



Child Support Agency briefing

A review of the evidence of performance

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1. Introduction

The performance of the Child Support Agency (CSA) is crucial to the eradication of child poverty; it is key to the economic wellbeing of a sizable group of children (both in lone-parent and second families) who are especially vulnerable to poverty. But the CSA's performance has been woefully inadequate as the analysis presented below demonstrates. This causes families stress, places children and lone parents in a vulnerable position and undermines government anti-poverty targets.

What this paper reveals is that many of the problems facing these groups are caused, or exacerbated, by system failure within the CSA. This briefing paper outlines difficulties recorded by the CSA itself, the House of Commons' Work and Pensions Select Committee (*The Performance of the Child Support Agency: Second Report of Session 2004-2005 Vol 1*), the Independent Case Examiner's submission to this (*Select Committee Inquiry into the Performance of the Child Support Agency 15 June 2004*), and the Independent Case Examiner's Annual Report 2004/05, the Government response to the report (*The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005*), and Department for Work and Pensions sponsored research report published in 2005 to assess the views of staff and clients of the new system (*Child Support Reform: The views and experiences of CSA staff and new clients*).

Following a brief introduction to the history of the legislation, a wide range of issues and problems concerning the operation of the Agency are identified that have been raised in key government and Agency documents. However, ultimately the success or failure of the Agency depends on the service it provides to its clients, a point considered in the conclusion.

2. Background to the Child Support Act 1991

The Child Support Act 1991 was created to replace the old court system of maintenance. A Next Steps Agency was established in 1993 to administer the legislation based on a set formula. Proclaimed as a 'revolutionary policy'¹ the legislation created an 'integrated package of measures'² to remove the arbitrariness of the old system that resulted from decisions being made in 'hundreds of courts and hundreds of social security offices'.³ The new system was based on three components:

- A formula to assess maintenance.
- A Child Support Agency to trace parents and to assess, collect and enforce maintenance.⁴

¹ Alistair Burt MP, Parliamentary Under-Secretary of State, Department of Social Security (1 February 1995) in Select Committee on the Parliamentary Commissioner for Administration (1995) *The Child Support Agency*, Third Report, 15 March 1995, HC 199 1994-95, HMSO: London, p.26.

² Cmnd 1264 (October 1990) *Children Come First: The Government's Proposals on the Maintenance of Children*, Vol. 1, p.2.

³ *Ibid.*, Vol. 1, p.2.

⁴ The Secretary of State for Social Security was given the responsibility for establishing Agencies in England, Scotland, Wales and Northern Ireland, including the development of this Next Steps executive agency to ensure consistent and cohesive implementation of the legislation.

- Changes to social security benefit rules to encourage lone parents to go out to work.

Under the new child support scheme more than a hundred pieces of information were required for an assessment to be made.⁵ Within the first year of operation the Agency faced major policy implementation, administrative, managerial, ideological and technical problems.⁶ Despite these difficulties, the Agency has been in operation for 12 years and has continued to be the subject of much critical debate for failing to meet its aims.

The Agency has undergone legal, policy and procedural reform, but the basic tenets on which it was established remain.

3. The amended Child Support Act 1999

As a result of the poor administrative performance of the Agency, the Child Support Act 1999 was introduced.

'The Government's aim is for all parents to contribute to the financial support of their children, thereby contributing to the reduction of child poverty.

*To achieve this aim, the Government expects the child support service to provide prompt, accurate calculation of maintenance, and regular, reliable collection and payment.'*⁷

The new scheme was introduced on 3 March 2003, 14 months later than proposed.

The new scheme provided:

- A simplified formula.
- Calculation based on a set percentage of the non-resident parent's income.
- Basic maintenance rates of 15 per cent for one child, 20 per cent for two, 25 per cent for three or more.
- Maintenance reductions for non-resident parents with a second family, for those on a low income and for those sharing overnight care.
- A child maintenance premium for children in families where the parent with care is receiving income support or income-based jobseeker's allowance.

The simplified formula was intended to improve administrative efficiency, speed up processing times, improve accuracy and free staff to work on and improve compliance.

However, the layering of the new system on top of a pre-existing system and caseload has led to both 'new' and 'old' cases (see section 4) and the consequent bureaucratic complexity associated with many of the problems highlighted below.

⁵ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁶ The Child Support Agency: Origins, Introduction and 'Failure'. Beadsworth, F., Published by The Carlsson Family Foundation 2004.

⁷ Child Support Reform Information Pack – Child Support Agency – ISBN 1-85197-965-4

4. Problems identified by the Agency in its operations

Following the first 18 months of the new scheme's operation the CSA's then Chief Executive, Doug Smith, reported to the House of Commons' Work and Pensions Select Committee, that he was disappointed by the Agency's performance.⁸ Mark Grimshaw was subsequently given the responsibility of helping to turn the Agency around under the leadership of the new Chief Executive, Steven Geraghty. The Agency was to be reformed, but not replaced, with the emphasis on amending administrative difficulties as the means to improve performance.

A commitment was also made to provide a service based on the interests of the child.

The Agency's work has become increasingly complex because four caseload systems now operate simultaneously. The systems are identified below in Table 1 together with the number of live cases.

