# Withdrawn

# Estimates of the separated family population

Background information and methodology

October 2016

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## Context of the statistics

The 2012 Child Maintenance Command Paper – 'Supporting Separated Families; Securing Children's Futures'[1], set out the Government's vision for the new child maintenance system. Government policy is to encourage separated parents to make their own family-based arrangements wherever possible, and to have access to the support they need to achieve that.

This new policy approach included a programme of closure of existing Child Support Agency (CSA) cases and the establishment of a new statutory service, the Child Maintenance Service (CMS), to set up maintenance arrangements for parents who cannot make their own arrangements.

Additionally the Government introduced charging in June 2014 for applications to the CMS. Charges have been designed to encourage parents to consider alternatives to the statutory scheme and incentivise parents to implement a Family Based Arrangement (FBA).

In the Welfare Reform Act 2012, the Government committed to reviewing the impact of charging 30 months after it started. As stated in the Child Maintenance Reforms Evaluation Strategy[2], the evaluation of the reforms is due to report in December 2016. Although this milestone is only part way through the reforms, it will give an indication of how the key objectives are being met.

This publication contributes to one of the key aims of the evaluation; to evaluate the overall impact of the 2012 child maintenance reforms in wider society. This means the whole separated family population including clients of the CMS.

## Using Understanding Society survey data

The Understanding Society survey is used for measuring the whole separated family population and its composition, since DWP child maintenance statistics only record data relating to clients who use its services. Understanding Society (in combination with other data sources – see below) provides data on the numbers of separated families in Great Britain (GB), numbers of different types of child maintenance arrangements including family based arrangements (FBAs) and the numbers of children benefiting from them.

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[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/176902/strengthening-families.pdf.pdf

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387584/child-maintenance-reforms-evaluation-strategy.pdf

This analysis provides an estimate of the effectiveness of different child maintenance arrangements which are:

- Statutory – arrangements with involvement from the CMS (or the previous CSA)
- Family based – arrangements made privately between the Paying Parent (PP) and the Receiving Parent (RP)[3] and are specifically for the support of the child. They can be varied and include both financial and non-financial elements
- Court – arrangements through the court system.

## Purpose of the statistics

The statistics in this publication are the first on the separated family population that have been published in this way. They provide clarity on the separated family population data and will be of interest to policy makers across Government, special interest groups and academics. They will be used to inform the evaluation at the 30 month review of the impact of the 2012 child maintenance reforms.

This publication updates previously published work on estimating the separated family population by DWP in 2012[4] which estimated 2.5 million separated families in Great Britain. The same methodology is followed here, but Understanding Society (USoc) survey data replaces the previously used Families and Children Study which is no longer active.

## Limitations of the statistics

This analysis uses the latest available data on child maintenance from the USoc survey. Child maintenance modules are asked in alternate years starting from Wave 3 and this analysis includes Wave 3 and Wave 5 data.

**Definition of FBAs** - DWP inserted detailed questions on child maintenance in Wave 3 in 2010.   At that time the definition of "family based" arrangement was still being developed. As the questionnaire and data, from Wave 3 especially, is not completely aligned with the current definition of FBAs, the number and effectiveness of FBAs provided in this publication will not be completely robust. This has improved in later waves but there remain some limitations.

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[3] Paying Parent and Receiving Parent are terms which are now used by the Child Maintenance Service (CMS) instead of Non Resident Parent and Parent with Care which were used by the Child Support Agency (CSA)

[4]

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223122/Child_Maintenance_Population_Estimates.pdf

**Baseline for 2012 child maintenance reforms** - Wave 3 fieldwork was carried out between January 2011 and December 2012. Therefore the figures using Wave 3 can be used as a baseline population for the child maintenance reforms starting in December 2012. Wave 5 fieldwork was carried out between January 2013 and December 2014. However, as charging had not begun until the end of June 2014 any impact from the commencement of charging will not be fully seen in Wave 5 estimates. Once Wave 7 results are released in November 2017 an estimate of the impact should be possible.

**Changes concerning  the ages of children** - In current policy terms the separated family population comprises all families where the parents/legal guardians do not live together and their children are either under 16, or under 20 and in full time non-tertiary education. This includes children who live in households with a lone parent or where the parent has re-partnered. Until late 2012 the upper age limit was the 19th birthday, but was changed to bring the age limits in line with those of Child Benefit. This change applies to all the child maintenance schemes.

**Undercounting** - the child maintenance module for Wave 3 is asked of respondents when the eligible child is under 18 and the biological parent is not in the household. Government policy at the time of Wave 3 had the upper limit as being 19 (0-18). Those families with eligible children aged 18 only will be missed from the analysis as they are not captured in the survey data, and therefore there could be undercounting.

Questions in Wave 5 are if the biological/adoptive parent of the child is aged under 16 or the child aged is 16-19 in full-time education, whose other biological/adoptive parent is not currently resident in the household, and therefore is in line with current policy.

