

## **One size fits all? The need for a continued variety of child maintenance arrangements.**

### **Summary**

- A full range of child maintenance arrangement options needs to be made available to separated families – as different agreement types work better for different families
- Current government proposals aim to do more to promote private arrangements – Gingerbread agrees that where these are possible they can work well
- Evidence suggests that private arrangements can break down over time
- The Child Support Agency (CSA) is often seen as a last resort for those who can't make private arrangements, and is a crucial fall-back option for those who can't make private arrangements at all, or where private arrangements have broken down
- For these reasons Gingerbread believes that the government should drop its planned charges for single parents to use the CSA as they will deter those who have no other option for securing money vital for raising their children successfully.

### **Introduction**

In its broadest sense, child maintenance is defined as a regular contribution from a 'non-resident parent' (NRP) towards the financial costs of raising a child, usually paid to the parent with whom the child lives most the time (called the 'parent with care' (PWC)).

The government wants more separated parents to agree their own private maintenance arrangements, rather than involve the statutory maintenance service (currently administered by the CSA). This paper examines the scope for more parents to be able to establish regular financial arrangements for children between themselves. It looks at the existing research evidence on the reasons behind the different maintenance arrangements parents make, and also reports on a survey carried out by Gingerbread among parents who currently have either no child maintenance arrangement or use the CSA.

## Background

There are around 2.5 million households in Great Britain who are eligible to receive child maintenance. Around 97 per cent of parents with the main responsibility for children following separation are women<sup>1</sup>.

Currently families have a range of options for setting up their child maintenance arrangements:

- *Voluntarily between themselves as a private “family-based” arrangement.*

The advantages of this include: parents can tailor to their own circumstances; payments start flowing straightaway; it may help avoid conflict. The possible disadvantages are: arrangements are not enforceable; negotiations can be problematic if parents find it difficult to communicate, or there is a power imbalance between them.

- *Through the statutory system, (currently run by the Child Support Agency (CSA)) to calculate and collect payment.*

The advantages of this include: the CSA can potentially trace a NRP whose address is unknown; it can act as an intermediary and overseer in collecting money; the amount of maintenance is set by a third party; and payments are enforceable. The possible disadvantages are: the fixed calculation does not allow for flexibility; dealing with the CSA bureaucracy can be frustrating and time-consuming for both parents; the CSA has control as to when and how it takes enforcement action (or not); and there are a number of situations that are difficult to fit within the CSA model (in particular, when non-resident parents are self-employed).

- *Via a court, where an order for payment of child maintenance is agreed between parents and then legally endorsed (through a consent order).*

The advantages of this include: a consent order allows an agreement between parents to be enforced through the courts; the order can be part of a larger financial settlement negotiated between the parents after separation. The possible disadvantages are: this usually involves getting independent legal advice which has to be paid for; there are costs (and delay) in enforcing

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<sup>1</sup> Equality Impact Assessment accompanying Cm 7990. Available on DWP website – see footnote 3. The results are from the DWP Family and Children Study. There may be issues with small samples for numbers of male parent-with-care respondents.

the order if it is not paid; the courts have fewer enforcement powers than the CSA<sup>2</sup>.

At present, 1.2 million of eligible households use the statutory maintenance service, run by the CSA, which is part of the Child Maintenance and Enforcement Commission (CMEC). Of the families who do not use the CSA, a large-scale survey found that around six in ten had no arrangements at all (and therefore receive no child maintenance), about three in ten had a private arrangement, and one in ten received child maintenance via a court order<sup>3</sup>.

### **History of the child maintenance system**

Under the current child maintenance system, parents who separate are free to choose whether and to what extent the non-resident parent supports their children financially. Parents with care who get state benefits or tax credits can now receive child maintenance without it affecting the level of their entitlements. They are also no longer obliged to involve the state in any negotiations with ex-partners about their maintenance. Nonetheless, the CSA, its role, performance and cost to the state, has remained the focus of much of the policy debate around child maintenance.

The 2000 Child Support, Pensions and Social Security Act set about reforming the Agency, but in 2004 the House of Commons Work and Pensions Committee described the Agency as 'a failing organisation...currently in crisis'. In 2006, the then government instituted a 'change programme' which is still in progress, involving investment in a major overhaul of the existing CSA model, but also the establishment of a new body to take charge of child maintenance in this country, the Child Maintenance and Enforcement Commission. The Commission's task was to promote greater collaboration by parents in making their own child maintenance agreements, while also overseeing the creation of a brand new statutory maintenance system that worked. This is due to begin in 2012.