Table 1: The four caseload systems and the number of live cases⁹

Caseload systems	Live cases in January 2005	Live cases in February 2005
Old scheme/old system (CSCS)	747,000	Not available
Old scheme/new system (CS2)	235,000	242,000
New Scheme/new system (CS2)	375,000	387,000)
Clerical cases – (Cumnock and Business and Clerical Units)	8,700	9,291

4.1 Key ministerial targets

The following paragraphs discuss the Agency's performance in relation to the key ministerial targets that were set for it in 2003/04.

Case compliance – In 2003/04 a 75.4 per cent compliance rate was achieved against a target of 75 per cent. However, it was noted by the Agency that the 'meaningfulness' of the comparison for the new system was questionable.

⁸ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.9. House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁹ Figures forwarded by CSA Longbenton 19 April 2005 in response to Action Point number 2 from the Client Representative Group Forum on 18 February 2005.

*'...we have found it difficult to develop a meaningful comparator for the new scheme for this year; not least because many cases are at a relatively early stage compared with the more mature old scheme caseload. This has been compounded by technical difficulties with the computer support and in particular its ability to generate accurate management information to permit managers to manage and control compliance.'*¹⁰

According to the Agency's best information, in March 2004 just over 50 per cent of non-resident parents were making payments under the 'new arrangements'.¹¹

Cash compliance – In 2003/04 cash compliance of 73.8 per cent was achieved against a target of 68 per cent. The accuracy of the findings was qualified by the Agency:

*'...for the same reasons explained earlier for case compliance, we have found it difficult to develop a meaningful comparator for the new scheme for this year. The same difficulties have impacted on the availability of management information and therefore managers ability to influence achievement.'*¹²

According to the Agency's best information, in March 2004 it collected just over 40 per cent of the maintenance it planned to collect.¹³

Full maintenance calculations – A target of 53 per cent was set for successfully converting applications to full maintenance calculations for new scheme cases in 2003/04. 'Of the applications received, 28 per cent reached calculation.' The Agency reported:

*'...however, of the applications cleared the Agency achieved a maintenance calculation rate of 60 per cent...The remaining 40 per cent of cases were closures.'*¹⁴

This 60 per cent figure does not represent successful achievement of the stated target; it falls well below this and equally, a large percentage of cases are closures. For old scheme cases the Agency achieved its maintenance assessments target of 33 per cent of outstanding applications.¹⁵

Accuracy – The Agency achieved an accuracy rate of 82 per cent against a target of 90 per cent on new scheme cases. For old scheme cases an accuracy rate of 85.7 per cent was achieved against a target of 82 per cent.¹⁶ In practical terms this means that for every 100 cases dealt with under the old scheme 14 were wrong.

Unit costs – The Agency had a 'shadow target' (to measure efficiency) for 2003/04 of £184 staff cost per active case. It reported that this had not been met:

¹⁰ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

¹¹ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

¹² Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

¹³ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

¹⁴ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 14.

¹⁵ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 14.

¹⁶ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 14.

*'Due to delays in the implementation of child support reform, costs were higher than expected and the actual performance was a staff cost of £189 per active case.'*¹⁷

The Agency report does not indicate why, or how, delays in implementation of the reforms increased costs.

Throughput – The Agency was unable to report on throughput due to technical and system problems:

*'Technical issues with the information technology mean that we are unable to provide robust and accurate information for this target. System problems have caused difficulties with managing the throughput of cases, indicating that this target would not have been met.'*¹⁸

4.2 Other issues raised by the Agency

New computer service - The Agency acknowledged that the new computer service provided by Electronic Data Systems (EDS) was not 'as resilient or robust as intended and contained significantly more defects than we expected'.¹⁹ It also reported that due to technical problems with IT, accuracy of information for case targets on the new system was doubtful and it was therefore 'unable to provide information that we are confident is fully accurate for targets that relate to cases on the new computer system'.²⁰

The telephone service – The Agency reported that it was to 'move away from the previous paper-based organisation and conduct up to 80 per cent of our business electronically or by telephone'.²¹ The Agency answered 3.6 million telephone calls between April 2003 and March 2004 (compared with 3.1 million calls during the previous year). During 2003/04 it operated two distinct telephone systems, one for existing old scheme cases and the other for new cases. The Agency stated that it had been unable to provide the quality of service it had anticipated:

*'delivering the standard of telephone service to which we aspire has proved difficult...In particular, performance on the new system was affected, as system problems resulted in calls not being routed as originally intended.'*²²

The Agency met its target for the proportion of calls answered first time in 2003/04 (target of 85 per cent, actual performance of 88.2 per cent). However, its performance had decreased compared with 2002/03 (actual performance of 90.8 per cent). In terms of calls abandoned, the Agency's performance worsened in 2003/04 compared with 2002/03 (29 per cent compared with 14.3 per cent). The 2003/04 performance failed to meet the Agency's target of 20 per cent.²³

¹⁷ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 14.

¹⁸ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 14.

¹⁹ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

²⁰ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 12.

²¹ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 17.

²² Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 17.

²³ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 17.

