

A New system of Child maintenance – Barnardo's response – 15 March 2007

1. Barnardo's works directly with more than 110,000 children, young people and their families in over 350 services across the UK. These services are located in some of the most disadvantaged neighbourhoods where child poverty and social exclusion are common features. We work with children affected by today's most urgent issues: poverty, homelessness, disability and abuse. Our projects work with children aged 0 to 18 (or 24 in the case of young care leavers).
2. Barnardo's does a significant amount of work with families in poverty. Around one third of our work focuses on the alleviation of poverty, and it is an inescapable element of nearly all our services. This work includes running over 40 community development projects which bring together local people and partnership organisations to tackle some of the problems which disadvantaged communities face. We also run a number of family centres which provide play schemes and after school clubs. Given the large number of children from single parent families who live in poverty, it is unsurprising that much of this community work involves working with such families.
3. In pulling together our response to this consultation we consulted with our services which work directly with single parent families. We also talked to a number of families themselves about their experience of the child maintenance system in the UK and whether they felt that current government proposals would be effective in delivering any improvement. The comments in this response reflect the outcome of this consultation.

General points

4. Barnardo's has long been concerned about the high numbers of children in the UK living in poverty and has welcomed Government initiatives aimed at tackling this problem. However, despite much progress in this area, there is still evidence that much more needs to be done. The Government missed its first milestone to reduce child poverty by one million by April 2005.
5. Proposals to reform the child maintenance system have the potential to make a positive contribution to the ending of child poverty in the UK. Evidence suggests that the net income of parents with care declines by as much as 18 per

cent following separation², and that 48 per cent of children in lone parent households are in poverty compared to 20 per cent of couple families³. However, child maintenance makes very little contribution to the incomes of these families. Despite calculations that child support could lift 100,000 children out of poverty in the UK, currently only 42,000 parents with care receive any net increase in their income as a result of payments.⁴ In Europe child maintenance makes a far more substantial contribution to improving the incomes of families and lifting children out of poverty - Child support delivers 25 per cent of Austria's child poverty reduction and 24 per cent of Switzerland's, compared to only 2.9 per cent in the UK⁵.

6. Barnardo's therefore welcomes the government's commitment to improve the child maintenance system in the UK and believes that many of the proposals in the white paper have the potential to make a positive contribution to the government's goal of ensuring more money goes to families who need it. However, we also believe that the current reforms do not go far enough. In particular we would like to see:

- Child maintenance to be fully disregarded in respect of any benefits paid to the caring parent
- More resources committed to improving guidance and information for parents who separate on how to go about agreeing voluntary child maintenance agreements
- An effective enforcement regime conducted in a way which does not risk damaging a child's emotional relationship with the non-resident parent.

Specific answers to questions raised in the consultation document

7. We limit these to questions on which Barnardo's has expertise.

Chapter 2: A new focus – encouraging parents to make their own arrangements

Question one: are the key principles and areas for detailed work that we have identified the right ones? In particular:

- How can we best encourage access to support services by parents with care and non-resident parents?
- How can we best make a register of private maintenance agreements an attractive prospect to parents?

² Jarvis S and Jenkins S *Marital splits and income changes*, institute of social and economic research (2001) quoted in D Henshaw, *Recovering Child Support: routes to responsibility*, The stationary office (2006)

³ Department for work and pensions *Households below average income 1994/5-2004/5*(2006)

⁴ Statistic only includes those cases with a compliant absent parent - quoted in D Henshaw, *Recovering Child Support: routes to responsibility*, The stationary office (2006).

⁵ Jun Rong Chen, quoted in Bradshaw Bradshaw J, *Child Support*, Joseph Rowntree Foundation (2006)

- How can jobcentre plus most effectively encourage parents claiming benefit to make an informed choice about maintenance?

8. The new regime will place a new emphasis on parents reaching voluntary agreements and only having recourse to C-MEC (the body which will replace the Child Support Agency) in situations where this is not possible. In general Barnardo's believes this is the right approach – some families which we consulted reported having in place voluntary agreements for child maintenance which work very successfully.