In January 2011 the Coalition Government announced further proposals for child maintenance reform in a Green Paper 'Strengthening families, promoting parental responsibility: the future of child maintenance'. In this paper the

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<sup>2</sup> In a limited number of cases, parents who go to court for judicial decision on a divorce settlement where there is not agreement on the outcome, can have orders for child maintenance included, but these are only legally binding for 12 months.

<sup>3</sup> (2008) Wikeley N, Ireland E, Bryson C and Smith R, Relationship separation and child support study, DWP Research Report No 503 This was a large-scale detailed survey, commissioned by the Department for Work and Pensions, and carried out by a consortium led by the National Centre for Social Research. It examined the experiences and views of separated parents, particularly in relation to child maintenance.

government expresses a clear preference for families to come to private agreements:

*'We believe that families themselves are best placed to determine what [child maintenance] arrangements will work best for them. Underlying our approach is the assumption that government should use mechanisms to encourage and support parents to fulfil their responsibilities as parents...through the payment of child maintenance, and make family-based arrangements concerning these issues, which is better for children, rather than relying on government services to step in and administer these arrangements'<sup>4</sup>*

The government's intended mechanisms include intervening early when parents separate, more investment in signposting to family support services to help parents agree their own arrangements, and seeking to disincentivise the use of the statutory maintenance service by charging parents (and warning them to this effect) if they use the CSA. The question that remains unanswered is whether more parents who currently turn to the CSA to get their maintenance will be able to use other routes – particularly private – to do this in future.

### **Who makes what sort of arrangement?**

Research shows that families in different situations make use of different types of child maintenance arrangement to secure financial support for their children:

#### *Private arrangements*

Research indicates that only some parents are likely to be able to make successful private arrangements for maintenance, and that their success is associated with certain characteristics. Analysis shows, for example, that private agreements are less likely where the mother and father have never lived together<sup>5</sup>. Other factors shown to facilitate successful private agreements include:

- Amicable relations between the parents. A recent large-scale survey commissioned by the Department for Work and Pensions (DWP) found that nearly half (46%) of those who were on friendly terms with their ex-partner had a private arrangement, as compared to just under a fifth (19%) where relations were not or not at all friendly, and just three per cent of those with no current contact with the other parent

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<sup>4</sup> Strengthening families, promoting parental responsibility: the future of child maintenance, DWP 2011

<sup>5</sup> Morris S. 2007. *Mothers child support arrangements: a comparison of routes through which mothers obtain awards for maintenance in Britain*. In, 'Benefits' vol 15, no 1, Policy Press

- Higher household incomes. The same survey showed that among parents with care who had chosen not to use the CSA, private arrangements were twice as common among parents with care with household incomes of £10,000 or more as against those in the lowest income bracket
- The parent with care being in paid work. Among parents not using the CSA, the survey found that while 35% of parents with care in paid work had a voluntary arrangement, only 13% of parents with care out of work did so
- A continuing engagement of the non-resident parent with the children. Analysis indicates that voluntary child maintenance is more likely where the non-resident parent is engaged with the children and has contact at least once a week<sup>6</sup>.

Length of time since separation has been shown to play a key role in private arrangements being in place. Within the sample used for a recent evaluation of the CM Options service<sup>7</sup> the researchers identified five clusters of 'separation types'. The 'recent, friendly, contact' group had recently separated from their child's other parent, had an on-going good relationship with their ex-partner and easily discussed financial issues with them. Within this group 86% of parents had a private arrangement. These only made up 16% of the study sample who had contacted the CM Options service for advice on maintenance arrangements.

Morris' analysis of child maintenance type showed that private arrangements are only more likely to be in place compared to having no arrangement for those who had been separated for less than three years. He found that those who had been separated longer tended to have CSA arrangements<sup>8</sup>.