Complaints handling – The Agency stated that it kept ‘a more accurate account of both written and telephone based complaints’. However, the Agency also noted that changes to the complaints handling system ‘invalidate any comparisons with past results.’²⁴

Staff training and sick absence - Providing and improving staff training are key mechanisms by which it is intended to tackle the current crisis within the Agency. Proposed staffing cuts have been reduced with the aim of maintaining frontline provision. In 2003/04 the Agency ‘devoted 84,335 staff days [to training], delivered to 13,317 people’.²⁵ In terms of management training and development, the Agency ‘devoted 7,203 days...delivered to 1,216 managers’. During 2003/04 the Agency ‘continued to support our people in an attempt to minimise the number of days sick absence attributable to work place activities...(and) reinforced our attendance management arrangements to minimise the number of individuals who are fit to attend work but do not do so. Despite these measures our rate of sick absence has continued to grow and in the year totalled 15.6 days per person.’²⁶

In the same year industrial action took place and was ‘continuing’. Pay increases of between 2.9 per cent and 8 per cent had been awarded, but had not been accepted by the trade unions.²⁷

It is apparent from the CSA Annual Report that the Agency endeavoured to identify problems and was aware that reforms were required to achieve this. The difficulty has been in deciding how best to achieve improvements. The Agency prioritised staff training and improvements in IT. However, the House of Commons’ Work and Pensions Select Committee, reporting on the performance of the Agency, outlined far more radical reforms that it argued were necessary to achieve an acceptable service for children and their families. These are dealt with in the next section.

5. Problems identified by the House of Commons’ Work and Pensions Select Committee

The House of Commons’ Work and Pensions Select Committee report, *The Performance of the Child Support Agency*, published in 2005, documented extensive problems facing the Agency and argued for radical reform.

The report began by stating:

‘We believe the Child Support Agency is a failing organisation which is currently in crisis. Rapid and radical action must be taken in order to provide an acceptable service for the children who are its beneficiaries.’²⁸

The Agency and the Committee were in agreement that the needs of children were paramount, but a review of the Committee’s recommendations highlights the prolific nature of the problems facing the Agency. Whilst general areas of concern raised by the Committee are outlined below, the specific detail of each is beyond the scope of

²⁴ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 17.

²⁵ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 16.

²⁶ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 17.

²⁷ Child Support Agency Annual Report and Accounts 2003-2004 DWP 22 July 2004 p. 15.

²⁸ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.3. House of Commons Work and Pensions Select Committee, HC 44 – 1.

this short briefing paper. However, the summary of the Committee's report indicates that the problems that exist are more complex than those based on the Agency's review and that solutions will require innovative and radical change.

Key problems highlighted by the Work and Pensions Select Committee:

- Confusion created by the existence of four systems operating simultaneously.
- Lack of direction from senior management.
- Lack of a fully operational IT system.
- Poor contract with EDS and lack of public information about this.
- Lack of compliance and enforcement.
- Problems caused by delays in case migration and conversion.
- Unacceptable delays in processing claims.
- Inconsistency in practice across schemes.
- Failure to meet ministerial targets for the new scheme.
- Failure to meet Public Service Agreement targets.
- Difficulties assessing the income of non-resident parents.
- Problems for parent with care in making applications for variations.

The Work and Pensions Select Committee also highlighted the following suggestions:

- The need to use appeal tribunals more widely.
- The need to establish closer ties with the Inland Revenue as an investigative body.
- Development of service coordination (across central government agencies drawing on the Australian system of family relationship centres).
- Close monitoring and publication of the outcomes of Maintenance Direct.
- Introduction of the £10 child maintenance premium for old scheme cases.

Reporting on the CSA's performance targets, the Committee noted that the old scheme target for assessments was met. It was concerned about the Agency's failure to meet any of the ministerial targets for the new scheme and concerned about the consequence of this for children:

'The Committee believes that the failure to achieve any of the Ministerial targets for the new scheme is totally unacceptable... This failure means that millions of pounds owed to children from separated families has not been transferred and has detrimental implications for the Government's child poverty targets. Given the failure on targets, and given the disproportionate increase in complaints to the Independent Case Examiner relating to new scheme cases ..., we were bemused when the Secretary of State told us that "many clients

are receiving a better level of service with the new scheme than seen under the old system".²⁹ Disappointingly, and tellingly, the targets that have been set for 2004-2005 are virtually the same as the 2003-2004 targets and, considering the outturn this year, will be equally challenging and require unprecedented effort to be achieved.³⁰

The report listed 30 recommendations. A number of these urged the greater involvement of the Department for Work and Pensions, National Audit Office, Secretary of State, CSA and Parliament in order to monitor the Agency, improve accountability and provide public disclosure of information on all aspects of its operations. Further recommendations called for new powers to be granted by Parliament to ensure compliance, recover arrears and make the removal of driving licences from non-compliant non-resident parents an administrative, rather than a judicial, process. The Committee advocated that a number of new and revised strategies should be introduced, for example, to increase the accuracy rate of maintenance calculations and to improve staff training. Other points recommended that planned reductions in CSA staff levels be suspended and that consideration be given to alternative policy options.

