



House of Commons
Work and Pensions Committee

The Government's proposed child maintenance reforms

Fifth Report of Session 2010–12

Volume I



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Report, together with formal minutes

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The Work and Pensions Committee

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/workpencom

The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Committee staff

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Contents

Report	<i>Page</i>
Summary	3
1 Introduction	5
Background to the operation of child maintenance	5
Summary of the Government's proposals	6
About this inquiry	6
2 Ensuring regular payments from non-resident parents	8
3 Comparing family-based and statutory arrangements	10
Evidence on the effectiveness of family-based arrangements	10
Parents' views on family-based arrangements and statutory support	11
The cost of mediation and eligibility for legal aid	12
4 Proposed charges for statutory child maintenance services	14
Application charges	15
Collection charges	17
5 Establishment of a gateway to access statutory services	19
Impact of the gateway on families	19
Requirements on parents with care and non-resident parents	20
Fast-track support for vulnerable clients	20
Who should operate the gateway?	21
6 The quality of local support services	22
Availability of support services	22
7 Transferring CSA cases to a new collection system	24
CMEC performance and operating costs	24
Accumulation of arrears	24
Enforcement powers	25
Cost implications for CMEC	26
IT investment	26
Conclusions and recommendations	29
Formal Minutes	33
List of Witnesses	34
List of printed written evidence	34
List of Reports from the Committee during the current Parliament	35

Summary

Ensuring that non-resident parents support their children financially is a challenge that the British Government has never successfully met. Successive governments have tried to reform the system without great success.

The Government's intention to improve the child maintenance system is therefore welcome. The current system leaves many separated parents without adequate child maintenance arrangements, and many parents with care do not receive payments on a regular basis or receive no payments at all.

The Government published its Green Paper proposals for consultation in January 2011 and is expected to publish its response to the consultation in summer 2011. In commenting on the proposals, we recognise that they may be adapted to take account of evidence received during the consultation.

It is crucial that parents meet their obligations to support their children and we acknowledge that many already do so. However, the lack of a child maintenance agreement or failure to make due payments have severe financial consequences for families producing a devastating impact on children's wellbeing. The most important aspect of any child maintenance system is to guarantee that maintenance is paid in full and on time. Evidence shows that this would best be achieved if all non-resident parents were required to pay child maintenance through direct deductions from salaries or bank accounts.

The Green Paper proposed measures to encourage separating parents to reach private agreements between themselves (family-based arrangements) rather than using the statutory services for the arrangement and collection of payments. The proposals included the introduction of charges for parents applying to use the statutory system, and of a "gateway" process which would require parents to access advice and support services before they can apply to the statutory system. We believe that the gateway process is a positive development, as mediation and collaboration could resolve a range of problems at the earliest stage. However, the gateway service needs to involve engagement with both parents equally, rather than focusing solely on parents with care.

In 2009–10, the Child Maintenance and Enforcement Commission (CMEC) cost £572 million to run but only £1,141 million in maintenance payments reached children. This equates to a cost of 50 pence for every £1 collected. In addition, the Commission's accounts show that arrears of £3.8 billion have built up over the years, money that never reached children. Introducing charges to support the current inefficient collection service does not strike us as the most cost-effective approach. We strongly urge the Government to find a more efficient way of administering the collection service, drawing on international experience and including exploring the possible use of the private sector.

The Government needs to reconsider the two types of charges which it plans to introduce for using the statutory service: the application charge and the collection charges. We believe that, in cases where the parent with care has taken all reasonable steps to reach a voluntary agreement, both the application and collection charge should be borne by the non-resident parent. We also believe that the current proposals for collection charges,

which involve both a surcharge and a deduction, are excessive and unnecessarily complex. Instead, there should be a single, modest administrative charge for collecting the maintenance payment.

The Government has acknowledged that separating parents will require access to improved advice and support services if they are to agree family-based arrangements. Details on how these services will be delivered across the whole country, including the devolved administrations, are not yet available. The Government must ensure that this network of support is operating effectively in all areas before charges for the statutory system are introduced.

The operation of the Child Support Agency (CSA) still has operational weaknesses, including ongoing IT problems. The Government and CMEC plan to address these weaknesses through the move from the CSA to a new statutory system. This transition could cost up to £200 million. The Government must therefore ensure that the new system achieves value for money, delivers an improved service and learns from the previous problems experienced by the CSA.

1 Introduction

Background to the operation of child maintenance

1. Under the current child maintenance system, separating parents are able to agree child maintenance costs between themselves under a private, family-based arrangement. Parents with care of a child can also ask the statutory service, delivered through the Child Support Agency (CSA), to calculate child maintenance costs and set up a payment arrangement on their behalf.

2. Before the launch of the CSA in 1993, there was no statutory service for the establishment and collection of child maintenance. Arrangements were either agreed mutually between separating parents or settled through the courts. The Child Support Act 1991 established the CSA because it was considered that the courts had been unsuccessful in establishing and enforcing fair and consistent maintenance awards.

3. A complicated calculation process, IT failures and shortcomings in enforcing payments from non-resident parents contributed to the poor performance of the CSA during the 1990s. The Labour Government therefore introduced the Child Support, Pensions and Social Security Act 2000, which simplified the formula for calculating child support payments, introduced new enforcement powers and promised an improved service. However, the scheme continued to perform poorly due to significant problems with its IT and operational systems.¹

4. In 2006, the Government asked Sir David Henshaw, former Chief Executive of Liverpool City Council, to recommend a re-design of the child maintenance system. His report proposed significant changes to the administration of child support and a “clean break” to create a new system for child maintenance arrangements.² The Government’s subsequent White Paper, *A new system of child maintenance*, was published in December 2006, proposing the promotion of parental responsibility by encouraging and empowering parents to make their own maintenance arrangements wherever possible, and proposing firm action to enforce payment by non-resident parents.³

5. The Child Maintenance and Other Payments Act 2008 established the Child Maintenance and Enforcement Commission (CMEC) as a non-departmental public body. CMEC took over responsibility from DWP for the functions of the CSA in operating the statutory maintenance scheme, and the CSA became a delivery body of CMEC. CMEC has three core functions:

- to promote the financial responsibility that parents have for their children;

1 Work and Pensions Committee, Second Report of Session 2004–05, *The Performance of the CSA*, HC 44, paragraph 226

2 Sir David Henshaw’s report to the Secretary of State for Work and Pensions, *Recovering child support: routes to responsibility*, July 2006 and *A fresh start: child support redesign—the Government’s response to Sir David Henshaw*, July 2006 Cm 6895