## CSA

The profile of parents who use the Child Support Agency is considerably different than parents who have made successful voluntary arrangements. Their circumstances suggest that achieving private voluntary arrangements is less likely:

- Only 28 per cent of parents with care using the CSA reported friendly relations with the other parent, compared to 41 per cent of parents not using the CSA
- Parents with care using the CSA were more likely than those not using the CSA to say that their relationship had ended because they argued all the time (36 per cent compared to 24 per cent)

<sup>6</sup> Wikeley N, Ireland E, Bryson C and Smith R, 2008. *Relationship separation and child support study*, DWP Research Report No 503, DWP

<sup>7</sup> Ireland, E., Poole, E., Armstrong, C., Hall, J., Keogh, P., Purdon, S. CMEC 2011. *Evaluation on the child maintenance options service*.

<sup>8</sup> Morris, S (2007), op. cit.

- More parents with care using the CSA said violence towards them from an ex-partner was the cause of their break-up (24 per cent), compared to those not using the CSA (18 per cent)
- 39 per cent of parents with care using the CSA had an income under £10,000 compared to 30 per cent of parents with care not using the CSA.
- Only 23 per cent of the parents with care using the CSA were working full-time, compared to 38 per cent of those not using it<sup>9</sup>.

The largest group in the CM Options evaluation report referred to above was a group classed by the researchers as 'long-term, bitter'. These accounted for 41% of parents who contacted the advice service. They had been separated for the longest time and had experienced a bitter break-up. They also had very little or no contact with their child's other parent and so mainly did not discuss financial matters with them. Of those with working arrangements in this category, 66% were using the CSA.

### **Gingerbread members' survey findings**

In July 2011, Gingerbread undertook an online survey with single parent members on issues relating to their experience of child maintenance arrangements. 1777 single parents completed the survey. We acknowledge this is not a representative sample. Gingerbread members were self-selecting, likely to feel strongly about the issue and may have experienced problems with maintenance. We also know that our members are more highly qualified than the single parent population as a whole, and they underrepresent parents of disabled children. 76% of survey respondents had some child maintenance arrangement in place, which is much higher than the overall single parent population where rates are less than 50%. Nevertheless, we believe our members' experiences and opinions are a valuable addition to a consideration of the government's proposals. In particular we feel that the voice of single parents needs to be more prominent in the debate on the government's child maintenance plans.

Within the sample of 1777 single parents who took part in the survey, 76% (1358) had some type of arrangement currently in place (irrespective of whether or not it was regularly fully paid) and 24% (419) had no arrangement in place.

#### *Single parents with no arrangements*

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<sup>9</sup> Wikeley N, Ireland E, Bryson C and Smith R, 2008. *Relationship separation and child support study*, DWP Research Report No 503, DWP

Of those (419) with no arrangement currently in place, 32% (136) had previously had some type of arrangement in place. 60% of these had previously had an arrangement through the CSA, 35% had had a private agreement and 4% had agreed consent orders.