The Work and Pensions Select Committee concluded its report by stating:

'the Committee recommends that consideration must be given to the option of winding up the Child Support Agency and plans made for an alternative set of policies that work, in order to provide financial support for children in future. We also recommend that our successor Committee considers alternative policies in the event of the CSA being wound up.'³¹

Clearly there is dissonance between the solutions proposed by the Agency in order to resolve its problems and those recommended by the Select Committee. The Committee recommendations are radical and invite a contingency plan and an abandonment option, choices that the Agency is not considering. The *Government Response to the Committee's 2nd Report of Session (2004-2005)* is considered in light of these recommendations.

6. Government Response to the House of Commons' Work and Pensions Select Committee Report

The *Government Response* began by highlighting the development of a Business Transformation Programme to take account of the Committee's recommendations with the aim of tackling 'short- term recovery' and 'longer term development'.³² It stated that the Business Transformation Programme would be available by summer 2005 and that the Committee recommendations would help in formulating this. A full assessment of the *Government Response* is beyond the scope of this paper, but given the emphasis it places on EDS role in the Agency, we give attention here to the

²⁹ Volume II, Ev 135 in *The Performance of the Child Support Agency, Second Report of Session 2004-2005* Volume 1, p.14. House of Commons Work and Pensions Select Committee, HC 44 – 1.

³⁰ *The Performance of the Child Support Agency, Second Report of Session 2004-2005* Volume 1, p.614. House of Commons Work and Pensions Select Committee, HC 44 – 1.

³¹ *The Performance of the Child Support Agency, Second Report of Session 2004-2005* Volume 1, p.62. House of Commons Work and Pensions Select Committee, HC 44 – 1.

³² *The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005* p. 1. HC 477.

Government's view of EDS and degree to which it holds it accountable for Agency problems. The Government's response to the Committee's call for radical policy solutions to the Agency's problems is also considered.

From the outset the Government response to the Committee's recommendations made it clear that it viewed the Agency's key development strands as:

- Maintaining staffing levels.
- IT stabilisation.
- Improving compliance.
- Cutting backlogs.
- Training and guidance for staff.³³

Commenting on 'technology, risk and new arrangements' the Government recognised that child support reform had required changes to 'policy, technology, business process, organisation and culture' and that this had involved 'risk'.³⁴ The Agency's risk management strategies were outlined and had relied heavily on staff training. Yet the Government attributed faults largely to technological difficulties:

*'Despite these actions the Agency was unable to manage fully the impact on its operations when the technology service did not meet expectations. The key responses to this were EDS' acceptance of the issues and remediation programme and the Agency's short-term initiatives to shield its clients, as best it could, from the worst impacts of the technology difficulties.'*³⁵

To ensure that defects were corrected, the Government maintained that EDS's future plans should be subject to independent review. The report also promoted the development of in-house IT expertise instead of 'relying fully on outsourcing'.³⁶ Although the role of EDS was highlighted when discussing the difficulties experienced by the Agency, somewhat paradoxically the report also affirmed its faith in EDS, noting that 'the vast majority of cases can be progressed on the new IT system' and that an independent review had concluded that EDS performance was 'in line with the remediation plan'.³⁷ As a result, the Government stated that it was not currently intending to create an abandonment plan as recommended by the Committee. In turn, the Committee's recommendation that the National Audit Office undertake a comprehensive study of the contract between the CSA and EDS was simply 'noted'.³⁸

³³ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p.p. 1-2. HC 477.

³⁴ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 3. HC 477.

³⁵ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 4. HC 477.

³⁶ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 4. HC 477.

³⁷ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 5. HC 477.

³⁸ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 6. HC 477.

With reference to migration and conversion of CSA cases the Government response stipulated that old scheme cases would not be transferred until the system was stabilised, adding: 'In the meantime, the Secretary of State for Work and Pensions will continue to report progress to the House and hold regular stock take meetings with the Agency and EDS.'³⁹ This somewhat contradicts the earlier claim by the Government that the system was equipped to handle the progression of cases.

A further Committee recommendation urged:

*'...the CSA adopts the "whole service" approach to case management and compliance across all departments of the Agency as was intended in the first place'*⁴⁰

The Government acknowledged the value of caseworker assignment, but added that 'the full implementation of the caseworker approach has been hindered by system problems' thereby necessitating 'a degree of functionalisation' in order to achieve service delivery improvements. This, in part, helps to explain the confusion felt by Agency staff about which approach they were to adopt (as outlined in the DWP's research report - see section 7 below).⁴¹

The report did make it clear that the Government 'does not support the principle of guaranteed maintenance' on the basis that it would provide a compliance disincentive for those on benefit.⁴² Similarly, it was not prepared to consider a cost/benefit analysis of raising the child maintenance premium and disregarding child support payments.⁴³

The Government's references to EDS, commitment to caseworker approach and/or functionalisation, and its response to recommendations to consider more radical reforms and alternative policy options, all demonstrate ambiguities. It is indicative of a general approach throughout the report that leans heavily on the assertion that the Government will keep problems 'under review' but is not prepared to take action at this stage. However, in terms of considering alternative options to the Agency and commitment to provide financial support for children the Government concluded:

*'The Government's priority is to improve the level of financial support the Child Support Agency delivers to children. Money continues to flow under the current arrangements and that flow must not be put at risk. Progress is being monitored closely and some improvements are being made. But if sufficient recovery cannot be delivered then all options would need to be considered.'*⁴⁴

The Government response made clear that it was committed to ensuring that the new child support scheme was supported in order to work towards the successful reform

³⁹ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 6. HC 477.

