



A new system of child maintenance:
CPAG's response to the child support
white paper

March 2007

Child Poverty Action Group
94 White Lion Street
London N1 9PF
www.cpag.org.uk

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Introduction and summary

1. This submission lays out the Child Poverty Action Group's response to the proposals within the white paper on child support, *A new system of child maintenance*. The response develops CPAG's earlier contributions to the debate – we have given evidence both to Sir David Henshaw's review of child support,¹ commented upon his recommendations² and most recently provided both written and oral evidence to the Work and Pensions' Select committee inquiry into child support.³
2. CPAG welcomes the opportunity to contribute to this policy development, given both the manifest failure of child support policies to deliver an adequate standard of service for very many vulnerable families, and because of the government's commitment to tackling child poverty and the prominence these concerns have been given within the reform process.
3. The white paper lays out a series of specific questions; this response is structured to explore the aspects of the reform which could impact on child poverty before picking up the specifics of the consultation. Key recommendations are highlighted throughout and summarised at the end. CPAG hopes this analysis to assist the Department for Work and Pensions (DWP) with its poverty proofing process.
4. There is a much greater role for child support policy in reducing child poverty, we are pleased to see the Department for Work and Pensions place this centre stage in principles and plans to overhaul child support. The UK is behind on its historic commitment to eradicate child poverty, the first milestone has been missed and we have not yet seen an adequate 'recovery' plan committing the effort and resource required to get us back on track for the 2010 target to halve child poverty. Though more effective child support policy is only one element of tackling child poverty, the forthcoming legislation offers a direct lever to reduce child poverty. At the level of principle, commenting at an earlier stage of the reform process CPAG argued that to help reduce child poverty policy should:
 - Deliver adequate and stable maintenance, even if it is difficult to enforce collection;
 - Consider the needs and ability to pay of second families – reform should not reduce poverty for one group of children by increasing it among another;
 - Minimise conflict between parents – conflict is acknowledged to be highly damaging for children's wellbeing.
5. We continue to use these principles as a basis of judging the likely impact of the proposals on children and child poverty. Given the welcome focus on child poverty, we are critical of the ease with which proposals for an advance maintenance system (with an agency paying required maintenance and being

¹ Letter to Sir David Henshaw, 28th April 2006, available at http://www.cpag.org.uk/info/briefings_policy/CPAG_Child_Support_Agency_letter_%20for_Henshaw_Review.pdf

² Letter to the Child Support Redesign team, 18th September 2006, available at http://www.cpag.org.uk/info/briefings_policy/CPAG_response_to_Government_consultation_on_Henshaw_review_of_child_support.pdf

³ See Work and Pensions Committee, Child Support Reform Volume II HC 219, House of Commons

then itself responsible for compliance) were rejected. Advance payment is the surest way to protect children from maintenance not being paid by a parent, and the claimed disincentive effects on willingness to pay only hold true if enforcement continues to be as ineffective as it has been to date.

6. In this response we do not discuss in detail the institutional arrangements for having the Child Maintenance and Enforcement Commission (C-MEC) as a non-departmental public body. We appreciate the argument of its continued accountability to Parliament through the Secretary of State and we understand the interest in some level of independence, however as a point of both principle and political reality, this arrangement does not alter Government's moral and the political responsibility for ensuring that reforms help protect vulnerable children. Neither do we discuss the role of the courts in maintenance assessment but we are mindful of the problems, highlighted in the white paper, with courts based assessment of inconsistency and inadequacy of awards. If the courts were to have a greater role we argue awards should be consistent with the child support formula to maintain equity of treatment.

