single government funded body—even if one were to exist in Scotland—could fulfil such a function. A solicitor who attempted to advise both sides in an adversarial action would be struck off and rightly so. It may be that there is an infrastructure in England already which can at least attempt to provide advice to members of the public. Who, if anyone, is to fund such an infrastructure in Scotland?

The other main issue with a Scottish element is in respect of the registered minute of agreement and its relation to the 12 month rule.

As matters stand parties can enter into a written agreement in respect of aliment which would otherwise be covered by child support regulations. Such a written agreement precludes the jurisdiction of the CSA for a period of 12 months from the date of conclusion of that written agreement. At the end of that period either party may apply for the child support calculation which will effectively nullify the maintenance part of that agreement. Parties, accordingly, cannot enter confidently into a written agreement setting capital against maintenance because either party at the end of that 12 month period may apply for a child support maintenance calculation, effectively nullifying the maintenance part of the agreement. This is particularly unfortunate in Scotland where there is an agreement that can be registered in the Books of Council and Session, rendering it summarily enforceable. It is the goal of the family law practitioner to conclude negotiations in a family law case with a registered minute of agreement. The parties are in reality writing their own decree although they do not have to pass the negotiated settlement to a court for approval as they would have to do in England. This process can save a very great deal of court time and money and allows parties with more complex financial affairs to achieve a fair and reasonable result in the interests of all parties. The existence of the 12 month rule makes that very difficult. I would prefer to see the 12 month rule extended indefinitely but appreciate that that may be too much to ask at this stage. I propose that the 12 month rule should be extended to 60 months to enable registered minutes of agreement to be entered into allowing a flexible and consensual settlement of a potentially complex financial dispute. The usefulness and enforceability of a registered minute of agreement is ignored in the Green Paper.

These are the specifically Scottish elements which give the Law Society of Scotland concern. There are, of course, several other matters which we would wish to discuss with your Committee in the same way that your Committee will wish to take evidence from Resolution and other stakeholder groups.

Please do not hesitate to telephone me if you should wish to discuss any of these matters or any of the above points.

Thank you very much for taking an interest in the Scottish angle of child support—it is something which has been consistently ignored by the civil service and by Westminster since 1991.

June 2011

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