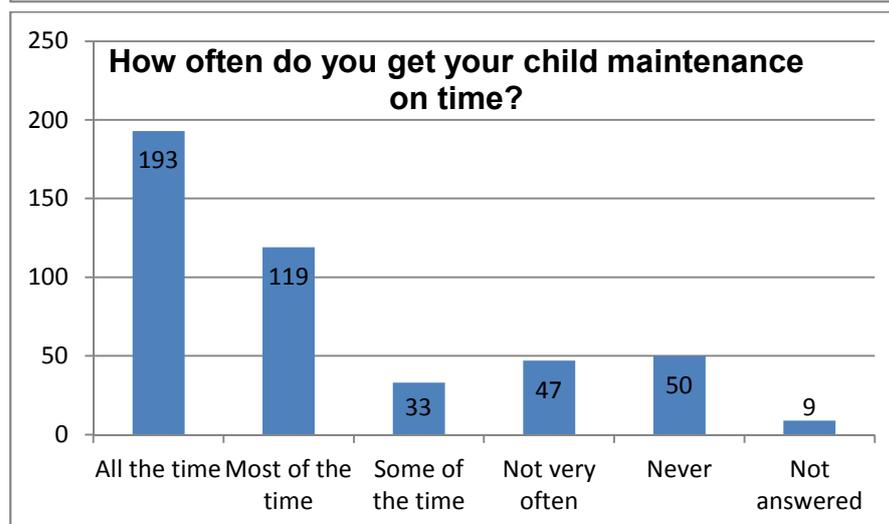
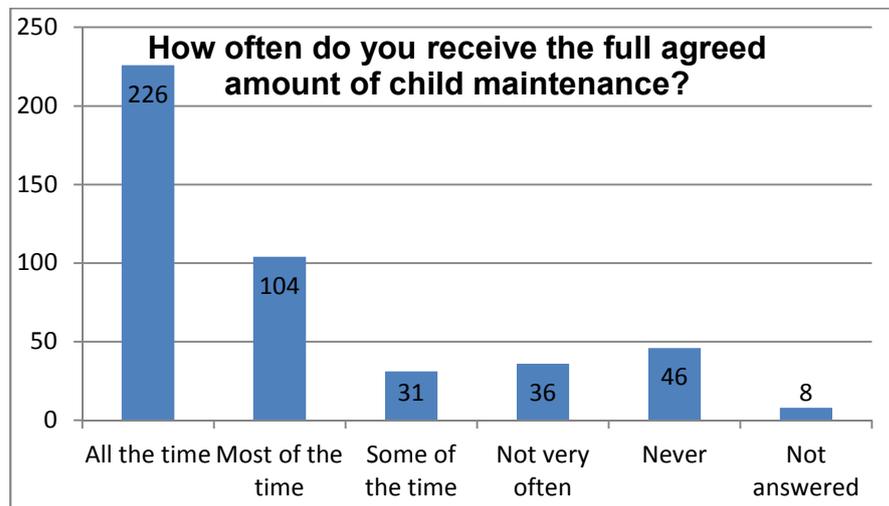
		Type of previous arrangement			No arrangement ever	Total
		CSA	Private	Court		
Reason for having no arrangement currently in place (respondents could select more than one)	NRP moved abroad	6	2	1	11	20
	NRP had other children to pay for	3	8	2	15	28
	NRP's whereabouts unknown	15	8	0	57	72
	Disagreements over contact	4	4	0	15	23
	PWC did not want contact with NRP	6	6	0	63	75
	NRP could not afford	17	18	2	91	128
	NRP refused to pay	43	20	4	101	168
	PWC preferred not to receive money from NRP				45	45
	Other	9	7	0	22	38
	Totals	103	66	9	420	597

The reasons why single parents said they had no arrangements currently in place (where either they never had or previous arrangements had broken down), were mainly that the other parent refused to pay or that the non-resident parent could not afford to pay.

#### *Private arrangements*

Of the single parents surveyed who had a maintenance arrangement in place, a third (33%, 451) had a voluntary arrangement.

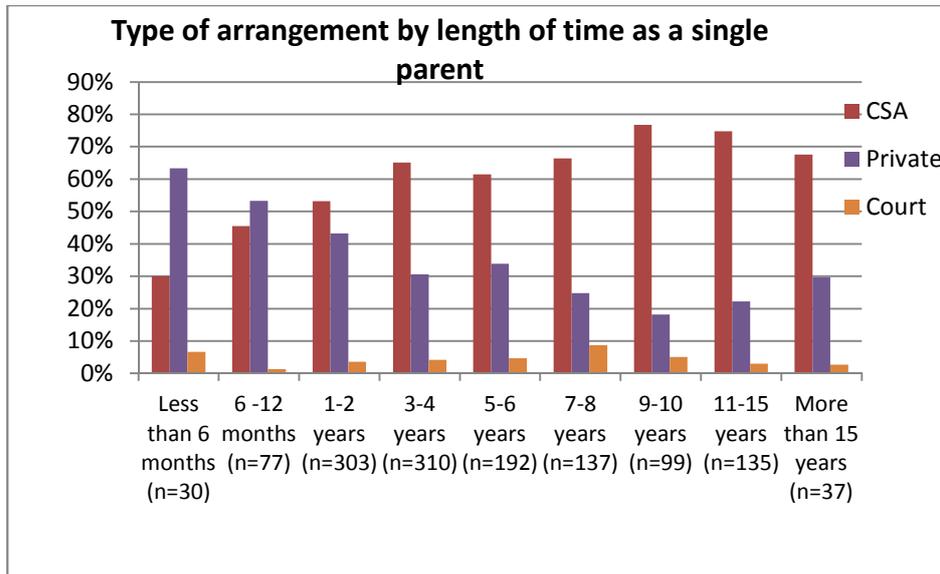
Voluntary arrangements can work well; families with a voluntary agreement are more likely to receive the full amount of child maintenance on time than those receiving maintenance through the CSA (69 per cent compared to 57 per cent).<sup>10</sup> Figures from our survey also reflect this, with the majority of recipients of payment through private agreements receiving their money in full and on time.