3 Department for Work and Pensions, *A new system of child maintenance*, Cm 6979, December 2006, p 27

- to provide information and support on the different child maintenance options available;
- to provide an efficient statutory maintenance service, with effective enforcement.⁴

Summary of the Government's proposals

6. On 13 January 2011 the Department for Work and Pensions published a Green Paper, *Strengthening families, promoting parental responsibility: the future of child maintenance*. This consultation paper sought views on the Government's strategy for reforming the child maintenance system. It proposed that by supporting parents to make their own arrangements for the maintenance of their children (rather than using the statutory maintenance scheme) the Government would empower parents to take more responsibility for the welfare of their children. The Green Paper also outlined the Government's intention to deliver a more efficient maintenance service and provide value for money for the taxpayer. The proposals include:

- integrating the support and advice services currently provided to help families resolve their issues in a collaborative fashion;
- introducing a gateway to ensure that parents are first supported to take responsibility and make family-based arrangements before resorting to the statutory maintenance system;
- introducing charges for parents who use the statutory child maintenance service; and
- investing in a new child maintenance system to replace the existing CSA scheme.

About this inquiry

7. The Government's proposals would introduce significant changes for the future of child maintenance arrangements, as well as for those parents who currently use the CSA scheme. We were interested in examining the likely effects of the Green Paper proposals and, in particular, the potential impact on vulnerable and lower-income families.

8. In its 2010 Report on child maintenance, our predecessor committee expressed concerns that a reliance on private arrangements might recreate the problems associated with the child maintenance system before the Child Support Act 1991 came into force. As mentioned, the previous Government established the Child Support Agency (CSA) because the courts were considered to have failed to establish fair and consistent maintenance awards, keep such orders up to date and enforce them effectively.⁵ We were therefore keen to explore the available evidence on whether family-based arrangements are always more effective than the statutory system. This inquiry was also an opportunity to

4 <http://www.childmaintenance.org/en/about/remit.html>

5 Work and Pensions Committee, *The Child Maintenance and Enforcement Commission and the Child Support Agency's Operational Improvement Plan*, Third Report of Session 2009–10, HC 118

follow-up recommendations made by our predecessors on the performance of CMEC and the CSA.⁶

9. We received 11 submissions from a range of organisations and individuals. We also took oral evidence from Maria Miller MP, Minister for Disabled People; senior representatives of CMEC; Stephen Geraghty, the former CEO and Commissioner of CMEC; and a panel of stakeholders and expert witnesses. A full list of witnesses is set out at the end of the report. We are grateful to all those who contributed to our inquiry.

⁶ Work and Pensions Committee, *The Child Maintenance and Enforcement Commission and the Child Support Agency's Operational Improvement Plan*, Third Report of Session 2009–10, HC 118

2 Ensuring regular payments from non-resident parents

10. Our primary concern is that all parents should accept responsibility for their children's welfare, including financial responsibility. Parents with care should receive the agreed level of child maintenance in full, on a predictable and regular basis, because unpaid maintenance or late payments can have a devastating impact on parents with care and the wellbeing of their children.

11. We were therefore interested in exploring methods of collection that would ensure that correct payments were delivered on time, with less scope for non-resident parents to miss payments. A research report published by DWP in 2007 considered various international approaches to the collection of child maintenance. It showed that agencies had a diverse range of payment collection methods at their disposal, with some countries (such as New Zealand and the USA) deducting payments at the source—for example, from non-resident parents' wages.

12. In Wisconsin there is a state statutory requirement that all child maintenance orders include a provision that income will be deducted directly from the salary of the non-resident parent. This method of deduction is required whether or not the non-resident parent has fallen behind in making payments.⁷ During our visit to the United States earlier this year, we were informed that this system had been very successful in ensuring that payments are delivered on time.

13. CMEC has the power to deduct child maintenance payments from salaries in cases where non-resident parents have failed to keep up their payments. Noel Shanahan, Commissioner and CEO of CMEC, told us that deduction from earnings orders had been very effective in ensuring that non-resident parents paid their child maintenance on time. Some non-resident parents actually request this service, as they consider it works well for them.⁸

14. We suggested to the Minister that the Government introduce a system through which all child maintenance payments were routinely deducted from non-resident parents' wages. She believed that this would not support the Government's objective of encouraging parents to take personal responsibility. She considered that child maintenance arrangements helped keep children in touch with both their parents, and highlighted that deducting payments directly from salaries would place a burden on employers.⁹

15. Nevertheless, we believe that requiring all non-resident parents to pay child maintenance through direct deductions from their salaries or bank accounts could increase the extent to which payments are delivered successfully. This requirement could operate in a similar way to existing types of salary deduction (for example, PAYE tax deductions and pensions or union membership deductions), or, in the case of deductions from bank

7 http://dcf.wisconsin.gov/bcs/emp_iw.htm

8 Q 109

9 Q 111

accounts, in a similar way to a direct debit for a utility bill. We do not believe that this method of collection would necessarily detract from the emphasis on building family relationships; separating parents would still be able to access a range of support and advice services in reaching agreements, and it is arguable that failures to maintain regular child maintenance payments are a source of conflict between separated parents.

16. A key objective for the Government's child maintenance policy is to ensure that all parents take responsibility for the wellbeing of their children. We believe that ensuring that parents with care receive agreed payments at the correct level on a consistent basis from the non-resident parent is an important element in this. We recommend that the Government considers the introduction of a requirement that child maintenance payments are deducted directly from a non-resident parent's salary or bank account, as we consider that this step would increase the number of payments that are delivered accurately and on time. We recognise that this does not appear within the Government's Green Paper proposals, but we believe it is important for the Government to consider the merits of this option.

