



**Northern Ireland
Assembly**

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Reform of Child Maintenance

13 October 2011

NORTHERN IRELAND ASSEMBLY

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SOCIAL DEVELOPMENT**

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Gregory Campbell
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Ms Pam Lewis
Mr Fra McCann
Mr David McClarty

Witnesses:

Ms Ros Agnew) Department for Social Development
Ms Anne McCleary)

The Chairperson:

We will now receive a departmental briefing on the reform of child maintenance. You are welcome again, Anne. I also welcome Ros Agnew from the Department for Social Development's social security policy and legislation division.

Ms Anne McCleary (Department for Social Development):

Thank you very much for the opportunity to brief you on the proposals for child maintenance reform. I will start by giving you some background to what has driven the proposed reforms.

Sir David Henshaw reviewed the entire child maintenance system in 2006. In his report, he concluded that there was a need for fundamental change in the way that child maintenance is organised. He stated that the statutory system was failing to deliver and that parents should be encouraged more to make their own arrangements. Those proposals led to legislation in 2008 which broadened the Department's remit to include the promotion of family-based or private arrangements and to provide support and information to help parents to put in place effective arrangements for child maintenance. That work has now begun.

In January 2011, the coalition Government published the Green Paper 'Strengthening Families, Promoting Parental Responsibility: the Future of Child Maintenance', which was also consulted on in Northern Ireland. It looked at five key areas: integrating support and advice services to help families to resolve issues in a collaborative manner; working with other Departments and voluntary and community services to support more parents in making their own family-based arrangements; introducing a gateway to ensure that parents receive appropriate support and advice before they apply to the statutory scheme; the introduction of a new child maintenance scheme, as set out in the Child Maintenance and Other Payments Act 2008; and the introduction of charges for parents using the new statutory scheme.

The majority of the proposals in the Green Paper are already provided for in the 2008 Act. The Welfare Reform Bill, which is making its way through Westminster, provides for the remaining elements of the proposals. I will give you some more detail on each of those areas in relation to the statutory scheme, but I will start by looking at the first two key proposals: the integration of support and advice services to help families resolve issues, and the joined-up approach with other Departments and the voluntary and community sector. The child maintenance and enforcement division (CMED) is already using the provisions in the 2008 Act. It works extensively with the voluntary and community sectors and has set up a stakeholder forum to help develop plans for the promotion of financial responsibility and the provision of an enhanced information and support service. I understand, personally, that the groups involved

value immensely the opportunity to engage. There is considerable scope for enhancing that role. The proposals in the Green Paper build on that, with the intention of further work with those groups to understand how joined-up services could look in practice. The focus will be on gaining an understanding of the exact type of support that families need and how best to deliver it. The joined-up service will also ensure that parents are encouraged and supported to make their own child maintenance arrangements where possible. Parents will be guided towards a much more collaborative approach when discussing child maintenance to help them reach a mutually agreeable arrangement, with the emphasis on the welfare of the children involved.

There is also value in working with other Departments, particularly Health, Education and Justice, as there are areas within their remits, such as family support services and the early years strategy, that could complement or enhance the support given to families in that more holistic approach. The emphasis will be on removing barriers and helping them to navigate the support systems with the aim of driving a cultural change towards child maintenance responsibilities. That area is still in the high-level planning stage and no decision has yet been reached on how it will be delivered, but the child maintenance choices service offered by CMED and the work that it has already begun will be our starting point.

The focus of the reform is very much on family-based arrangements. There is a realisation that, to achieve this, more support for parents is needed. That brings me to the third key proposal, the gateway. If family-based arrangements are not successful, the gateway facility could help. For example, for those parents who feel that they could work together with a little help, practical tools, such as family-based arrangement templates that help parents document what they have agreed, could be used. Provision for the gateway will be in the Welfare Reform Bill, and it will be mandatory for any parents wishing to use the statutory scheme to go through the gateway first.

