



# END CHILD POVERTY NETWORK CYMRU RHWYDWAITH DILEU TLODI PLANT CYMRU

## **A New System of Child Maintenance (DWP White Paper) – Consultation Response**

The **End Child Poverty Network Cymru** welcomes this opportunity to formally respond to the Department for Work and Pensions White Paper “*A New System of Child Maintenance*”. The current system of child maintenance has for so long raised many concerns amongst several of our Network’s Steering Group member organisations who work on daily basis with parents, families and children with direct personal experience of the present system and many of its frustrations and challenges.

The Network welcomed the Governments announcement early last year that it intended to seek guidance prior to making any decisions in respect of changes to reform the child maintenance system and were encouraged with many of the Sir David Henshaw Review’s key recommendations. Many of his recommendations have found their way into this report’s proposals including the Government’s acceptance that radical reform of the current system was necessary, and this again is welcomed.

As an overarching commentary to begin, we are encouraged that the key foundation principles for reform concerns the need to tackle child poverty (unlike the original core aims of the CSA) alongside the recognition and appreciation of the extent to which child maintenance can contribute to the eradication of child poverty. In respect of this latter point, this report clearly illustrates that the UK does not compare favourably internationally in relation to the contribution child maintenance has made in reducing child poverty to date. Unless this is addressed, there will be clear implications in terms of the Government meeting its 2020 target.

We would now like to pass comment on the specific proposals within this report in relation to the consultation questions put forward

### **1: 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 for parents?**
- **How can Jobcentre Plus most effectively encourage parents claiming benefit to make an informed choice about maintenance?**

As the report makes clear, many parents are keen to make their own arrangements in respect of child maintenance payments. Yet parents need to be able to make decisions where any choice is informed. Support services need to be put in place for parents making

their decisions to ensure that they receive all the help, information, guidance and understanding that they need and demand. The approach taken should be both universal and targeted to ensure that the poorest families are reached. Services need to be non-judgemental and non-stigmatised and we are encouraged that a co-ordinated approach is being proposed to utilise existing skills within the voluntary sector. However, firm details around how this will be achieved in practice are clearly demanded since many welfare rights and voluntary family support services are already overwhelmed and operating with limited resources. It is clearly questionable as to whether existing services would have the capacity to undertake additional tasks of the potential magnitude proposed here within their existing structures. Jobcentre Plus also has an important role to play in this respect where information should be provided independently in line with parent's needs and wishes.

An additional word of caution is necessary around the notion of private arrangements, which the Paper places a great deal of emphasis on. Given the power imbalances that exist within many families, agreements may be reached which favour the non-resident parents above the parent with care, which would do little to ease the income poverty levels within lone parent families. Presently, the CSA does provide an element of security to guard against this and we would be keen for private arrangements to be carefully monitored and evaluated to ensure that all arrangements are in the best interest of the child and not in the best interest of non-resident parents. Moving towards a register of private maintenance agreements, with monitoring, should go some way to help ensure that parents with care do receive the financial assistance that they and their children are entitled to, though we would warn against the over optimistic assumptions which permeates this paper around the extent to which parents will voluntarily make adequate arrangements for their children.

**2: 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?**

We are encouraged by the focus on the need to help reduce child poverty through an effective child maintenance system and feel there is a healthy balance struck between the desire to help, encourage and empower parents alongside underlining their responsibilities and obligations in respect of their children present welfare and future prospects.

**3: Do the principles for moving forward set out at paragraph 3.21 provide the right approach?**

We welcome the central principle guiding the approach to transition be the focus on child poverty considerations and support for the poorest families first and foremost. This is essential if child maintenance reform is to assist the Government in seeking to achieve their goal of eradicating child poverty by 2020. We are also pleased to learn that the Government intend to learn from past experience and ensure the new approach is practical and achievable. We would however be encouraged to learn in due course that the expected timetable for change is ahead of schedule and the transition from the existing scheme to the proposed one is completed ahead of 2012-13, which is the present target for completion.

**4: Is our approach of combining a simpler assessment formula with an exceptions regime the right one?**

We recognise and appreciate the reasoning behind the desire to simplify the current assessment process but fear that many parents with care and their children will not get their

full entitlement in situations where the non-resident parent's income increases – payment assessment being made retrospectively. The Paper could have benefited from providing consultees with the necessary information around the proportion of non-resident parents whose income differs substantially from one year to the next, including any periods of unemployment. Parents increasingly experience fluctuations in their income, both for those employed and self-employed and we do not feel this has been sufficiently explored in relation to the impact this will have on child maintenance received by parents with care.