3 Comparing family-based and statutory arrangements

17. The proposals outlined in the Green Paper are designed to encourage separating parents to reach agreements between themselves (“family-based arrangements”) rather than using the statutory child support service to make arrangements. This arises from the Government’s view that “families themselves are best placed to determine what arrangements will work best for them”. The Green Paper claimed that a family-based arrangement is “more flexible than other types of arrangement, emphasises collaboration between parents rather than conflict and helps to keep both parents involved in their child’s life after separation.”¹⁰ The Minister told us that “only 50% of children who live in separated families have effective financial arrangements in place” and explained the Government’s main objectives as follows:

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.¹¹

Evidence on the effectiveness of family-based arrangements

18. There was no clear consensus amongst witnesses on the relative effectiveness of family-based arrangements and arrangements made through the statutory system. The Government’s own impact assessment for the Green Paper noted:

There is no evidence at present to determine whether a parent with care who would choose a family-based arrangement through the gateway instead of using the statutory scheme under the current policy would receive more or less child maintenance.¹²

19. The Centre for Separated Families (CSP) supported the views expressed in Sir David Henshaw’s 2006 report (as summarised in chapter 1). They told us that Sir David’s report shows that family-based arrangements produced better outcomes and greater compliance than the statutory system and that, as a result, more children would benefit from effective maintenance arrangements.¹³ June Venters QC also agreed that family-based arrangements are preferable for parents: “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”.¹⁴

10 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, January 2011

11 Q 98 and Q 105

12 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Impact Assessment, January 2011

13 Ev 49

14 Q 19

20. However, Caroline Bryson, who has conducted research for the DWP on the impact of child maintenance reform, had found that the evidence pointed to a different conclusion:

[...] 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. [...] there is a large proportion of the CSA population who do not exhibit those characteristics.¹⁵

She highlighted evidence from a 2007 survey which showed that:

- 46% of those with a friendly relationship had a private arrangement;
- 19% of those with an unfriendly relationship had a private arrangement.
- 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 had a private arrangement.¹⁶

21. Janet Allbeson from Gingerbread argued that the reforms would adversely affect families where the parents have never lived together or never had a relationship. Her interpretation of Caroline Bryson's research was that these families were "far less likely to be able to come to a lasting satisfactory, voluntary private arrangement, particularly when they are on a low income".¹⁷ Barnardo's argued that family-based arrangements could be particularly problematic when there were changes in parents' circumstances (eg when they find a new partner, move into or out of work, or have another child) and that such situations could lead to the need for renegotiation of payments further down the line, resulting in conflict between parents.¹⁸

22. The National Association for Child Support Action stated that, while they welcome measures to encourage parents to consider family-based arrangements, this may not be possible for all parents:

[...] there are vast numbers of clients who are unable to achieve this [family-based arrangement] 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.¹⁹

Parents' views on family-based arrangements and statutory support

23. In 2007, our predecessors considered proposed reforms aimed at encouraging separating parents to reach family-based arrangements. Their report highlighted research

15 Q 2

16 Ev 64

17 Q 3

18 Ev 45

19 Ev 68

by 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. The reasons the majority of parents with care were reluctant to move away from the statutory system included:

- They wouldn't feel sure they would get paid (68%)
- They had a bad relationship with / didn't trust their ex-partner (61%)
- They were not sure they would get the right money (52%)
- They were not sure they would get paid on time (52%)²⁰

24. Research conducted by Nick Wikeley and others for DWP found that large numbers of separating parents wanted to involve a third party such as a Government agency in the organisation of their maintenance: 54% of parents with care using the Child Support Agency, and 25% of parents with care who did not use the CSA, wanted to agree maintenance with the help of a Government agency.²¹

25. The Minister offered alternative research, conducted for DWP, which showed that 50% of parents with care and a majority of non-resident parents using the CSA said they would be likely to make a family-based arrangement if they had the help of a trained impartial adviser.²²

26. We welcome the Government's emphasis on family-based arrangements for parents for whom these arrangements are appropriate. However, we would highlight the conflict of supporting evidence on the effectiveness of family-based arrangements for all families, in particular families on lower incomes or where there is little contact between separated parents. If the proposals are implemented, the Government will need to monitor closely the extent to which family-based arrangements are achievable for, and succeed in meeting the needs of, parents on lower incomes.

The cost of mediation and eligibility for legal aid

27. The Green Paper highlights mediation as a means through which separating parents can resolve matters swiftly and with reduced conflict. Barnardo's agreed with the Government's ambition to increase the use of family mediation. However, they believed that this option is not always accessible to the most disadvantaged families. They stated that current costs are set locally and often operate on a sliding scale dependent on income; fees can often start at £25 per hour, even for those on lower income, and can involve between 5 and 12 hours of mediation, dependent on issues to be discussed. Barnardo's argued that this is beyond the reach of lower-income families.²³

20 HC 219-I

21 Nick Wikeley, Eleanor Ireland, Caroline Bryson and Ruth Smith, Relationship separation, and child support study, Department for Work and Pensions Research Report No 503

22 Qs 139 and 142 and Ev 70

23 Ev 47

28. The Minister drew a distinction between the type of formal mediation involved in family law cases and the types of family relationship support and advice services that she advocated as part of the proposed network of support for parents. However, she also advised us that she was working closely with the Ministry of Justice and Department for Education to look at how mediation could be used more effectively to keep families out of the court system.²⁴

29. June Venters QC told us that couples with a dispute that relates to finances are eligible for legal aid, including legal aid to cover the costs of mediation, as long as their income does not exceed a certain level. However, she indicated that child maintenance is not recognised as being a dispute in which finances are involved, and that legal aid is not therefore available for mediation in relation to these cases. She suggested that the regulations should be amended so that parents disputing child maintenance would be entitled to legal aid for mediation without cost.²⁵ We recognise that the Government has proposed a significant reduction in legal aid funding in its recent Bill.²⁶ However, in its response to the consultation on the reform of legal aid, published alongside the Bill, the Government indicated that legal aid would be retained for family mediation, as it considered that mediation could help families reach agreements and help keep cases away from the courts.²⁷

30. Alongside the eligibility of separating parents for legal aid to meet the costs of mediation, the Government also needs to give further consideration to how its overall package of Green Paper proposals will operate in the devolved administrations. For example, there appears to be no recognition in the Green Paper that Scotland has a separate legal system, and the Government will need to consult with the relevant legal bodies and devolved administrations in taking its proposals forward.

31. While we support the Government's emphasis on advice, support and mediation services, we note that mediation can often carry a cost that could be significant for lower income families. We welcome the Minister's assurance that the Government is considering how mediation can be used more effectively for families, and request an update on progress as part of the Government's response to this report. We also ask the Government to consider ways in which mediation can be provided in an affordable way to lower-income families. This could include making legal aid available to lower income families seeking mediation in relation to child maintenance, in the same way as for other matters of dispute in family cases.