Child support and child poverty

7. Child Poverty Action Group's interest in child support is because of the particular risks faced by children in separated families. We discuss child support here but these policies need to be seen in the context of benefit and tax credit adequacy and of employment prospects: child support policies only have part of the answer in reducing child poverty rates. Improving skills, tackling cycling in and out of work, pay and progression along with out of work incomes are also critical. These policies also interact – stable child maintenance is likely to encourage employment seeking and advice needs are likely to cover each area.
8. This response does not rehearse the evidence on lone parent poverty, we have explored this elsewhere⁴ and this is covered by the white paper, but the evidence is clear: children in lone parent families face a high risk of child poverty, and though child support makes a contribution to reducing child poverty this effect is much smaller than other countries achieve as Figure 1.2 of the white paper demonstrates. **Since children of lone parents both face a high risk of poverty and also make up a large proportion of all poor children, tackling poverty for this group is important to meeting the target to halve and to eradicate child poverty.**
9. However much less is known about the financial situation of 'second' families (families with children including a parent who is themselves responsible for a child in another household) – those from which money (may be being) paid. Though little is known, that which is suggests that poverty rates may be high for this group. Department for Work and Pensions' December 2006 administrative figures⁵ (for cases with a calculation) show that non-resident parents have an astonishingly high risk of not being in work (overall 48 per cent - combining new and old cases). Data on benefit receipt from the same source reinforces this grim statistic by showing the proportion of both parents with care and non resident parents claiming benefits. Counting new and old scheme cases together, in a

⁴ See submission to Henshaw inquiry, note 1

⁵ Department for Work and Pensions, Child Support Quarterly survey of statistics December 2006
http://www.dwp.gov.uk/asd/asd1/child_support/csa_quarterly_dec06.asp

quarter of cases the non-resident parent was claiming an income replacement benefit (in a third of cases the parent with care is in receipt of benefit). In over one in ten cases both parents are separately claiming benefits. It is not apparent from the statistics how many children live with a non-resident parent, and so we do not know what the distributional implications of child support could mean to second families. **Cycling money between relatively poor families will do little to reduce overall child poverty. We argue strongly DWP should investigate the position of second families so that it can clearly estimate the full impact of the policies.**

C-MEC services

10. The white paper accepts the continuing need for some families for C-MEC style services, and for a high degree of intervention for some. CPAG is supportive of this, but we are concerned about assumptions of what proportion of parents will be able to form and maintain private arrangements. There is no analysis provided of how many of these people will be able to maintain effective arrangements outside of an agency. There are ways of building confidence in private arrangements (discussed below) but we would be concerned if the DWP were planning for C-MEC to be dealing with only a small number of cases.
11. The white paper raises discussion around ensuring an 'informed choice' as to how arrangements are to be made. **If choice is to be fully informed, it must be not only to make private arrangements but to use agency style functions where appropriate.** This has implications for the level of service available, charging policies and advice needs.
12. The white paper envisages that the Child Maintenance and Enforcement Commission (C-MEC) will have charging powers (para.5.47-5.49). At this stage **CPAG does not see how charging could work without conflicting with other objectives and we urge fees be remitted.** There are two possible justifications for charging, firstly to incentivise private arrangements (i.e. to disincentivise the use of C-MEC services) and secondly to cover its costs.
 - We support the government's principle that charging should not prevent parents seeking maintenance (para.5.48), but we are concerned that to charge risks precisely this result. If charging is pursued C-MEC then would need to work out who to charge: would it mean test services? (administratively burdensome and risks stigma); would it charge the parent with care? (lowering the incomes of an already poor group); or non-resident parents? (disincentivising NRP likelihood of complying and increasing the chances of them placing pressure on PWC to settle outside the agency).
 - On cost recovery, whilst we appreciate government has the public purse to consider, child support policy has failed before by putting financial considerations ahead of children's needs and (ironically) built up massive social and economic costs through consequent policy failure. The public message of doing so needs consideration - building C-MEC's reputation needs to be an early priority, charging for services risks a negative press and public reaction.