⁴⁰ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.38. House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁴¹ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005.

⁴² The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 13. HC 477.

⁴³ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 13. HC 477.

⁴⁴ The Child Support Agency: Government Response to the Committee's 2nd Report of Session 2004-2005 p. 17. HC 477.

of the CSA. Specific problems with the new scheme, already identified by the DWP-sponsored research and the Independent Case Examiner's submission to the Select Committee, are considered in the following two sections.

7. Problems identified with the new scheme in Child Support Reform: The views and experiences of CSA staff and new clients

Much of the current interest in the CSA focuses, inevitably, on how well the new system operates. The DWP-sponsored research *Child Support Reform: The views and experiences of CSA staff and new clients*, published in 2005, focused on this new system. The report was based on qualitative research; interviews were carried out with 42 frontline staff in focus groups, 12 managers and interviews with 58 parents (including both non-resident parents and parents with care) between May and September 2004. In sum, the report found staff and clients welcomed the reforms. However, there were considerable implementation difficulties, in particular those associated with IT. These included:

- IT was ill-equipped to deal with the tasks required.
- Insufficient training for the system.
- Absence of 'notepad' function.
- Slow speed of the system.
- Inability to correct mistakes logged on the computer.
- Mistakes in data entry that blocked the system and required it to be re-started.⁴⁵

Administrative officers (AOs) were reported as being 'very uncomfortable with the IT system, CS2, and most of their discussion of the training related to this'. Additionally, some IT problems resulted in training covering non-operational facilities 'in the hope that these facilities would eventually be brought into operation'.⁴⁶

Although the report was about views of the new system, many of the IT problems identified mirrored those of the old scheme, a point noted by the Independent Case Examiner (ICE). In the submission to the *Select Committee Inquiry into the Performance of the Child Support Agency*, Jodi Berg, the Independent Case Examiner, stated:

*'...from my perspective, many issues complained about by people dealt with under the new scheme are not dissimilar from those that arose under the previous legislation. These include delays, poor communication and poor administration.'*⁴⁷

It is disappointing that many of the mistakes of the old system are reproduced in the new one. In particular, the IT system continues to impede the work of operators

⁴⁵ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 pp. 51-55.

⁴⁶ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 39.

⁴⁷ Jodi Berg Independent Case Examiner Select Committee inquiry into the performance of the Child Support Agency 15 June 2004 point 2.3.

although it is generally recognised (and welcomed) that the new system is less complicated, easier to understand and, in theory, capable of speedier calculations. Poor training continues to exacerbate problems.

The new system is further complicated by failure to include some of the features present in the old system. For example, the loss of the 'notepad' facility means absence of a client record. This oversight, on just one aspect of the system, demonstrates how the lack of a facility that worked well in the old system can impact on staff and clients. The lack of notepad means that more staff and client time is taken up going over information already provided. Its loss may have far-reaching consequences in terms of how decisions are made by the Agency and experienced by its clients. As one practitioner asked, if 'notepad' is absent how can the ICE assess a case and make a decision about it?⁴⁸ A further point noted in the DWP research report was that notepad was a method by which 'evidence of previous conversations had been recorded' and there was concern expressed by EO and HEO grades that the new CS2 computer system 'would provide insufficient robust evidence for court cases'.⁴⁹ Commenting on how the new scheme was operating the research highlighted the importance of 'notepad' and concluded:

*'It cannot be stressed enough how important this feature is in the eyes of the staff who work for the Agency.'*⁵⁰

From August 2005 a new Freetext option is intended to be introduced to enable notes to be taken and recorded. It is hoped that this will go a long way towards eradicating the problems identified.

Administrative errors by Agency staff have also resulted in loss of income for families. Poor practice has included inputting inaccurate data to proceed with a case where insufficient data exists,⁵¹ deleting files, avoiding calls by transferring them to the answer machines of absent colleagues⁵² and advising staff to 'stockpile' easier cases to transfer and proceed with under the new scheme when it was implemented. There are indications that setting targets has exacerbated problems, with staff feeling sufficiently pressurised to focus on easily achievable tasks, side-lining others that required more work.⁵³

The Agency's operations are complicated further by the fact that the CS2 system seems to be 'data sensitive'; once information is recorded it cannot be changed.⁵⁴

Regarding management, performance and productivity, it was reported that when the new system worked there was efficient progress of cases and the ability to 'reach a

⁴⁸ Jean Smith in discussion at the Client Representative Forum 18 February 2005 (the response given by a CSA representative was "with great difficulty").

⁴⁹ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.56.

⁵⁰ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.45.

⁵¹ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 52.

⁵² *Child support agency admits it tricked families into losing cash* John Carvel Social affairs editor The Guardian Tuesday April 12, 2005.

⁵³ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 83.

⁵⁴ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 52.

final calculation much more quickly than would have been possible before'.⁵⁵ However, it was also noted that compliance had decreased and debt work was consuming more Agency time.⁵⁶ This is particularly worrying given that the new scheme worked on a compromise of securing less maintenance in order to achieve higher compliance rates.