24 Q 107

25 Q 23

26 Legal Aid, Sentencing and Punishment of Offenders Bill 2011

27 Ministry of Justice, *Reform of Legal Aid in England and Wales*, the Government response, June 2011

4 Proposed charges for statutory child maintenance services

32. The Government's Green Paper proposed the introduction of charges for parents who apply for the statutory service, as well as charges for both parents where the statutory collection service is used. The Green Paper notes that the Government is still considering the level of charges, but it provided some indicative levels which it stated were designed "to balance fairness to individuals with value for money for the taxpayer":

Charges for applications to the statutory service

- An upfront application charge of around £100 for a parent not in receipt of benefits.
- A total application charge for parents on benefits in the range of £50 with £20 of this paid upfront and the remainder paid in instalments.
- A charge of £20–£25 for the payment calculation only service.

Charges for the statutory collection service

- The Government will deduct between 7% and 12% from the child maintenance payment due to parents with care; and
- The Government will add a surcharge of between 15% and 20% to the child maintenance payment made by non-resident parents.²⁸

33. The Government stated that the proposed charges were intended to encourage separating parents to reach voluntary arrangements for the agreement and payment of child maintenance.²⁹ The Green Paper also highlighted the Government's intention that the measure will reduce the financial burden on the taxpayer.³⁰ As discussed in chapter 7, the Government has said that it will provide figures for the costs and savings anticipated through the proposals when the final strategy is decided by Ministers.³¹

34. Ensuring that non-resident parents support their children financially is a challenge that the British Government has never successfully met. Successive Governments have tried to reform the system without great success. In 2009–10, the Child Maintenance and Enforcement Commission cost £572 million to run, but only £1,141million in maintenance payments reached children.³² This equates to 50 pence in administration costs for every £1 collected. Introducing charges to support an inefficient collection

28 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990. January 2011

29 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990. January 2011

30 Q 162

31 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Impact Assessment, January 2011

32 Child Maintenance and Enforcement Commission, *Annual Report and Accounts 2009-10*, HC 60

service does not strike us as the most cost-effective approach. If charging is to be introduced, we request, in response to this Report, estimates of the amount of money that the Government expects to raise through charging and of the operational cost of administering the charging system.

Application charges

35. The DWP Equality Impact Assessment for the Green Paper notes that 95% of parents with care are women, and a similar proportion of non-resident parents are men. It highlighted that the application charge would fall more heavily on parents with care and that families with children, particularly lone-parent families, are more likely to be low-income households.³³ The Impact Assessment for the Green Paper indicated that there is “limited knowledge of behavioural effect of parents with respect to the proposed services and responses to charging”.³⁴ That is, it is not possible to estimate the extent to which parents will continue to apply to the statutory service once charging is introduced.

36. However, there is some limited research to show that parents in receipt of benefits would be disproportionately deterred from accessing statutory support if there was a £50 charge. A survey conducted by Nick Wikeley and others for DWP showed that charging would have a particularly significant impact on parents with care who were receiving benefits and using the CSA system—only 24% said they would be very likely or likely to use the agency to calculate the maintenance level if the charge was £50, compared to 43% of parents who were not on benefits.³⁵

Concerns about the application charge proposals

37. Gingerbread believed that the Government’s charging proposals would 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”.³⁶ This view was shared by Barnardo’s, who stated that the introduction of charging: “will put the [statutory] 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.”³⁷ The National Association for Child Support Action also criticised the proposal to charge parents with care for using the statutory service:

33 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Equality Impact Assessment, January 2011

34 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Impact Assessment, January 2011

35 Nick Wikeley, Eleanor Ireland, Caroline Bryson and Ruth Smith, *Relationship separation, and child support study*, Department for Work and Pensions Research Report No 503

36 Ev 52

37 Ev 45

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.³⁸

38. The Minister suggested that an application charge of £20 for lower income families would not be an “overwhelming barrier”. She told us: “An upfront charge of around £20 will be the same as the first payment they may have got from their ex-spouse.”³⁹ The Centre for Separated Families (CSF) argued that there was “no evidence” that the introduction of charges would reduce the number of effective maintenance arrangements and would not therefore contribute to increased child poverty. It believed that the level of charges suggested in the Green Paper—including reduced costs for parents on benefits—were, largely, reasonable.⁴⁰ However, Nick Woodall from CSF suggested that the fees should be adjusted to take into account lower-income families who were 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.⁴¹

39. As noted above, a reduced application charge—in the range of £50, with £20 paid upfront and the remainder paid in instalments—would apply to parents in receipt of benefits. Victims of domestic abuse would be exempt from the charge. There was no indication in the Green Paper that working parents on lower incomes who were not in receipt of benefits would be eligible for a reduced charge. However, the Minister told us that the reduced upfront charge would apply to low-income families and that the Government would go through a further consultation on charges before the levels were set.⁴²

40. The Minister also explained that the Government’s intention was that the non-resident parent should pay a greater share of the proposed charges: “The balance of charges should always be more heavily on the non-resident parent than the parent with care [...] we want to make sure that there is a very clear incentive for the non-resident parent to come to a voluntary agreement.”⁴³ However, under the Green Paper proposals, it appears that the application charge and the charge for the calculation service would fall only on the parent with care, as they would be the applicant. Indeed, the DWP Equality Impact Assessment for the Green Paper stated that the application charge would fall more heavily on parents with care.⁴⁴ There are likely to be cases in which parents with care are forced to apply to the

38 Ev 69

39 Q 126

40 Ev 49

41 Q 42

42 Q 123 and Q 124

43 Q 125

44 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Equality Impact Assessment, January 2011

statutory system because the non-resident parent has refused to engage and a voluntary agreement is not therefore possible.

41. The Government has decided to introduce application charges as an incentive to parents to use the gateway and to come to a voluntary agreement, and as a disincentive to using the statutory service. We are not convinced that the evidence yet exists to support this approach. The Government will therefore need to monitor carefully the impact of application charges to ensure they have the desired effect.

42. Under the Government’s proposals, the application charge would fall on the parent with care, even when they had tried all reasonable alternative options to make a family-based arrangement. We believe that the application charge should fall on the non-resident parent, and not the parent with care, in cases where the parent with care has taken all reasonable steps to reach a voluntary agreement.

Collection charges

43. The proposed collection charges would see 7–12% of child maintenance being deducted from parents with care who use the statutory collection system. Gingerbread argued that “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”.⁴⁵ This view was shared by Barnardo’s, who stated that deducting a percentage of maintenance payments would impact negatively on children’s outcomes.⁴⁶

44. The Government has acknowledged that parents with care will effectively be forced to use the statutory collection system if the non-resident parent refuses to pay: the DWP’s Equality Impact Assessment stated: “It is an inherent feature of the child maintenance system that where the non-resident parent is unwilling to pay maintenance voluntarily the full statutory collection service must be used.”⁴⁷ The Minister confirmed to us that the Government did not want to deter parents with care from accessing the statutory system if non-resident parents did not co-operate. She told us “Our intention is not to deter people from using the system if that is the only way that they can get maintenance flowing”.⁴⁸

45. The Government’s proposed collection charges for using the statutory service include both a surcharge on the non-resident parent and a deduction from the payment to the parent with care. We believe that this is excessive and unnecessarily complex and should be replaced by a single, modest administration charge for collection.