Private arrangements

13. **CPAG supports the principle of supporting parents to make their own arrangements where this is possible (by scrapping the requirement to go through the agency) and in the interests of their children.** Nevertheless we do see risks and limitations with this approach, the state's wish (through C-MEC) to take more of a regulatory role needs to be balanced by society's interests in protecting children. Though this design was not CPAG's first choice, here we suggest ways of seeking to meet the objective of adequate, regular, income flow whilst minimising conflict.
14. CPAG is in favour of parents having an informed and effective choice of how to best handle financial arrangements after relationship breakdown. We understand the counterproductive effect which forcing families through the agency can have, but at the same time the extended use of private arrangements carries with it several risks:
 - Though as the white paper argues (para.2.5) many parents are able (and want) to set up their own arrangements, some parents with care need the security of an agency able to intervene if things go wrong. The move towards private arrangements may therefore shift the power balance against parents with care (predominantly women) in favour of non-resident parents (predominantly men). This both suggests the continuing importance of agency function, but also of the need for recording arrangements made between parents.
 - Experience suggests the minority of families requiring much higher levels of intervention from C-MEC may themselves be most likely to be poor. Since services to poor people have tended to become poor services, without 'middle class' pressure to drive standards up, the quality of C-MEC services for those needing greater intervention need to be regularly and effectively monitored.
 - That the success of moves towards extended uses of private arrangements rely heavily on a greater supply of child support advice from the voluntary sector which will not materialise without greater effort and investment. This is discussed below.
15. CPAG's key concern on the private arrangement focus is that rolling back the state's role in this area could result in shifting power – this could happen if parents with care accepted lower, non-monetary or sporadic contributions in return for an easier relationship with an ex-partner. Aside from considerations around gender equality, for if a power imbalance occurs this would not only undermine policy to tackle child poverty in lone parent households but it would also deter lone parents from taking the risk of making a private arrangement.
16. We are supportive of the piloting registration suggested in the white paper (para.2.28) and this could have both a symbolic effect of laying out terms and the practical benefit of enabling speedy resolution of disputes since it would be clear what initial terms had been agreed. **CPAG recommends that arrangements are registered by C-MEC even if the day to day arrangements are handled privately. To guard against parents with care 'settling for less' and for administrative simplicity we argue registration should be set at the level of the formula at minimum.**

Income assessment

17. We agree and support DWP in trying to develop links with HM Revenue and Custom to improve access to tax data, easing this process clearly has benefits for speed of assessment though if this is to mean using data which is up to two years out of date, finding ways of verifying this and allowing re-assessment are clearly important.
18. **The use of gross previous tax year income (para.4.15) has the advantage of ignoring income from children's benefits or tax credits (in second families) which would be redistributive towards poorer second families.**
19. In general we are supportive of moves to simplify assessment but this has to be bounded by the impact on children. We are very mindful that the 2003 changes to create a rougher system were justified (and largely accepted) on the grounds of workability. Since that income did not, in the event, usually transpire, it seems that again some lone parent families may lose out due to administrative imperative – we would like to see an assessment in much more detail on likely winners and losers.
20. The use of a (largely) fixed award with capacity to vary only if the NRP's income changes by 25 per cent does seem likely to reduce constant re-assessment on the grounds of income change. We support this intent, it is in no one's interests to weigh C-MEC down with constant reassessments. But the use of largely fixed awards with a variation if the non resident parent's income changes by 25 per cent risks disadvantaging either the non-resident parent (NRP - and any child living in a second family) if the NRP's income goes down, or the children living with the parent with care if the NRP's income goes up. We accept the income variation of 25 per cent builds in a safety net (to some degree) here, but we urge close monitoring of the impact that fixed awards have on both first and second families.

Disregarding child support

21. CPAG supports the extension of the current £10 disregard to all cases. Current receipt of this is small and this has a direct impact on both child poverty and on increasing compliance (by showing children gaining by child maintenance being paid). This extension is over-due and should happen as soon as possible.
22. **We strongly support the 'significant' increase to the disregard. CPAG calls for this to be full, a significantly larger increase will have a direct improvement for children** (a £50 disregard could lift up to 60,000 children out of poverty⁶). Alongside the numbers of children moved across the 60 per cent line, this policy could support reducing child poverty by improving compliance and by reducing the depth of poverty (so supporting other policies such as welfare to work and tax credits).
23. We do not accept there is a logical justification for taking maintenance into account in income support calculations - the current situation has got us to the place where adult income support payments are reduced because of child payments from a non-resident parent (whereas maintenance is disregard for tax credit assessment). Not only does this work against child poverty objectives but it

⁶ Reproduced by the Work and Pensions Committee, Child Support Reform Volume I HC 219, House of Commons

undermines compliance, both by reducing the amounts of income getting through to children and by linking (potentially in the mind of the non-resident parent) child maintenance with support for an ex-partner.