9. The white paper proposes a number of reforms aimed at encouraging families to reach voluntary agreements – many of which we welcome. In particular we believe the decision to bring forward legislation ending the presumption that parents with care claiming benefits will be applying for maintenance is the right one. We know from our experience of working with families that this rule has in the past upset many voluntary maintenance agreements to the detriment of the children. It also causes great hardship to families where making a claim for maintenance is just not realistic, due to a violent, absent ex-partner for example. Such parents have previously often suffered great stress having to make their case that they have “good cause” to not claim maintenance or face a reduced benefit decision.

10. The consultation recognises that a key encouragement to parents to make their own agreements will be ensuring that a significant amount of maintenance paid goes directly to the child, rather than being recovered by the state. Parents will feel far less inclined to reach a decision regarding maintenance if this will provide no improvement in the income available to raise the child. Large amounts of child maintenance payments being used simply to off-set benefit payments have also been a factor in the limited contribution that child maintenance has played in reducing child poverty in the UK. The white paper recognises the need to change the off-setting rules and proposes changes to the regime, by allowing older cases to benefit from the current £10 discount by 2008 and significantly increasing the level of the disregard by 2010.

11. We believe, however, these proposals are inadequate to achieve the aim. Firstly because the majority of families will not see any increase in the disregard until 2010, and secondly because the government provides no indication as to the level which the current £10 level will be increased too. We therefore believe that the government should introduce a full disregard of all child maintenance payments in respect of benefit calculations by 2008. If jobcentre plus was able to inform parents that they would be entitled to keep any of the maintenance paid since this would be completely disregarded for benefit payments, we believe this would offer the strongest incentive for parents to seek maintenance from a non-resident parent. It would also have a major impact on decreasing child poverty – the Henshaw report estimated that a full disregard could lift between 80,000 and 90,000 children out of poverty⁶.

⁶ in D Henshaw, *Recovering Child Support: routes to responsibility*, The stationary office (2006).

12. The other key method for encouraging parents to make voluntary agreements is to ensure that they have the information and guidance available to know how to go about this. There were families that we spoke to who said that they would have liked to arrange a private agreement for maintenance with the non-resident parent but did not know how to go about this. Again the importance of information and guidance in encouraging parents to make agreements for maintenance is recognised in the white paper. In particular we welcome the emphasis on looking at support services which provide support for parents across the range of issues which may come up in respect of family break-up including residence, access and child care – child maintenance is seldom an issue which families think about in isolation.

13. However, despite the emphasis placed on the importance of advice and support, the government paper provides no commitment to government investment into such services. We believe that it is important that the government does not underestimate the significant nature of the task which it faces. Advice services both in the statutory and voluntary sector are currently over-stretched providing advice on the number of other government initiatives aimed at helping families in recent years, in particular the tax credit regime. Also many existing services have developed their expertise on advising parents of their rights and responsibilities in respect of the state. Child maintenance is a private arrangement between two individuals, who are often in conflict with each other - as such it requires advice professionals with a different skills set. It is therefore important that the government does not simply place the burden for advice and guidance on to existing advice services without any further investment or training of professionals.

Chapter 3: A fresh start – delivering child maintenance in a new way

Question two: Paragraph 3.14 sets out what we hope to achieve through a framework of objectives and principles for the new body: do you think these three aims are appropriate?

14. The white paper contains proposals for the abolition of the Child Support Agency and the introduction of replacement body – C-MEC. Unlike the Child Support Agency, C-MEC will only be responsible for dealing with child maintenance in a case of last resort when the parents have failed to come to a private agreement between themselves.

15. Many of the families which we spoke to report that they had been very unhappy with the service that they received from the Child Support Agency, and as such the decision to have a clean break with the past would seem to be the correct one. Barnardo's welcomes the objectives and principles for the new body – as laid out in the white paper – in particular the emphasis on helping to reduce child poverty and improve the welfare of children.