It is recognised that, despite help and support, family-based arrangements will not be possible for all, so it is important to say that the statutory scheme is not being denied; it will remain accessible. I also have to point out at this stage the area of support for vulnerable families. Some parents will face particular barriers in reaching mutually acceptable agreements, and they simply will not be able to work together. In relationships where there has been violence, or risk to a child, it is crucial that early access to support — and far more specialised support — is readily

accessible. Work will continue to identify the needs of those families, particularly distressed parents, such as those who have experienced domestic abuse. They will be fast-tracked to the statutory scheme.

The introduction of the statutory scheme brings me to the fourth key proposal of reform. I think that most members are aware of past difficulties within the statutory scheme, which had many problems and at times failed to deliver as well as it could have. Many of the problems stemmed from poor IT and the complexities of managing cases on the system, so a complete new system is being built in Great Britain. The calculations of maintenance liability will also change, with information being taken directly from HMRC. That will help to eradicate delays in gathering information and it will ensure that the information is up to date and relevant.

One important point to mention is that parents who access the statutory scheme will still have choices. They can opt to use the calculation-only service. That service will provide parents with an indicative calculation using HMRC data, but without creating a liability. They can then use that to set up a maintenance arrangement. That is the advantage of being both up to date and being seen by parents as having been produced independently. That will hopefully help levels of trust between parents.

Parents can, of course, also use the full child maintenance service, which will produce a full, liable amount, again using HMRC data. Even using the full child maintenance service, parents, in line with the overarching intention to promote a collaborative approach, will still have choices. They will be able to have a full child maintenance liability created and then agree to pay that amount directly between themselves, without any further intervention. However, if that is not possible, a full collection and enforcement service will still be available.

With the introduction of the new system will come charging for users. That is the fifth and final key area of reform. The introduction of charging is designed to create a situation in which parents have to actively consider how they approach child maintenance. It supports the cultural change that is being driven and will encourage them to collaborate more to reach a mutually acceptable arrangement.

Actual levels of charging, which, I am well aware, is a key issue, are still being considered. The ranges that are currently being considered are between £20 and £25 for the calculation-only service; a £100 upfront application charge for the full service; and, should collection be required, a surcharge of between 7% and 12% for the parent with care, and between 15% and 20% for the non-resident parent, of a liable amount will be applied. I am saying that, upfront, that applies to those who are not on benefits. There are separate provisions for them. Should enforcement measures be necessary, a further charge will be applied to the non-resident parent. At those levels, I should advise that it will mean that, although parents will contribute to the service that they require, it will remain heavily subsidised. They are not paying for the entire service.

It is realised that low-income and vulnerable families often rely on the statutory scheme and child maintenance will, therefore, remain fully disregarded for benefits purposes, meaning that parents will keep 100% of child maintenance. As you are probably aware, that will remain the same for universal credit.

Victims of domestic abuse will be exempt from charges entirely. Benefit families will pay in the range of £50, with £20 paid upfront and the remainder in instalments. Collection charges will not be imposed where the non-resident parent pays the parent with care directly. That is maintenance direct. I would like to point out that the exact charging levels still have to be set and that there will be draft regulations, which would be subject to public consultation, including here in Northern Ireland.

Now that we have outlined the five key areas, I want to reiterate that the overarching aim of the reform is to drive cultural change. We want to encourage parents to work together for the welfare of their children.

With regard to next steps, what we have outlined today is a high-level plan. The intention in moving forward with a joined-up approach is for colleagues in CMED to continue to engage with the voluntary and community sector to further develop how best to deliver the service. They will also approach other Departments to establish how the services can work together in cross-cutting areas with the overall aim being the delivery of a much more holistic approach to helping families. I can confirm that I have been involved personally in meetings in connection with that.

As I have mentioned, much of the primary legislation is already in place, with provision for the gateway and calculation service being put forward in the Welfare Reform Bill. However, subordinate legislation will be required. Details will be presented to you through the standard procedure of submission of policy on SL1s as the reform moves forward. Indeed, regulations on how the new child maintenance liability will be calculated and the regulations on charging will be subject to public consultation and are also subject to the confirmatory procedure, meaning that they will have to be debated in the Assembly.

That concludes the presentation. We are happy to take any questions.

The Chairperson:

Thank you, Anne.