24. There are potential equity arguments against increasing the size of the disregard of maintenance for income support as follows, (a) couples with children and (b) against widowed lone parents. Though we understand the potential for concern, we reject the argument that these should stop action on the disregard.

- Couples with children. This argument runs that to disregard maintenance in income support calculations for lone parents is inequitable because couples do not receive the same treatment (with both parents' income considered in benefit assessments). However we know there are economies of scale enjoyed by couple households but not by lone parents, as is clear from the much higher level of material deprivation experienced by lone parent families.⁷ Such differences in economies of scale suggest the cases are not comparable.
- Widowed lone parents. The small group of lone parents who are single because a partner has died also raises equity issues - since this group does not receive maintenance it cannot benefit from the disregard. We would welcome exploration of the adequacy of such families' incomes and there are mechanisms (such as widowed parent's allowance⁸), unavailable to lone parents with surviving ex-partners, intended to help address poverty in this group, but we do not see a case for this to preclude reform to increase the disregard for other lone parents.

25. The strongest critique against having a full disregard has been on work disincentive grounds, that increasing out of work income may discourage lone parents to seek employment. CPAG argues the emphasis on making work pay should be to increase in-work incomes, not hold back out of work incomes however aside from this we see little empirical evidence that reinforces the assertion that disregarding maintenance payments would discourage lone parents from seeking work. We note that Lisa Harker,⁹ Sir David Henshaw¹⁰ and most recently the Work and Pensions Select Committee¹¹ have all argued that work seeking behaviour is more complex and it should not be assumed that a theoretical economic model with weak empirical evidence to substantiate it should be the basis of policy.

26. Recent analysis published by the Department for Work and Pensions¹² reviewed evidence on the effects of the maintenance disregard on work incentives. The research does not provide clear evidence of the likely impact of any presumed disincentive and has a number of limitations:

⁷ Lyon, N, Barnes, M and Sweiry, D, 2006, 'Families with children in Britain: Findings from the 2004 Families and Children Study (FACS)' Department for Work and Pensions research report 340, chapter 10.

⁸ This is an insurance benefits so those whose partner had had incomplete records would get less or be excluded.

⁹ Harker, L, November 2006, Delivering on Child Poverty: what would it take? A report for the Department for Work and Pensions. The Stationery Office, Cm 6951.

¹⁰ Henshaw, D, July 2006, Recovering Child Support, routes to responsibility, The Stationary Office, Cm 6894 para. 26-30

¹¹ Work and Pensions Committee report see note 6.

¹² Ridge, M, O'Flaherty, D and Deasley, S, 2007, Child support and work incentives: A literature review, Department for Work and Pensions Research Report No 402

- The research drew only on Anglo-Saxon, English speaking, countries which we regard to be a narrow and limiting view;
- The research largely makes use of a particular economic view of work incentives and it says little about the value lone parents place on the existence or stability of maintenance and the effect this could have on their likelihood of taking up work (it includes one short section - para.2.4.4 – which argues there isn't much evidence but that this factor is likely to be important);
- Of the 15 studies reviewed, the authors draw principle conclusions from only two. One is North American and suggests there is no work disincentive effect (the authors argue therefore it is not strictly comparable because of differences with the US welfare regime). The second suggests there could be a disincentive effect but this study uses UK data from 1997 - predating the new deals, tax credits and the new scheme of child support. If the US data is to be rejected because it is not comparable, CPAG sees little intellectual case to rely on UK data collected in such a different policy environment.