46. As with application charges, we believe that parents with care who have taken all reasonable steps to come to a voluntary agreement should not have to pay collection charges. In these cases, the collection charge should be borne by the non-resident parent.

45 Ev 52

46 Ev 45

47 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Equality Impact Assessment, January 2011

48 Q 124

47. The CMEC collection service costs 50 pence for every £1 collected. We do not consider that this represents a cost-effective use of taxpayers' money. While we believe that the enforcement side of CMEC's operation should remain with the agency, we strongly urge the Government to find a more efficient way of administering the collection service, drawing on international experience and including exploring the possible use of the private sector.

5 Establishment of a gateway to access statutory services

48. The Green Paper outlined the Government's plans to introduce a "gateway" to the statutory maintenance scheme, which would require separating parents to access support and mediation services before resorting to the statutory maintenance system. A key element of the gateway would be transferring people to family support services where appropriate and available. The applicant would be expected to consider their choices before they made any full application to the statutory scheme.

49. The Green Paper explained that the Government expected the gateway to be delivered through a telephone service, which would take the client through the available maintenance options.⁴⁹ However, the Minister told us that the gateway should also provided face-to-face 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."⁵⁰

Impact of the gateway on families

50. Witnesses held mixed views on the effect that the gateway would have on families. The Centre for Separated Families took a positive view, suggesting that it would send a clear message that child maintenance is a parental responsibility that both parents must continue to bear.⁵¹ Barnardo's, however, believed that a compulsory gateway would force families to reach solutions that were not appropriate and could lead to more acrimony and conflict.⁵² Gingerbread felt that many parents might not be in a position to negotiate for themselves, suggesting that vulnerable parents might lose out in the negotiation: "little thought appears to have been given to the inequality of bargaining power which can place many parents with care in a vulnerable position when it comes to negotiating adequate child maintenance for themselves". Gingerbread also expressed concerns about the lengths parents with care would have to go to to satisfy the gateway operators that they had taken "reasonable steps".⁵³

51. The Minister reassured us that the gateway was "not meant to be there as a bureaucratic burden and a bureaucratic hurdle" for parents with care. She suggested that the "reasonable steps" would not for example include providing a letter confirming that they had taken certain actions: the gateway would simply involve operators talking to parents and discussing what steps they had taken.⁵⁴

49 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, January 2011

50 Q 131

51 Ev 51

52 Ev 45

53 Ev 54

54 Q 135 and Q 136

Requirements on parents with care and non-resident parents

52. Some witnesses argued that the Government's proposals would place a disproportionate burden on the parent with care, and neglect the responsibilities of the non-resident parent. Janet Allbeson from Gingerbread told us: "She [the parent with care] 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."⁵⁵ Adrienne Burgess from The Fatherhood Institute also agreed that the system should engage with the non-resident parents as they are the ones who need to make the maintenance payments:

[...] 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.⁵⁶

53. We note that the responsibility to navigate the gateway would fall entirely on the parent with care, and recommend that the non-resident parent should also be required to engage with the gateway operator. We believe that communications around the proposed changes need to be targeted effectively at both parents with care and non-resident parents, and recommend that the Government set out clearly the responsibilities of non-resident parents to engage in child maintenance arrangements.

Fast-track support for vulnerable clients

54. The Green Paper indicated that "distressed" parents, such as those who have experienced domestic abuse or those whose partner is refusing to engage, would be fast-tracked through the gateway into the statutory child maintenance system.⁵⁷ Barnardo's had concerns about how the new statutory system would 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.⁵⁸

55. June Venters QC believed that mediation could still be appropriate for some cases that involve domestic violence:

55 Q 23

56 Q 47

57 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, January 2011

58 Ev 46

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.⁵⁹

56. We welcome the Government's proposal that vulnerable parents will be fast-tracked through the gateway without being required to demonstrate that they have attempted to reach a family-based arrangement through advice and support services. We request that the Government explains, in response to this Report, how it intends to ensure that parents who have been subject to domestic abuse are properly identified and fast-tracked as appropriate to the statutory maintenance service.

Who should operate the gateway?

57. The Green Paper indicated that the Government had made no assumption as to who should deliver the gateway. It also gave no indication as to who would be responsible for the operation of the gateway in the devolved administrations. The Green Paper suggested that the gateway operator could be completely independent of the statutory scheme organisation and family support services, or they could be interlinked.⁶⁰ The Centre for Separated Families suggested that the gateway should be managed by the voluntary sector and could, potentially, use existing infrastructure such as Child Support Agency Centres.⁶¹

58. We believe that the gateway process is a positive development, as mediation and collaboration could resolve a range of problems for separating parents at the earliest possible stage. We await with interest the publication of more information about the operation of the gateway, including details of the organisation or organisations that will deliver this service across the whole of the UK. The Government must take steps to ensure the consistency of quality of the operation of the gateway, whether this is run by a national organisation or a range of local organisations.

59 Q 19

60 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, January 2011

61 Ev 51

6 The quality of local support services

59. The Green Paper outlined the Government’s ambition to build a “more coherent system of advice services, where the support and assistance parents need to help them make their maintenance arrangements can be found alongside the other types of advice services which they may require”. The consultation invited comments on whether a single website and a single helpline linking up the range of support available online and in local communities for separating families might be appropriate.

60. The Government has recognised that some families will still prefer to access face-to-face services, and has stated that it would be useful to integrate the provision of information on maintenance, and the other advice that families need, with existing face-to-face services. The Green Paper therefore suggested that Sure Start children’s centres in England could be used as hubs to provide advice and support on maintenance alongside support on other impacts arising from family breakdown.⁶² We await with interest the publication of further information setting out how the network of support would operate in practice and who would be responsible for establishing this system, including in the devolved administrations.