A key concern aired by Agency staff and management was 'the prospect of mass conversion of cases from the old rules to the new rules'.⁵⁷ The DWP-sponsored research identified that the extent to which merging systems would create new problems and exacerbate old ones was unclear. However, the ICE's submission indicated an increase in the number of complaints related to the new scheme. Whilst old scheme cases accounted for 73 per cent of complaints received in 2003, referrals from the new scheme and CS2 had increased:

*'...month on month during the 2003/04 reporting year. Referrals rose from 29 in the first quarter to 208 in the last quarter. This trend has continued. In the first two months of the 2004/05, business year we received 395 complaint referrals, 141 (36 per cent) of which concerned new scheme cases. Of the 164 cases we accepted for investigation during the same period, 49 per cent related to new scheme complaints.'*⁵⁸

Difficulties with the interface between Agency and Jobcentre Plus staff were also raised, in particular the fact that failure to provide accurate information created frustration and impeded efficiency.⁵⁹

Despite the reforms, or perhaps because of them, early indications suggested that levels of stress, dissatisfaction and workload had all increased for Agency staff since the introduction of the new scheme.⁶⁰ In some instances, measures have already been taken to address the difficulties uncovered. For example, the Agency made a commitment to review the loss of 'notepad'⁶¹ and it is hoped that training initiatives will promote Jobcentre Plus and Agency staff working together. It is yet to be seen whether such measures and procedural practices adopted by the Agency are sufficient to remedy such problems.

Difficulties experienced by the AOs, as frontline staff of the Agency, have in the past been particularly acute. Although the research indicated AOs' approval of the regulation reforms, difficulties were reported with the extent of changes introduced, with which Agency staff had to grapple. Transitions were complicated by lack of training and insufficient support. This was reported as being particularly apparent

⁵⁵ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 87.

⁵⁶ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 87.

⁵⁷ DWP summary of research report 232 p. 2.

⁵⁸ Jodi Berg Independent Case Examiner Select Committee inquiry into the performance of the Child Support Agency 15 June 2004 Summary point 2.1.

⁵⁹ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 46.

⁶⁰ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 45.

⁶¹ Client Representative Forum 2005

when dealing with the introduction of end-to-end tasking as opposed to 'functionalisation'.⁶²

Clearly the skills required for dealing with all aspects of case processing are quite different to those employed in specialisation. Staff expressed differing grievances about the two approaches, ranging from lack of reward for multi-tasking to under-utilising specialisms already developed. The research raised a further point; information about which procedures were being used was not available from the Agency:

*'Despite the drive to work end-to-end some staff found that they were still functionalised. It was not uncommon for staff to be still concentrating on specific tasks. Indeed it appeared that some Business Units had reverted entirely to functionalised working. However, it was noticeable that there was both a strong reticence in divulging this information (to external researchers) and a desire to find out from us whether or not other Business Units were working end-to-end.'*⁶³

The Agency has oscillated between the two systems of 'end-to-end' work and 'functionalisation'. It would appear that confusion continues about the merits and effectiveness of each and that both continue to operate. The Agency's inability to assess and monitor something as fundamental as the procedures it employs and to have documented this in the past 12 years does not bode well for meeting its target to amend its difficulties in the next five years.

8. Problems with the scheme reported by the Independent Case Examiner

8.1 Old scheme

The Independent Case Examiner revealed that under the old scheme complaints continued to emerge and that these accounted for the majority of the total complaints received (73 per cent during 2003/04).⁶⁴ Whilst ICE deals with a small minority of cases covered by the Agency as a whole, its findings are important indicators of the problems still experienced by the staff and clients of the Agency. ICE does not uphold complaints in instances where the Agency has 'offered or instigated appropriate redress' thereby under-estimating the number of complaints that are 'initially justified'. Even allowing for this, the percentage of cases fully or partially upheld was 86 per cent. As the ICE noted, this indicates 'that further effort is required, if the Agency is to give an appropriate response to complaints'.⁶⁵

The ICE recommended in June 2004 that, whilst efforts were being made to promote the success of the new reforms, it was imperative to continue to monitor and prioritise

⁶² Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.47.

⁶³ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.48.

⁶⁴ Jodi Berg Independent Case Examiner Select Committee inquiry into the performance of the Child Support Agency 15 June 2004 point 2.1.

⁶⁵ Jodi Berg Independent Case Examiner Select Committee inquiry into the performance of the Child Support Agency 15 June 2004 point 3.13.

difficulties experienced by those still under the rulings of the old scheme. It is a recommendation reiterated in this briefing paper.

8.2 New scheme

New scheme complaints accounted for 25 per cent of total complaints received during 2004/05 (this is equivalent to approximately 750 complaint referrals).⁶⁶ Total complaint referrals (old and new) increased by 38 per cent in 2004/05 compared with the previous year.⁶⁷ Notably, complaints received by the ICE in previous years represented non-resident parents and parents with care equally, and it was reported that this remained the case for old scheme referrals. However, 87 per cent of complaints under the new scheme were made by the parent with care.⁶⁸ This would suggest the new scheme is working better for non-resident parents and less well for parents with care. This is concerning for the impact it has on families with limited means and therefore on vulnerability to child poverty. ICE noted that the majority of complaints featured 'delay in taking action to progress a maintenance application, or to arrange payments'⁶⁹ which may indicate that payments made become 'stuck' and are not being processed quickly enough.