27. CPAG believes a much more rigorous approach is needed to understanding the likely effects of an increased disregard on incentives to work. We urge DWP to strengthen the knowledge base by researching the importance of maintenance level and stability and by piloting different disregard levels:

- Importance of maintenance flows to lone parent employment. Countering the neoclassical economic argument around incentives, there is a powerful argument that stability of incomes is a more important determinant of work seeking behaviour. Indicative evidence is available from Family and Children Study showing an association between work status and maintenance receipt: 63 per cent of lone parents working 16 hours or more had an order or agreement in place; compared to 35 per cent of those working less than 16 hours (including those not working at all).¹³ A possible explanation for this association is that lone parents may be more likely to take the risk to seek work if they are confident of other sources of stable income. We suggest analysis is conducted to explore this possibility.
- Piloting. Given the data dearth government should pilot a range of different disregards (including full maintenance disregard), and observe the impacts this has on poverty, the likelihood of working, hours of work and the sustainability of employment. If the significant increase is to be delivered in 2010/11, there is sufficient time to conduct pilots and to analyse results to inform policy change.

Advice and guidance

28. The white paper accepts the need for adequate advice provision and it also accepts the current dearth of advice (para.2.25). **What is missing is a clear plan for how to build the necessary capacity without undermining what the sector already does.** To build this capacity will take time and the white paper envisages some C-MEC services on stream from 2008. This timescale is worryingly short and since the provision of adequate advice will be one of the factors influencing the success of C-MEC.

¹³ Lyon, N et al, See note 7. Table 15.1, a higher proportion of those who were working (16 hours plus) had actually got some maintenance than those who worked below 16 hours).

29. The white paper acknowledges the need to build the voluntary sector as part of a shared approach, and this requires greater thought and resourcing to assist this to happen. At the same time of a dearth of capacity on child support there are many new calls are being made on the voluntary sector including Pathways to Work, the Freud review and tax credits. Civil legal aid is also under significant threat following the review of Legal Aid threatening precisely the provision called upon to help make the new plans work. We see little evidence of a joined up approach to advice provision.
30. The white paper discusses models of advice giving. CPAG view is that the Department ought to seek to build multiple channels of advice giving – web-based, telephone and face to face advice. Joined up advice also will require service not only to deal with maintenance issues but to sign-post further sources of advice as maintenance may well be linked to other problems around income and employment. We support the continued role expected of Job Centre Plus and argue for the existence of provision of face to face services for those who need them.
31. Alongside the resourcing difficulties which prohibit many advice agencies from giving sufficient or adequate advice on child support advocacy agencies are used to assisting claimants to deal with bureaucratic process, they are not set up to advocate on behalf of one party's rights against another.
32. We also remain concerned about the balance between financial support and non-financial relationship counselling/ parenting support services – child maintenance is and should remain primarily about income flows, and this means that those services set up to advise need to understand income and be able to spot and sign post income related issues around benefits or tax credits entitlements and employment services.

Compliance and enforcement

33. Compliance with child support responsibilities is vitally important – a current mix of poor administration and a lack of enforcement have allowed some non-resident parents not to fulfil responsibilities to their children and CPAG agrees C-MEC needs the teeth to instil a culture of compliance. We dismiss the need to toughen legal sanctions, we argue government has sufficient powers already but has not used these appropriately.
34. Most parents want the best for their children and so policy should work with the grain of these intentions, of presuming that parents want to fulfil their responsibilities and that the role of C-MEC is to help them to do this. In assessing compliance C-MEC also needs to be able to distinguish between those who do not want to pay and those who are unable to pay, a failure to do this will build up resentment.
35. The white paper devotes a specific chapter to enforcement. CPAG recognises the symbolic importance of C-MEC having the powers, and also of its ability to quickly use these. However the detail in Table 5.1 ('Sanctions imposed on non-resident parents') demonstrates two things, firstly that powers already exist in many areas and secondly that the extent of the usage of these powers has been low. In a properly functioning system with high compliance the use of sanctions should be low however in the current system with its poor compliance the current Child Support Agency is not fully using the powers it already has. The more

important question is the extent to which existing powers are being used rather than the acquisition of new powers for C-MEC however politically attractive increasing enforcement powers may be.