Availability of support services

61. Our predecessors considered the Government’s proposed reforms to shift towards more private agreements in 2007. The reforms anticipated that advice and guidance services could help to remedy the potential power imbalance of private arrangements. They expressed concerns that the current providers of advice services did not have the capacity to fulfil an expanded role.⁶³

62. Advice NI expressed concerns that the voluntary sector would not have the capacity to deliver the services envisaged by the Green Paper, and told us that pressure was growing on the sector due to the recession, welfare cuts and budgetary cuts affecting frontline services.⁶⁴ The Fatherhood Institute also suggested that support services in the UK were rare and those that existed were hard to find. They called for 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. They suggested that:

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.⁶⁵

62 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990, January 2011

63 HC 219-1

64 Ev 56

65 Ev 36

63. The Green Paper contains a commitment that the Government will not introduce charging for the statutory service until the IT and collection system has been running effectively for at least six months. The same principle could be applied in relation to the network of support services: these must play a significant role in supporting separating families, and a coherent approach would be to delay the introduction of charges until the support network is fully established across the country.

64. The DWP's Impact Assessment for the Green Paper highlights the potential costs to third sector organisations of providing support services. These might include the costs of the integrated model of relationship and family support services proposed in the Green Paper (which may involve training professionals or the co-location of services). The Green Paper also indicates that third sector organisations might experience a larger caseload as increasing numbers of parents seek advice and mediation services. However, the Impact Assessment notes that advice and support services may experience a *reduction* in demand over the longer-term, as the Government expects family-based child maintenance arrangements to improve overall family relationships.⁶⁶

65. We support the emphasis that the Government has placed on establishing effective support for families experiencing breakdown. However, it is essential that there is sufficient capacity within local support services to deal with the likely increase in demand caused by the introduction of any charging and the closure of existing CSA cases. We recommend that the establishment of this network of support is the first step that the Government completes in delivering the Green Paper proposals, ahead of the introduction of charging for the statutory service. The Government has recognised the potential costs to the third sector in helping to establish the network and in handling an increased caseload. We request that the Government provides more details on how these services would be funded, in response to this Report.

66 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Impact Assessment, January 2011

7 Transferring CSA cases to a new collection system

CMEC performance and operating costs

66. In 2010, our predecessors considered the performance of CMEC and the extent to which the three-year operational performance plan (announced in 2006) had addressed ongoing problems associated with IT systems and the effective collection of payments.⁶⁷ We were therefore interested to explore the organisation's progress as part of this inquiry. The current Commissioner, Noel Shanahan, provided the following figures to demonstrate the organisation's progress in recent years.

- 972,000 children are benefiting now, compared with 800,000 three years ago;
- £1.15 billion is collected in child maintenance now, compared with £1 billion three years ago;
- Liabilities are being paid in just under 80% of cases, compared with 66% three years ago.⁶⁸

67. The former CMEC Commissioner, Stephen Geraghty, described the recent performance of the CSA as “very strong” and suggested that the remaining problems dated back to between 1993 and 2005 when the arrears built up.⁶⁹ However, information on the CSA website indicates that a significant number of non-resident parents are still failing to make payments to the CSA where maintenance is due; the number of non-resident parents in the CSA system who do not pay increased from 140,900 in March 2005 to 142,300 in March 2011.⁷⁰

Accumulation of arrears

68. The CSA continues to report £3.8 billion of arrears in child maintenance payments. Mr Geraghty told us that only around £1 billion is potentially collectable; the rest could not be collected for a number of reasons, including: the cases were over 10 years old; the individuals concerned had died; and parents with care no longer wanted the money.⁷¹

69. Noel Shanahan told us that the £3.8 billion figure could not be considered accurate because it had been inflated “by over 200%” through the use some years ago of “interim maintenance arrangements” established by the CSA. In these cases, the CSA over-estimated payments due, and used these estimates as a lever against non-resident parents who were reluctant to pay.⁷² Noel Shanahan indicated that question-marks around the

67 HC 118

68 Q 145

69 Q 65

70 <http://csa.gov.uk/en/about/facts-and-figures.asp>

71 Q 69

72 Q 150 and Q 152

validity and accuracy of the £3.8 billion in arrears explained why the National Audit Office was unable to give a full sign off to CMEC's Client Funds Accounts for 2008–09 and 2009–10.⁷³ Dame Janet Paraskeva, the CMEC Chair, told us that it had no powers to write off the £2.8 billion in arrears that cannot be collected, but that there needed to be a “clean break from that old legacy” when the new scheme is launched.⁷⁴

70. We are concerned that CMEC is reporting around £2.8 billion in historic arrears that it is never likely to collect and believe that it is unhelpful for this amount to sit on CMEC's accounts indefinitely. The Government should clarify whether this amount can be written off the CMEC accounts or abandoned when the new system is established. If so, CMEC must provide a clear public explanation as to why this amount cannot be collected.

Enforcement powers

71. Stephen Geraghty said that 90% of employed non-resident parents comply with CSA payments, compared with 80% of those on benefits and 70% of the self-employed. He provided the following information on the use of CMEC's enforcement powers:

- CMEC has set up around 600 orders to deduct funds directly from bank accounts. This is often used where compliance is an issue with non-resident parents who are self-employed.
- Last year CMEC set up around 56,000 orders to deduct money from non-resident parents' earnings.
- Last year 1000 people received prison sentences for non-payment, and 35 actually went to prison. The remaining sentences were suspended.
- CMEC has started commencement of the power to seize 800 houses, and have taken 12 so far.⁷⁵

72. Stephen Geraghty pointed out that several enforcement powers in the Child Maintenance and Other Payments Act 2008 remain uncommenced: curfew orders, passport disqualification and driving licence disqualification without having to go to court.⁷⁶ Noel Shanahan confirmed that CMEC would find it helpful to have the power to remove an individual's passport or driving licence, but that this power would mostly act as a deterrent and would only be used in very few cases.⁷⁷

73. We recommend that CMEC be provided with the full range of enforcement powers listed in the 2008 Act, including those which are currently uncommenced.

73 Q 152

74 Q 150

75 Q 85

76 Q 85

77 Q 151

Cost implications for CMEC

74. The Government plans to launch the new statutory collection service in 2012 for new customers and to close the Child Support Agency to new applications over a two-year period. Parents who currently use the CSA will have the choice of either agreeing their own maintenance arrangements or accessing the new statutory service.⁷⁸

75. The Government has not provided details of the cost savings estimated to be delivered through charging and the reduction in caseload and stated that this would depend on the final strategy agreed by Ministers.⁷⁹ However, Noel Shanahan indicated that CMEC's aim was to achieve at least a 30% reduction in costs, in common with other parts of Government.⁸⁰ CMEC's most recent annual report indicates that its net operating costs were £572 million for 2009–10.⁸¹ The Minister told us that the Government was investing £30 million in England in parenting support (through the Department for Education) and that she would prefer money to be spent on this rather than a statutory child maintenance service.⁸² While this may be true of England, it is not clear whether a similar investment is being made in the devolved administrations.