16. We do, however, believe it is important that C-MEC is well funded and resourced to deliver in practice the type of service which will most benefit families. We are concerned that the paper puts emphasis on C-MEC as a body which only a few parents will go to, as a last resort. While this may be true, those families who will need to have recourse to the new body will frequently be the most vulnerable and have the most complex needs. Dealing with these types of cases in a way which maintains the confidence of the parents involved will require significant resources. We urge the government to not allow C-MEC to become another Child Support Agency, working with even more limited resources to provide an effective service to some of the most vulnerable parents.

Chapter 4: Simplifying and improving the child maintenance assessment process

Question four: is our approach of combining a simpler assessment formula with an exceptions regime the right one?

17. The white paper proposes to simplify the current system of income assessment, in particular by using gross, rather than net weekly income as the basis for calculating maintenance liabilities and moving to a system of fixed term awards which would be calculated on the latest available tax-year information. Changes would only be allowed if income changed by over 25 per cent.

18. Barnardo's welcomes the concept of introducing a simpler assessment formula for the calculations of child maintenance, particularly one that involves information which can primarily be sourced from the Inland Revenue rather than requiring information directly from the non-resident parent – since this reduces the possibility of disputes. However, while Barnardo's understands the desire to simplify the process we have concerns as to whether the government have sought to examine what the full effects of the new policy could be, particularly on second families (children by the non-resident parent's subsequent relationship). A reduction in income of as much as 24 per cent can be very difficult for a family, and would be made even worse if they were unable to apply for a reduction in maintenance payments paid to children of previous relationships. The white paper makes little mention to the effects of the proposals on the children of second families. Barnardo's believe it is important that they are considered in any decisions about how income should be assessed and maintenance payments calculated, otherwise we risk removing one set of children from poverty, only to plunge a second group of children below the poverty line.

Chapter 5: Tougher enforcement

Question six: are there other approaches to enforcement that we should consider

19. The white paper commits a whole chapter to a discussion on enforcement, placing a great deal of emphasis on new powers. These include removing the non-resident parent's passport, imposing a curfew on the non-resident parent or naming and shaming non-resident parents who have been successfully prosecuted.

20. Barnardo's understands the desire to ensure that when a maintenance order is made it is complied with, and believes it is important that effective enforcement is put in place. However, we have concerns that the measures outlined in the white paper are not necessarily the right approach to providing substantial improvements in the amount of money going to children. We believe that the government needs to give careful thought to the effects that introducing any new sanctions will have on the child's personal relationship with the non-resident parent. The introduction of curfews could have an effect on contact visits with the child for example, while being able to view their parent on a website list of successfully prosecuted parents could risk exposing the child to unnecessary bullying and stigma.

21. Rather than focusing on new powers we believe that a better approach to enforcement would be to ensure that, unlike the CSA, C-MEC uses the powers available to it. In reality any enforcement regime has to be properly implemented to be effective and the government admits in the white paper that "historically the child support agency has not used [its compliance powers] to their fullest effect, and many non-resident parents perceive that non-compliance will not be acted upon"⁷. This suggests that in reality the issue is as much about ensuring that non-compliance is dealt with at all rather than changing the sanctions available.

22. Barnardo's also does not support the concept of charging the non-resident parent for access to C-MEC as an enforcement measure aimed at encouraging parents to come to voluntary arrangements. As explained above the parents most likely in need of C-MEC services are the most vulnerable where the relationship between the parents has become so fraught, perhaps plagued by violence, to make an agreement unrealistic. This measure risks the non-resident parent placing further pressure on a parent with care to agree a voluntary agreement so as to avoid the charge even when this would be inappropriate for the family's circumstances.

⁷ DWP A new system of child maintenance (Dec, 2006), p.75 available on line at http://www.dwp.gov.uk/childmaintenance/csa_report.pdf based on research from: Atkinson, A. & McKay,

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