36. **Since enforcement is likely to be more problematic once non-compliance is established as a pattern, a key route to speedy resolution of the problem must be the ability of the Commission to intervene quickly**, before a pattern has been established. Without the effective registration of private arrangements (see above) it is difficult to see that the breakdown of a private arrangement could be handled other than through a new application to the Commission to directly handle the case, this could take time and allow a pattern of non-compliance to set in.
37. CPAG would like to see a situation where the presumption is that parents will comply, and that this is achieved through social expectation, supported by an effective C-MEC service. To support this it should be clear that C-MEC has the capacity to enforce and that it can do so quickly, before a pattern of non-compliance is established. To achieve better compliance, CPAG would support a number of approaches
- Incentivise compliance through a higher disregard, if parents with care receive more income from maintenance they would be better incentivised to ask for it and non-resident parents would be incentivised if they see it actually benefiting their children.
 - Changing public attitudes to child support by better, sustained, communications from C-MEC over time about the role of child support and which emphasize the benefits to children of complying.
 - Good quality advice services which are able to support quick entrance to C-MEC services and speedy action from C-MEC to intervene early where compliance is not complete.
 - The registration of arrangements, as a symbolic agreement and one which could be used to facilitate faster enforcement where necessary (without a protracted application to the agency).
 - Use of sanctions where needed but only as the last resort. In a well functioning system we would expect sanction use to be low but it to be clear to all parents that these will be used if necessary.
 - We do not support tougher political rhetoric around non-complying non-resident parents, this risks stigmatising a wider group of parents who would comply. We reject the suggestion of a 'naming and shaming website' for non-complying non-resident parents, this gimmick risks stigmatising precisely the children it purports to protect.

Transition arrangements

38. The most difficult area around child support reform more generally will be the transition arrangements. Clearly the continued existence of two schemes (old and new) running along in parallel has created myriad problems for the agency and for these to be added to with a further set of other (even newer) cases again increases the possible problems. We support the use of a maintenance collection service so as not to require reassessing arrangements where parents do not want this and such should also reduce the pressure on C-MEC.
39. CPAG is mindful that though the Child Support Agency (CSA) has been protected against staff cuts from the Gershon efficiency programme and indeed had new resources provided through the Operational Improvement Plan that the Department for Work and Pensions is already committed to a real terms resources cut over the period of the next spending review (to 2010/11), **we would be very concerned if the financial and staff resources required by C-MEC were not available to it. C-MEC will be particularly vulnerable through its transition period and we would welcome assurances that it will continue to receive protection from wider cut backs until it is functioning at an adequate level.**
40. The outstanding stock of debt clearly remains a problem to CSA/C-MEC and, far more importantly, to parents and children. CPAG recognises that some debt is simply uncollectible (eg. through the death of a non-resident parent) and some other debt has arisen because of award were set too high prior to actual assessment. Since debt has arisen through a failure of the CSA to collect on behalf of parents with care, moves to write off any debt should consider the need to compensate parents with care for this loss.
41. During both the white paper and the transition stages we urge the Department to ensure adequate staff engagement. The white paper notes the asset that the staff provide to the agency (despite often intolerable working conditions). For any new system to function effectively it will need the support of its staff and they are best able to comment on the likely feasibility of many of the proposals. We recognise some of the progress which has been made through the Operational Improvement plan and urge that this learning (for instance on debt management) is not lost under the new arrangements.

White paper questions

42. This section repeats the specific questions raised by the Department and links these to the commentary in this response
 - **Question 1 (page 38):** 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?

See para.28-32.

 - How can we best make a register of private maintenance agreements an attractive prospect to parents?

See para.16 and 36.