76. Noel Shanahan indicated that it would take “about three or four years” to introduce the Government's proposals, and that the transition would involve “in the region of between £150 million to £200 million in terms of additional costs”.⁸³ Stephen Geraghty believed that reducing the number of parents using the state system might not significantly reduce costs because the system would “end up with a smaller but very work-intensive caseload. Therefore, you will still end up with a lot of the costs and not so much of the charges.”⁸⁴

77. The performance of the CSA has improved gradually against a number of indicators but is still falling well short of the expectations of both parents and the Government. We are therefore keen to ensure that the closure of CSA cases and the creation of a new system contributes to a further improvement in processes and that the reforms do not represent a barrier to the overall progress that CMEC is making. This is especially significant given that the introduction of the new system may cost up to £200 million.

IT investment

78. Our predecessors' 2010 Report also commented on CMEC's performance, including its ongoing IT problems. Research by the National Audit Office cited in that Report indicated that, as of October 2009, the IT system had over 1,000 reported problems, of which 400 had no known “workaround”, which had resulted in thousands of cases being stuck in the

78 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Cm 7990. January 2011

79 DWP, *Strengthening families, promoting parental responsibility: the future of child maintenance*, Impact Assessment, January 2011

80 Q 162

81 Child Maintenance and Enforcement Commission, *Annual Report and Accounts 2009/10*, HC60

82 Q 137

83 Q 158

84 Q 92

system.⁸⁵ Stephen Geraghty told us that many of the IT problems had now either been resolved, or had been identified and would be resolved:

[In 2003] virtually everything was wrong, including the fact that it went live with lots of known issues. [...] The way we have run the system since means it now works. [...] [In December 2009] 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.⁸⁶

79. However, the Minister argued that CMEC could not continue with its existing systems:

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.⁸⁷

Dame Janet Paraskeva agreed, and suggested that “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”. The Minister stated that “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”.⁸⁸

80. However, the previous Government had already made a significant investment to resolve the CSA’s IT weaknesses. In 2009, we understand that a £50 million contract was agreed between CMEC and Tata Consultancy Services to introduce a replacement IT system for CSA cases. This replacement system is yet to be introduced. We sought assurances that this £50 million investment would continue to represent value for money in light of the Green Paper proposals. Noel Shanahan confirmed that this new system would meet CMEC’s requirements under the Government’s proposals as currently envisaged.⁸⁹ In particular, the Green Paper indicated that the new IT system would need to create a new link to the HM Revenue and Customs’ tax systems, which would provide information on income that could be used to calculate child maintenance.

81. Mr Geraghty told us that HM Revenue and Customs (HMRC) already shares information on income, especially of self-employed non-resident parents, with the CSA, but said that the CSA would usually accept the figure provided by the non-resident parent. He accepted that parents with care may not believe the income reported by the non-resident parent, and that compliance rates for self-employed non-resident parents at 70% are lower than for those on benefits (80%) or in employment (90%).⁹⁰

82. The transition to the new system will require significant resources, including investment in staff and IT systems. The enormous IT problems experienced with the

85 HC 118

86 Q 78

87 Q 148

88 Q 149

89 Q 159

90 Qs 86 and 89

previous child support systems caused huge disruption and distress to parents and this must not be repeated. We request an assurance from the Government that CMEC will have the resources and staff it needs to manage the transition effectively and that the new IT system will not be introduced until it has been demonstrated that it works as it should.

83. We welcome the Government's proposal that the new child maintenance calculation system will draw upon the latest information on non-resident parents' income from HMRC. Our expectation is that the proposed system would use information on income reported to and accepted by HMRC, rather than self-reported income, as the basis for the calculation of the liability of self-employed, as well as employed, parents. It would be helpful if, in response to this Report, the Government clarified the timetable for introducing this mechanism and provided us with more information on how it will work in practice.

Conclusions and recommendations

Ensuring regular payments from non-resident parents

1. A key objective for the Government's child maintenance policy is to ensure that all parents take responsibility for the wellbeing of their children. We believe that ensuring that parents with care receive agreed payments at the correct level on a consistent basis from the non-resident parent is an important element in this. We recommend that the Government considers the introduction of a requirement that child maintenance payments are deducted directly from a non-resident parent's salary or bank account, as we consider that this step would increase the number of payments that are delivered accurately and on time. We recognise that this does not appear within the Government's Green Paper proposals, but we believe it is important for the Government to consider the merits of this option. (Paragraph 16)

Comparing family-based and statutory arrangements

2. We welcome the Government's emphasis on family-based arrangements for parents for whom these arrangements are appropriate. However, we would highlight the conflict of supporting evidence on the effectiveness of family-based arrangements for all families, in particular families on lower incomes or where there is little contact between separated parents. If the proposals are implemented, the Government will need to monitor closely the extent to which family-based arrangements are achievable for, and succeed in meeting the needs of, parents on lower incomes. (Paragraph 26)
3. While we support the Government's emphasis on advice, support and mediation services, we note that mediation can often carry a cost that could be significant for lower income families. We welcome the Minister's assurance that the Government is considering how mediation can be used more effectively for families, and request an update on progress as part of the Government's response to this report. We also ask the Government to consider ways in which mediation can be provided in an affordable way to lower-income families. This could include making legal aid available to lower income families seeking mediation in relation to child maintenance, in the same way as for other matters of dispute in family cases. (Paragraph 31)

Proposed charges for statutory child maintenance services

4. Ensuring that non-resident parents support their children financially is a challenge that the British Government has never successfully met. Successive Governments have tried to reform the system without great success. In 2009–10, the Child Maintenance and Enforcement Commission cost £572 million to run, but only £1,141million in maintenance payments reached children. This equates to 50 pence in administration costs for every £1 collected. Introducing charges to support an inefficient collection service does not strike us as the most cost-effective approach. If charging is to be introduced, we request, in response to this Report, estimates of the

amount of money that the Government expects to raise through charging and of the operational cost of administering the charging system. (Paragraph 34)