Mr Brady:

Thank you very much for a comprehensive presentation. The first thing that I want to say is that anything that improves the delivery of child maintenance has to be good. They made such a complete mess of it over the past number of years that something had to be done. I accept that.

I have a couple of questions. You mentioned engagement with the voluntary sector. Obviously, the voluntary sector has already been involved in dealing with many families. Has the Department considered the resources available to the voluntary sector because with welfare reform there will be greater need for and pressure on advice centres and constituency centres? However, I am talking about independent advice centres, and Citizens Advice in particular. There will be a lot more pressure on them with having to deal with detailed and traumatic issues.

A big issue in my constituency around child maintenance for the non-resident parent was simply to go into the Twenty-six Counties and be outside the jurisdiction so that could not be enforced. I do not want to mention that terrible word “parity”, but that does not affect England, Scotland and Wales as it does here because you can simply move three miles up the road and you are in a different jurisdiction apparently.

I think that the limit for a non-resident parent on benefit is about £5. Are there plans to raise that to take extra money out of their benefit towards maintenance? Another issue is resources for CMED staff. Traditionally, in my experience and from talking to people who work there, there is a high level of stress because of the nature of that work. In a lot of cases, you are dealing with people long-distance on the telephone and, obviously, taking a lot of abuse on occasion. Will the infrastructure and resources be put in place to deal with that because it is a fairly stressful job for staff? We are going to visit the centre today and we may get a better picture of that. However, it is my experience from talking to staff over the years that that is a particular problem within the child support and maintenance section.

Ms McCleary:

We looked at voluntary sector funding and our colleagues in CMED are working extensively with that sector. However, an awful lot more work is to be done to establish the best way to move forward. As well as that, we need to see not only what they are going to do but what their capabilities are and what assistance they need. We do not yet know the cost implications but this Department does subsidise them to a considerable extent. If they do become more involved, as may well be the case, that will have to be looked at.

I simply do not know the answer on the cross-border issue. There have been issues around that before. I am not quite clear about what your specific question was. If you want to come back to me on that —

Mr Brady:

Maybe I will rephrase it. When I was dealing with people who had allegedly been observed working in the South, there was an agreement whereby fraud officers from the North would go South and liaise with the fraud people in, say, Dundalk or Drogheda. So there is a very close working relationship there. That does not seem to be the case with child maintenance because if somebody said they were living in Dundalk or Omeath or wherever it was almost forgotten about. It was not pursued, so I am not sure of the working relationship between the two jurisdictions.

Ms McCleary:

I simply do not know. The Committee is going to see CMED, I understand, so that is something

you can take up with them.

Your third question was about benefit. I understand that the figure has been increased to £7. On staffing, you will see CMED this afternoon, so I suggest you have a chat with them about that. It is an interesting area to work in and, as you said, some of the telephone calls can be unpleasant.

Mr Brady:

Hopefully, we will get the opportunity to talk to front line staff as opposed to management.

Ms McCleary:

I do not know because I am not directly involved in that. I would have thought so.

Mr Douglas:

Thanks very much for the presentation. In the report, Maria Millar, the Parliamentary Under-Secretary, states:

“Our policy objective is to have more children benefiting from effective financial support and more collaborative parenting post separation.”

Would you not agree that the Bill will certainly mitigate against one-parent families in that they are being asked to pay two separate charges? Surely that will hinder them going down this route, and they will end up not chasing the payments. Do you not agree that this will mean fewer single parents going down this route and even more children living in poverty, because their parents will not be going after the payments?

Ms McCleary:

The vast bulk of these cases will involve single-parent families. The aim is that, rather than going straight to see CMED to have them deal with it, people will, at the very least stop and think, and try to reach an amicable arrangement themselves.

The issue is not just about money. Very few of us do not know anyone in a separation situation, and it is always hoped that it is as amicable as possible. Very often, in a separation situation, the two issues that are the most traumatic for those concerned are access to children and money. If you can come to an arrangement, it is better for all concerned. So, while there are

charges involved, the whole idea is not about raising this money; it is about as many people as possible being able to reach arrangements within the unit. However, we recognise that there are those who, for a variety of reasons, simply cannot sort things out themselves and need help and support. That is why it is not just a case of having to go through the full rigours of a full child maintenance service if you cannot sort it out yourself. You will still have options: you can go to CMED and ask it to calculate, if it was doing the collection, how much the maintenance would be. That means you can go back to the other person in the relationship and say how much CMED would be taking off them. The fact that CMED is independent and its calculations are based on up-to-date figures would validate the amount calculated.