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

See para.10-16 and 28-32.

- **Question 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?

CPAG supports enshrining the importance of tackling child poverty in legislation as one of the key objectives of the scheme. We do not disagree with the other objectives, though the phrase 'commissioning' is unclear if C-MEC is itself acting as a delivery agent for some aspects of work.

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

We support the focus to maximise the child poverty impact of reforms and we agree on the importance of ensuring that what ever approach is realistic. We support the use of a cash transfer service to maintain existing arrangements without reassessing if these are working effectively (para.41). We are cautious around assumptions of the numbers of parents who are able to develop private arrangements – informed choice means having access to a decent C-MEC service for those who wish to use it (see para.13-17).

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

See para.17-20

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

We take this section to relate to children in second families (living with a non-resident parent to other children) and to non-resident parents who have responsibilities towards children in several different households. We believe that policy should seek to achieve equity between children wherever they live. This means we reject the option in para.4.25. We do not offer a view on the other two options - we argue much more analysis should be produced on likely winners or losers.

It is helpful that gross income assessment will ignore financial support for children as this will protect payments for children in second families (see para.180).

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

See para.33-37. We argue the approach should be to instil a culture of compliance, involving a range of different approaches and reliant on an effective body able to intervene when it needs to. Though enforcement is clearly necessary in a small minority of cases we are very wary that hard-line political rhetoric is likely to prove counter productive in increasing compliance.

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

We do not offer specific views on this except to say, we expect that treatment for individuals should be equivalent under either a courts based or administrative system (see para.6) but that we would expect an effective statutory appeals process against decisions made by C-MEC or its agents.

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

Broadly yes, see para.40.

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

As previous question.

Recommendations

Since children of lone parents both face a high risk of poverty and also make up a large proportion of all poor children, tackling poverty for this group is important to meeting the target to halve and to eradicate child poverty. (para.8)

Cycling money between relatively poor families will do little to reduce overall child poverty. We argue strongly DWP should investigate the position of second families so that it can clearly estimate the full impact of the policies. (para.9)

If choice is to be fully informed, it must be not only to make private arrangements but to use agency style functions where appropriate. (para.11)

CPAG does not see how charging could work without conflicting with other objectives and we urge fees be remitted. (para.12)

CPAG supports the principle of supporting parents to make their own arrangements where this is possible (by scrapping the requirement to go through the agency) and in the interests of their children. (para.13)

CPAG recommends that arrangements are registered by C-MEC even if the day to day arrangements are handled privately. To guard against parents with care 'settling for less' and for administrative simplicity we argue registration should be set at the level of the formula at minimum. (para.16)

The use of gross previous tax year income has the advantage of ignoring income from children's benefits or tax credits (in second families) which would be redistributive towards poorer second families. (para.18)

We strongly support the 'significant' increase to the disregard. CPAG calls for this to be full, a significantly larger increase will have a direct improvement for children (para.22)

CPAG believes a much more rigorous approach is needed to understanding the likely effects of an increased disregard on incentives to work. We urge DWP to strengthen the knowledge base by researching the importance of maintenance level and stability and by piloting different disregard levels (para.27).

The white paper accepts the need for adequate advice provision... What is missing is a clear plan for how to build the necessary capacity without undermining what the sector already does. (para.28)

Since enforcement is likely to be more problematic once non-compliance is established as a pattern, a key route to speedy resolution of the problem must be the ability of the Commission to intervene quickly, (para.36)

We would be very concerned if the financial and staff resources required by C-MEC were not available to it. C-MEC will be particularly vulnerable through its transition period and we would welcome assurances that it will continue to receive protection from wider cut backs until it is functioning at an adequate level. (para.39)

About CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the causes, extent, nature and impact of poverty and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. CPAG is a founder member of the campaign to End Child Poverty.

Dr Paul Dornan
Child Poverty Action Group
94 White Lion Street
London N1 9PF
tel: 020 7812 5222
fax: 020 7837 6414
email: pdornan@cpag.org.uk