We looked at what type of arrangement single parents had in place based on how long they had been separated from their child's other parent. Although overall from our survey 33% of respondents had a private arrangement in place, this proportion differed significantly depending on how long they had been separated from their child's other parent (i.e. their length of time as a single parent). Looking at what proportion of respondents had what type of arrangement in place by length of separation, those who had been separated for a relatively short time were more likely to have a private agreement. This

<sup>10</sup> (2008) Maplethorpe N, Chanfreau J, Philo D, and Tait C, *Families with children in Britain: Findings from the 2008 Families and Children Study (FACS)*, DWP Research Report No 656

proportion reduced significantly over time. Our findings on this reflect other research findings discussed earlier.



It is also worth noting that, while many private arrangements can work well, in some cases they can instead support continued power imbalance and financial control between parents. Typically, the NRP can exercise control through dictating when the PWC receives the money and how much.

*“The NRP always paid late or not at all when privately agreed. I had no choice but to go to the CSA to get it” (Survey response)*

#### Arrangements through the CSA

In encouraging greater use of private arrangements, the government has criticised the CSA as “a system in which conflict is inherent”:

*“The current system is not working well enough for children. It is not helpful to use the CSA as a weapon between warring parents who could reach their own arrangements”<sup>11</sup>*

Our survey results show that of those single parents who are currently using the CSA to try and get the child maintenance they are due for their child (849), almost six out of ten (58%) had had to turn to this system as the non-resident parent had refused to make payments privately. A third of single parents (32%) also said they had not been able to agree privately.

Number (% out of 849 single parents)	Reason for using the CSA
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<sup>11</sup> <http://www.guardian.co.uk/uk/2011/sep/16/child-maintenance-welfare-bill-fees> Guardian, Sept 16<sup>th</sup>

who are using the CSA). [Respondents could select more than one answer]	
489 (58%)	NRP refused to pay privately
270 (32%)	Could not agree privately
256 (30%)	Wanted a third party to calculate amount due
250 (29%)	Do not want contact with NRP
165 (19%)	Automatically referred there via benefits system
119 (14%)	Do not know where NRP is

29% (256) wanted no contact with the NRP and so needed a third party to intervene on their behalf, and 14% had no knowledge of where the NRP was and so would not have been able to set up any arrangements privately either.

*“We’d been together for four years but I haven’t seen him since a month after I found out I was pregnant. He’s changed his mobile and deleted himself from Facebook so I have no way to get in touch with him”* (single parent comment)

Some parents we surveyed felt that, in addition to the collection and enforcement powers the CSA has (including deductions of child maintenance direct from earnings), it also provided a beneficial way of resolving maintenance arrangements. Use of an independent third party to agree the levels and address any issues with payment can remove a source of conflict between parents. This was seen as helping the parents have a more amicable relationship, and improving relationships with the child.

*“If the father was unhappy or anything wasn’t going his way, then he would withhold maintenance as his way of controlling the issue - this put a strain on our relationship and repercussions on our daughter picking up on bad feelings. Using the CSA alleviates all of these problems and is especially good for my daughter.”* (Survey response)

*“He said he would pay £50 a week when our child was born but I never got anything. He would not pay if it wasn’t for the CSA.”* (Survey response)

*“The other parent promised to pay a set amount regularly but then never did - always excuses about why he couldn’t afford to pay any money followed by verbal abuse.”* (Survey response)

There were also reports of NRPs placing unreasonable demands on the PWC – as if the money provides a way to barter. Use of the CSA can make this less

possible and reduces the need for the PWC to address it directly with the NRP.

Additionally, using the CSA collection service can mean that there is no need for contact or for either parent to have access to details about the other.

*“Although he had agreed to pay maintenance, he used the payments to blackmail me; he would insist upon me complying with his wishes, if I would not or could not, he would not pay. It gave him a chance to be a bully”.*  
(Survey response)

*“I had a private agreement with my child’s father but he reduced it without notice after paying for two months and kept threatening to stop payment when we disagreed over anything, so I have applied to the CSA so the payments are consistent as I have to fund my daughter’s nursery fees.”* (Survey response)

## Conclusions

Child maintenance is important because it is vital money which contributes to raising a child and which can improve their lives. Along with a parent’s physical and emotional engagement with a child, it is an important part of parental responsibility. As David Cameron has himself acknowledged:

*“We need to make Britain a genuinely hostile place for fathers who go AWOL. It’s high time runaway dads were stigmatised, and the full force of shame was heaped upon them. They should be looked at like drink drivers, people who are beyond the pale. They need the message rammed home to them, from every part of our culture, that what they’re doing is wrong – that leaving single mothers, who do a heroic job against all odds, to fend for themselves simply isn’t acceptable.”<sup>12</sup>*

The evidence shows that both private and statutory arrangements have a role to play in increasing the UK’s low rate of payment of child maintenance – with less than half of eligible children receiving money which could play a crucial part in their upbringing. More needs to be done to target these families with no child maintenance arrangement in place to support them in making the most effective arrangements, whether private or statutory, and ensuring that both parents, even though living apart, contribute to the cost of raising their children.

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<sup>12</sup> ‘Runaway fathers are like drink-drivers, blasts David Cameron’, Sunday Telegraph, 19<sup>th</sup> June 2011

From previous research and our new survey findings, it is clear that whilst the government is right to want to try to create the conditions where parents can agree private arrangements, it will be challenging in many cases to do so. This becomes clear when the circumstances of those who turn to the CSA are properly examined. The vast majority do so because they have no alternative if their children are to receive some financial support from their other parent. They either cannot contact the other parent or their previous attempts at agreeing payments have failed.

Pause for reflection reveals the obvious: that if parents are in agreement, they are more likely to come to a voluntary arrangement and the money is more likely to be paid. The success figures for those with private arrangements are always likely to be good, because where an agreement breaks down, the parent with care has the option of moving from a private arrangement to using the CSA instead. It is not the fact that an arrangement is voluntary which makes it work, rather that the circumstances of the parents who entered into the agreement allow it to work.

It is for this reason that trying to encourage parents currently using the CSA to set up private arrangements is unrealistic – they have ended up at the CSA, most often as a last resort, because previous attempts to agree full regular maintenance payments privately have not been successful.

Private arrangements may be more possible for more parents if there is more accessible and affordable support for parents to collaborate and agree, and if this support is suitable for parents who would benefit from it the most. The CSA, however, remains essential as a backdrop to support private arrangements as well as a last resort for those whose other attempts through various methods have failed. It is a system which works well where the whereabouts of the NRP are unknown, where they are reluctant to pay or an unreliable payer.

There is no doubt that the Agency has suffered from a legacy of early failure in terms of having to run three systems side by side; and with a hangover of uncollected arrears. This had made it costly to run, and it has a poor reputation among PWCs and NRPs alike. But its performance has improved considerably; backlogs are being cleared and, looking ahead, there will be only one system in place in future, integrated with HMRC systems which should be considerably cheaper and more efficient to run. The big problem is persuading those with no arrangements to seek them and to make them.

Government proposals to charge people to use the statutory system are particularly likely to put off low income parents with care, and those where the non-resident parent would only pay a modest amount, whose only realistic

option is to use the CSA. Where a non-resident parent is unwilling to pay child maintenance, charging the parent with care who has turned to the CSA as a last resort is punitive and unfair.

*“None of us want to use the CSA. Why don’t they wake up and smell the coffee? We only use them as the absent parent doesn’t want to pay for their children. My ex won’t even talk to me let alone pay me any money, so without the CSA I wouldn’t have a hope of getting a penny”* (survey response)

*“If we, as single parents, could make arrangements with the non-resident parent, without getting the CSA, courts etc involved, do the government not think we would be doing that already? The way they think of it, it’s like they’re taking money from us - when in fact they’re taking it out of the hands of our children.”* (survey response)

*“I have nothing but praise for the CSA. But this doesn’t mean for one minute that I agree with these proposals. I get a fair amount from my ex but I still couldn’t afford to pay the fees and don’t see why I should. If the absent parent accepts their responsibilities and pays up an agreed amount without conflict then we wouldn’t have to use the CSA”* (survey response)

Gingerbread supports government efforts to increase the number of effective private arrangements in place and to facilitate co-parenting, but puts greater emphasis on the importance of the statutory child maintenance system for parents unable to reach agreement. We are therefore very concerned about the risk that imposing financial barriers to use the CSA (such as an upfront charge of up to £100 to access the service as well as an on-going administration fee of around 10%) will lead to many families abandoning efforts to secure child maintenance, with a negative impact on their children’s wellbeing.