5. The Government has decided to introduce application charges as an incentive to parents to use the gateway and to come to a voluntary agreement, and as a disincentive to using the statutory service. We are not convinced that the evidence yet exists to support this approach. The Government will therefore need to monitor carefully the impact of application charges to ensure they have the desired effect. (Paragraph 41)
6. Under the Government's proposals, the application charge would fall on the parent with care, even when they had tried all reasonable alternative options to make a family-based arrangement. We believe that the application charge should fall on the non-resident parent, and not the parent with care, in cases where the parent with care has taken all reasonable steps to reach a voluntary agreement. (Paragraph 42)
7. The Government's proposed collection charges for using the statutory service include both a surcharge on the non-resident parent and a deduction from the payment to the parent with care. We believe that this is excessive and unnecessarily complex and should be replaced by a single, modest administration charge for collection. (Paragraph 45)
8. As with application charges, we believe that parents with care who have taken all reasonable steps to come to a voluntary agreement should not have to pay collection charges. In these cases, the collection charge should be borne by the non-resident parent. (Paragraph 46)
9. The CMEC collection service costs 50 pence for every £1 collected. We do not consider that this represents a cost-effective use of taxpayers' money. While we believe that the enforcement side of CMEC's operation should remain with the agency, we strongly urge the Government to find a more efficient way of administering the collection service, drawing on international experience and including exploring the possible use of the private sector. (Paragraph 47)

Establishment of a gateway to access statutory services

10. We note that the responsibility to navigate the gateway would fall entirely on the parent with care, and recommend that the non-resident parent should also be required to engage with the gateway operator. We believe that communications around the proposed changes need to be targeted effectively at both parents with care and non-resident parents, and recommend that the Government set out clearly the responsibilities of non-resident parents to engage in child maintenance arrangements. (Paragraph 53)
11. We welcome the Government's proposal that vulnerable parents will be fast-tracked through the gateway without being required to demonstrate that they have attempted to reach a family-based arrangement through advice and support services. We request that the Government explains, in response to this Report, how it intends to ensure that parents who have been subject to domestic abuse are properly

identified and fast-tracked as appropriate to the statutory maintenance service. (Paragraph 56)

12. We believe that the gateway process is a positive development, as mediation and collaboration could resolve a range of problems for separating parents at the earliest possible stage. We await with interest the publication of more information about the operation of the gateway, including details of the organisation or organisations that will deliver this service across the whole of the UK. The Government must take steps to ensure the consistency of quality of the operation of the gateway, whether this is run by a national organisation or a range of local organisations. (Paragraph 58)

The quality of local support services

13. We support the emphasis that the Government has placed on establishing effective support for families experiencing breakdown. However, it is essential that there is sufficient capacity within local support services to deal with the likely increase in demand caused by the introduction of any charging and the closure of existing CSA cases. We recommend that the establishment of this network of support is the first step that the Government completes in delivering the Green Paper proposals, ahead of the introduction of charging for the statutory service. The Government has recognised the potential costs to the third sector in helping to establish the network and in handling an increased caseload. We request that the Government provides more details on how these services would be funded, in response to this Report. (Paragraph 65)

Transferring CSA cases to a new collection system

14. We are concerned that CMEC is reporting around £2.8 billion in historic arrears that it is never likely to collect and believe that it is unhelpful for this amount to sit on CMEC's accounts indefinitely. The Government should clarify whether this amount can be written off the CMEC accounts or abandoned when the new system is established. If so, CMEC must provide a clear public explanation as to why this amount cannot be collected. (Paragraph 70)
15. We recommend that CMEC be provided with the full range of enforcement powers listed in the 2008 Act, including those which are currently uncommenced. (Paragraph 73)
16. The performance of the CSA has improved gradually against a number of indicators but is still falling well short of the expectations of both parents and the Government. We are therefore keen to ensure that the closure of CSA cases and the creation of a new system contributes to a further improvement in processes and that the reforms do not represent a barrier to the overall progress that CMEC is making. This is especially significant given that the introduction of the new system may cost up to £200 million. (Paragraph 77)
17. The transition to the new system will require significant resources, including investment in staff and IT systems. The enormous IT problems experienced with the previous child support systems caused huge disruption and distress to parents and

this must not be repeated. We request an assurance from the Government that CMEC will have the resources and staff it needs to manage the transition effectively and that the new IT system will not be introduced until it has been demonstrated that it works as it should. (Paragraph 82)

18. We welcome the Government's proposal that the new child maintenance calculation system will draw upon the latest information on non-resident parents' income from HMRC. Our expectation is that the proposed system would use information on income reported to and accepted by HMRC, rather than self-reported income, as the basis for the calculation of the liability of self-employed, as well as employed, parents. It would be helpful if, in response to this Report, the Government clarified the timetable for introducing this mechanism and provided us with more information on how it will work in practice. (Paragraph 83)

Formal Minutes

Wednesday 29 June 2011

Members present:

Dame Anne Begg, in the Chair

Debbie Abrahams
Harriett Baldwin
Andrew Bingham
Karen Bradley
Kate Green

Mr Oliver Heald
Glenda Jackson
Stephen Lloyd
Teresa Pearce

Draft Report (*The Government's proposed child maintenance reforms*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 83 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report (together with written evidence reported and ordered to be published on 11 May and 15 June 2011).

[Adjourned till Wednesday 6 July at 9.15am]

List of Witnesses

Monday 16 May 2011

Page

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**

Ev1

Stephen Geraghty, former Commissioner of the Child Maintenance and Enforcement Commission

Ev14

Wednesday 15 June 2011

Maria Miller MP, Minister for Disabled People, Department for Work and Pensions, **Dame Janet Paraskeva**, Chair, and **Noel Shanahan**, Commissioner and CEO, Child Maintenance and Enforcement Commission

Ev20

List of printed written evidence

1	Fatherhood Institute	Ev35
2	Low Incomes Tax Reform Group	Ev38
3	Dr C M Davies	Ev42
4	Barnardo's	Ev45
5	Separated Families	Ev48
6	Gingerbread	Ev52
7	Advice NI	Ev56
8	National Family Mediation	Ev60
9	Where's My Dad	Ev63
10	Caroline Bryson	Ev64
11	Stephen Geraghty	Ev66
12	National Association for Child Support Action	Ev67
13	Department for Work and Pensions	Ev70
14	Fyfe Ireland Solicitors	Ev71

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Youth Unemployment and the Future Jobs Fund	HC472 (HC844)
Second Report	Changes to Housing Benefit announced in the June 2010 Budget	HC469 (HC845)
Third Report	Appointment of the Chair of the Social Security Advisory Committee	HC 904
Fourth Report	Work Programme: providers and contracting arrangements	HC 718