**5: Which of the three approaches outlined in paragraph 4.25 to 4.27 should be employed to determine child maintenance liabilities in a case of this kind?**

Of the approaches outlined, we feel that all the children for whom the non-resident parent has responsibility for should be taken into account when making an assessment and calculation of their liability to pay parents with care. Many non-resident parents have entered into shared care arrangements and this should be taken into account when making an assessment.

**6: Are there other approaches to enforcement that we should consider?**

We again recognise and appreciate the reasoning behind the desire to explore a range of options to ensure that payments of child maintenance are enforced. However the needs of the children should always be the priority before any considerations around enforcement powers are made. The emphasis around the need to pursue non-resident parents who continue to seek to evade their responsibilities in respect of their children is to be welcomed, though every attempt should be made by the new organisation to seek to find resolutions to debt collection and compliance by non-resident parents prior to legal enforcement. In addition, as many parents will seek to approach C-MEC for help and support in resolving child maintenance payments, we would be keen to avoid the risk of stigmatising all non-resident parents who approach the organisation.

**7: Is the shift from a predominantly court-based enforcement system to an administrative approach the right way to make enforcement more effective?**

C-MEC staff must have the necessary knowledge, legal and technical expertise to be able to support parents in making financial arrangements for their children as well as provide an effective enforcement body for child maintenance payments. The infrastructure of the organisation must also be secure. This is critical if the new body is not to repeat many of the difficulties the present CSA encountered and we would suggest a cautious approach is adopted until the organisation is well established and confident in its mechanisms for enforcement of child maintenance payments. We would also wish to see a system which is as simple as possible to navigate and operationalise.

**8: Are we right to give more focus to chasing collectable debt?**

**9: Is our approach in seeking write-off powers in strictly limiting circumstances the right one?**

There should be no question of allowing non-resident parents who are able to pay child maintenance to be allowed to evade their responsibilities. However, we appreciate that in limited circumstances, writing-off debt may be appropriate given the challenges C-MEC would face in recovering current debt levels. The current debt recovery target of £213 million

should however be revised and a more ambitious target set. A strategy should be formulated which outlines the thinking behind decisions not to pursue enforcement action. Some thoughts should also be focussed on possible compensation for parents with care who can demonstrate that the CSA were partly responsible for any failure to collect any debt.

### **Additional Comments**

We also have some concerns around charging parents for using the service and support of the new organisation. Convincing families to move to private child maintenance arrangements appears to be crucial if the reforms outlined in this report are to be met. However, where difficulties remain between parents with care and non-resident parents, a system should be in place that families can turn to. We firmly believe this should be free of charge to the service user. Parents who cannot, for whatever reasons reach an amicable agreement privately, should have recourse to access a service, as a safety net to ensure that their children are receiving child maintenance payments in line with their entitlement and needs. How will charging parents to access C-MEC effectively address child poverty?

Whilst this White Paper addresses many of the key challenges associated with the present system, too many questions remain unanswered and safeguards for parents left vague. If the target of eradicating child poverty by 2020 is to be met, more could be done in relation to child maintenance and in maximising the impact on child poverty.

#### **End Child Poverty Network Cymru**

The **End Child Poverty Network Cymru** is a coalition of concern focused on the eradication of child poverty in Wales, co-ordinated and managed on a day-to-day basis by Children in Wales. Its steering group include representation from across the voluntary and statutory sectors and the Network has an increasing number of supporting members from a broad cross-section of agencies

##### Steering Group members include

Barnardo's Cymru, Children in Wales, Save the Children Wales, NCH Cymru, NSPCC Cymru, WLGA, Citizens Advice, NPHS Wales, Communities that Care, Shelter Cymru, the Frank Buttle Trust, Fairbridge Cymru, NEA Cymru and the Office of the Children's Commissioner for Wales.

The **End Child Poverty Network Cymru**, operational since 2001, is supporting the Governments vision that no child in Wales should be living in poverty by 2020, and is working to achieve this by

- Increased public and professional understanding of child poverty in Wales
- Public and professional support for measures to tackle child poverty
- Ensure that policies are in place at all levels of Government (local, Assembly and Westminster), which contribute to eradicating child poverty in Wales.