People also have the option of maintenance direct, where the maintenance is paid directly between the two parents instead of through CMED. So there are still options: people do not have to go through the full service. We also have specifically excluded from payment those who are victims of domestic violence. For families on benefits, there are considerably reduced charges. I would like to think that the situation is considerably less bleak than you suggest.

Mr Douglas:

Are you saying that you do not believe that lone parents will be put off by this? I think that fewer parents will use the system, because it will eventually end up with them having to pay.

Ms McCleary:

The aim is that fewer of them will use the service, because they sort things out for themselves. That is the whole aim. Perhaps what you are getting at is that there are people who will not go to any service because they are afraid of it, which is a slightly different issue. If you are saying that the charging is effectively the hurdle that some people will feel they cannot pass, we have specifically reduced charges for those who are on benefit and no charge at all where there is domestic violence involved. But, again, the level of charging has not yet been set; we have given you the indications, but we do not know the exact figure. They will be coming before the Committee again when we have the specific figure.

Mr Douglas:

To clarify, are you saying that the main savings would not be from the charging regime but would

come from fewer parents using the system?

Ms McCleary:

I cannot say that.

Mr Douglas:

You just did.

Ms McCleary:

I cannot say that there will be a direct link. The policy is not about saving money for the Government, but encouraging families to come to amicable arrangements, rather than, as a matter of course and as happens at the moment, automatically using CMED without even trying to sort things out for themselves. That is what I am saying.

Mr Copeland:

Again, this is slightly off-field. You are bound to agree that this is a terribly difficult field. It is one that has feet in your Department and in the Department of Finance and Personnel, because, as I understand it, family law in Northern Ireland is, for some reason, resident in that Department. Have you had contact with the Department of Finance and Personnel to try to take a holistic view?

The legal aid system is on occasion used by parents with care who have access to legal aid against parents without care who do not have access to legal aid. They end up being in and out of court two to three times a month. That costs an absolute fortune, and it causes people to lose their jobs, which impacts on your Department. Would it not be sensible for us to try to develop something that viewed the issue in its totality? That could mean using the early intervention system that was proposed in the rest of the United Kingdom to set the parameters and to stop people, who may or may not be justified, using arms of the state as a weapon in a personal vendetta that is waged, in some cases, over the heads of children, which is awful.

Ms McCleary:

I should perhaps say that I am a solicitor by profession.

Mr Copeland:

Perhaps you should declare an interest.

Ms McCleary:

I worked in private practice when I first qualified and the vast bulk of my work was in the domestic field. I remember going to court on separation orders, typically to secure maintenance payments. Invariably it was for other things, but, ultimately, the maintenance was 5p a week because of the way that things worked. I also worked in the legal aid department, so I know a wee bit about this.

We are trying to look at all of this holistically. I was at a meeting in the past couple of days, and we have started to look at the work that is being done. Unfortunately, I cannot remember the name of the group that is looking at all of this, but the Department of Justice is represented on that group, as is the Department of Health, Social Services and Public Safety, the Department of Education and others, and it is looking at issues of poverty and children. There is a great deal of opportunity for cross-departmental working on this, and these are the very types of issues on which there needs to be joined-up government.

Mr Copeland:

Will you send me the details of that group?

Ms McCleary:

Yes.

Mr Copeland:

In closing, it seems that it currently costs 40p to raise every pound. That is pretty expensive.

Ms McCleary:

It is.

Mr Copeland:

Will the cost at the end of the process be less, and if so, by how much?

Ms McCleary:

The simple answer is that I do not know.

Mr Copeland:

Somebody somewhere knows, I would have thought.

The Chairperson:

Thank you. No other members have indicated that they wish to speak. I thank members for raising concerns. Anne and Ros, thank you for doing your best to respond to those concerns and for your briefing.