Parents with care were also said to be facing difficulties associated with the backlog of new scheme cases. It is the case that 'many' applications from parents with care submitted prior to March 2003 were 'delayed' and it was reported that the difficulties and financial loss caused by this continue:

'Unfortunately, many of these cases remain outstanding over two years after the introduction of the reforms.

It is of particular concern that these parents may be facing an ongoing financial loss, as parents with care who are in receipt of benefit can keep up to

£10 a week of any maintenance collected by the Agency (this is known as child maintenance premium). In addition, where applications have become 'stuck' in the interface between Jobcentre Plus and the Child Support Agency, this may result in a similar loss to parents with care as until there is a maintenance calculation and money starts to flow they will not receive child maintenance premium.⁷⁰

Many of the complaints dealt with by ICE in 2004/05 were referrals from parents with care who were private clients. It is noted that this group of parents have 'much to gain financially from prompt action' by the Agency and concomitantly 'where delay occurs, much to lose.'⁷¹ No further comment is given but more information is required about how Agency delays impact on different client groups. In particular there is little discussion about how the Agency deals with applications involving parents with second families.

⁶⁶ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.19.

⁶⁷ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.19.

⁶⁸ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.38.

⁶⁹ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.38.

⁷⁰ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.41.

⁷¹ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.42.

It is disappointing that ICE continue to deal with cases that 'have highlighted numerous problems with the Agency's new computer system' creating problems for clients and staff alike.⁷²

8.3 Case migration and conversion

According to the figures presented above, there are 747,000 clients on the old system waiting to be transferred to the new - that is, migration of cases from CSCS to CS2. The majority of cases to be converted will result in lower assessments being made. This trade-off is based on the expectation that compliance rates will increase and result in more children receiving maintenance.⁷³ There has been dispute about when case migration would be completed. EDS expected this to occur by 'early 2005', the Agency stated that migration would not begin until spring 2005.⁷⁴ The latest report from the ICE reiterated that it supported the recommendation made by the DWP's Select Committee that by Easter 2005 the Agency provide a detailed strategy with 'targets for the migration and conversion of old scheme child maintenance cases to the new maintenance scheme.'⁷⁵ However, the outcome of this is unclear and a date for conversion has not been published. In the past, the majority of cases that have been migrated are those where liability has occurred since 3 March 2003 or where reactive migration has occurred (i.e., the migration of cases from the old scheme linked to applications under the new scheme). Whilst it is generally agreed that it is important to proceed with migration as soon as possible for purposes of consistency, efficiency and to stabilise the system, it has been noted that the process of reactive migration has created significant problems for these cases. It has led to the assertion by the ICE:

*'Unfortunately, in significant numbers of cases, problems have arisen in the transfer of data. Many of these cases are reported as 'stuck' and whilst the Agency attempts to sort problems out, significant delays occur...In my view, there is a clear potential for reactive migration to generate increasing numbers of complaints.'*⁷⁶

The House of Commons' Work and Pensions Select Committee also drew attention to the importance of the Agency's Public Service Agreement (PSA) to 'double the proportion of parents with care on income support and income-based jobseeker's allowance who receive child maintenance to 60 per cent by 2006' (65 per cent by 2008) and its significance for achieving the government target of reducing child poverty by a quarter by 2004/05. The migration of old cases to the new scheme was viewed as paramount to achieving this.⁷⁷ By May 2004 only 22 per cent of parents with care on income support and jobseeker's allowance were receiving maintenance.

'The PSA target on child maintenance is particularly important as it contributes towards the Government's wider child poverty strategy and the associated targets to reduce child poverty by a quarter by 2004-05

⁷² Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.40.

⁷³ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.19. House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁷⁴ Figures quoted in: The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.19. House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁷⁵ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.35.

⁷⁶ Jodi Berg Independent Case Examiner Select Committee inquiry into the performance of the Child Support Agency 15 June 2004 points 4.4 and 4.6.

⁷⁷ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.14. House of Commons Work and Pensions Select Committee, HC 44 – 1.

and to halve it by 2010. As both the DWP Annual Report and the Autumn Performance Report note, the achievement of the target is dependent upon the successful introduction of the new child support scheme (including the £10 maintenance disregard for PWCs [parent with care] receiving Income Support of Jobseeker's Allowance) and upon the conversion of old scheme cases to the new scheme. The Committee is very concerned that the CSA is a long way from reaching the PSA target by March 2006. It is essential that the Agency performance is drastically improved and old cases migrated and converted to the new scheme".⁷⁸

A further area where parents with care may be financially disadvantaged, highlighted in the ICE annual report (2004/05), concerns cross-over cases. This involves cases being assessed under the new scheme although the application was made prior to its introduction. It was noted 'there is a risk that a parent with care may be financially disadvantaged by the inappropriate delay that occurred.'⁷⁹

It is welcome that an initiative introduced by the ICE in August 2004, to ensure that 98 per cent of its recommendations were either introduced or challenged by the Agency, resulted in 94 per cent of ICE recommendations being implemented by the end of the reporting year.⁸⁰ However, it is clear that delays, poor administrative process and a failure to act decisively and publish a date for conversion impedes Agency progress and creates problems for its clients. It is of concern that the Agency does not have published service standards.

9. Conclusions

This paper has identified a range of problems experienced by the Agency and its clients. The Government recognises that problems exist within the Agency but has made it clear that currently it intends to *work with* the organisation rather than abandon it. There appears to be a will to encourage users, client representatives and campaigning groups to air their difficulties and the Agency has actively promoted the inclusion of interested groups within the discussion process. Whilst client experiences certainly need to be addressed the difficulties within the Agency are extensive and require more than cosmetic remedies. There appears to be a somewhat simplistic assessment by those responsible for the Agency that problems are of a practical nature. If the Agency fails to recognise and confront the systemic and ideological problems within child support policy it is likely that difficulties will continue.

Given the extent of problems encountered and their long duration, there is a natural scepticism that the Agency will be able to turn around in five years what it has been unable to address in the past twelve. However, there is also unease about proposals to wind up the existing Agency, not least because there are no guarantees that any replacement will be better. Additionally, the existing system does provide essential income for some families and any attempt to replace it will inevitably lead, at least initially, to chaos.

⁷⁸ The Performance of the Child Support Agency, Second Report of Session 2004-2005 Volume 1, p.14. House of Commons Work and Pensions Select Committee, HC 44 – 1.

⁷⁹ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.37.

⁸⁰ Independent Case Examiner for the Child Support Agency, Annual Report 2004/05, p.52.

The Agency has maintained that its work is to be directed towards the child's best interests, yet the new system has opted for lower maintenance assessments on the expectation that provision will be more widespread. It is yet to be seen whether this expected outcome is achievable. Of course, it is children who suffer when a policy aimed at securing provision for them fails. If the focus is on children it may be time to consider how child support policy affects them directly. In order to assess the impact of child support policy and procedure on families, more information is required from the Agency. In particular, in order to assess what is successful and what is not it would seem essential for separate data to be available on each system to assess, for example, levels of overpayment, compliance, enforcement action and arrears. The Agency has not produced data for each of the systems in operation, making evaluation impossible. Comparisons will inevitably be difficult because of the variations within the systems but this makes the availability of data on each system all the more important. Agency change will inevitably involve costs and financial commitment.

For many clients of the Agency it remains an uphill struggle to secure an adequate service. The DWP research recorded that client expectations were 'modest' and yet basic Agency practice fell short of these expectations:

*'It is disappointing to report that, for many clients, their main hope was that the CSA would function in what would be regarded as a generally efficient way. In other words, that calls would be answered, staff would get back to them if this was agreed, and they would not have to repeat information or send in the same details more than once. All too often these relatively modest aspirations were not met. Instead many clients mentioned problems getting hold of people, and getting action on their particular cases, and of having to repeat information both in writing and over the telephone.'*⁸¹

Similar issues and difficulties have been raised with respect to the previous system operated by the Agency. Equally frustrating for Agency clients is that it is only by persistence and chasing the Agency that cases are followed through and in turn that difficulties with Agency practice are revealed.⁸² Given that the Agency is now advising more clients to complain in order to progress cases⁸³ it is likely that the level of complaints to be dealt with by the Agency and concomitantly, the ICE, will increase. In particular, it would seem essential to conduct rigorous evaluation of the extent to which the systems failures are attributable to ongoing IT problems.

The Agency has committed to improve customer service and staff support and since the publication of the reports referred to in this briefing paper, has taken action to implement reforms. The Agency has a new Chief Executive and changes are to be implemented over the next five years.

It is evident that the Agency requires extensive restructuring that will inevitably involve significant financial investment. There is a need for the Agency to produce more extensive and clearer data given the ambiguity in much of the information that is currently published. In light of the Government's commitment to eradicate child

⁸¹ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.143.

⁸² Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p.146.

⁸³ Child Support Reform: The views and experiences of CSA staff and new clients DWP Research Report No 232 Adele Atkinson and Stephen McKay 2005 p. 56.

poverty it is particularly pressing that the Agency tackles the immediate problems associated with its systems, migration of cases and collection and enforcement.

It is welcome that the Agency has become self-critical, more prepared to disclose information and to participate in dialogue with client groups. However, whilst the Agency has acknowledged some of its problems and has taken steps to address these, this briefing paper has identified dissonance between the failings identified by the Agency and the breadth and depth of problems raised by other organisations, including the Select Committee, the DWP-sponsored research and the Independent Case Examiner. Questions therefore remain; these include: Is five years sufficient time to rectify the extensive problems of the Agency? How long does one give a failing institution to demonstrate its worth or failure? Is it appropriate to expect clients of the Agency to wait until it is has officially deemed to have failed, before rethinking policy options and viable alternatives?

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 extent, nature and impact of poverty; bring about positive income policy changes for families with children in poverty; and enable those eligible for benefits and tax credits to have access to their full entitlement.

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