**Comparison with DWP child maintenance statistics** - A new methodology for reporting child maintenance statistics was introduced in March 2012 which changed, quite significantly, a number of the management information outputs e.g. Children Benefiting and Compliance. Therefore any comparisons of the figures in this publication with the CSA administrative data prior to March 2012 would be misleading and should be treated with caution. Only the new methodology and the latest data from the Quarterly Summary Statistics are used here.

**Measuring effectiveness of FBAs** - The effectiveness of an FBA is based on these criteria: how the arrangement is working in terms of its timeliness, proportion of payment received and how well the recipient believes the arrangement is working. For the arrangement to be considered effective, all three criteria have to be judged to be at least satisfactory.

An effective FBA is defined as, either:

1) a regular financial arrangement where at least some of the agreed amount is always/usually received on time and the parent considers it to be working very/fairly well; or

2) an ad hoc arrangement which includes a financial element (or transaction in kind e.g. school uniform) and which the parent considers it to be working very/fairly well.

Effectiveness of an arrangement can be estimated from data in Wave 3 and Wave 5 in terms of the timeliness and proportion of payment received, but there is no information on how well the respondent considers the arrangement is working. Therefore in the analysis there will be an over-count under definition 1) above, but an under-count under definition 2) as effective ad-hoc arrangements cannot be captured due to the absence of questions on how well the arrangement is working.

**Comparison with surveys** - Using USoc data to directly compare with current DWP surveys in the past and future will not be straightforward as the questions are not exactly the same. This affects how, for example, effectiveness is calculated and is something to bear in mind for other analysis using USoc. For example, comparing effectiveness measured in USoc with the DWP survey 'Effective Family-based Child Maintenance Arrangements'[5]

**Comparison with the previous measure of separated families** - When comparing this analysis it should be noted that  the previous published analysis the estimates use different sources of survey data to estimate the proportion of families with each type of maintenance arrangement. The different sources also each have slightly different questions. This may affect the results and therefore some caution should be exercised when comparing the previous and current results.

**Comparison with DWP administrative data** - USoc results, compared with CSA administrative data result in an undercount of the total reported numbers with a statutory child maintenance arrangement. The analysis in this publication follows the previous methodology in trying to account for the difference by adjusting estimates to be consistent with the CSA administrative data. In practice this means parents with statutory child maintenance arrangements increase and those with 'None' arrangement decrease.

It can be argued that this is not an accurate reflection of the situation and maybe there is a case for future methodology changes to additionally adjust the numbers of family based and court estimates as well. However, administrative data with which to compare the Court and Family-Based arrangements estimates are not available. Therefore in making these adjustments it is assumed that both the administrative data and the survey estimates are accurate.

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[5] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/542849/effective-family-based-child-maintenance-march-2016.pdf

As survey data are self-reported and subjective those responding to the survey may not be aware or remember all of the details of their circumstances, in their Child Maintenance arrangements. As with all survey results this should be taken into account as there is a degree of uncertainty to these results.

This analysis will only pick up conventional child maintenance families for example where parents have separated. In practice child maintenance can be paid to others for example grandparents with care.

## Comparisons between the statistics

The ONS publish their Families and Households statistics which shows trends in living arrangements including families (with and without dependent children), people living alone and people in shared accommodation, broken down by size and type of household. It contains population information on lone parent families with or without dependent children.

Although to note this is not directly comparable, as only looks at lone parent families.

http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2015-11-05

## Source of the statistics

This analysis is produced using a combination of three data sources. These are;

1) Waves 3 and Wave 5 of Understanding Society – The UK Longitudinal Household Study

https://www.understandingsociety.ac.uk/

2) DWP Child Support Agency Quarterly Summary of Statistics June 2016 (published Aug 2016)

https://www.gov.uk/government/statistics/child-support-agency-quarterly-summary-of-statistics-june-2016

The admin data being used to obtain the CSA live caseload and compliant cases is for June 2012 which has been taken from the latest Quarterly Summary Statistics March (published Aug 2016). This is for consistency with the timeframe of the USoc data.

3) ONS Labour Force Survey - Lone Parent and step families with dependent children and children eligible for child maintenance

https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/adhocs/005452loneparentandstepfamilieswithdependentchildrenandchildreneligibleforchildmaintenance

# Definitions and terminology within the statistics

**Steps to producing figures**:

- USoc data is used to obtain the proportions of those households that could have an arrangement, do have an arrangement and which type they have.
- A hierarchy is applied to the proportions to make sure that there is only one arrangement type specified where there are multiple arrangements.
- The proportion of each family type is then applied to the LFS estimate of the separated household population.
- The population is then converted from a household to a separated family, where the separated family is a receiving parent, a paying parent and their qualifying children. CSA administrative data shows that for every 1,000 receiving parent there are 1,070 child maintenance cases. A factor of 1.070 derived from this information is used to convert the USoc estimate from a household to a separated family. This accounts for those families where there are more complex family types i.e. where the receiving parent will have children by more than one paying parent.
- When comparing the survey data to administrative data there is an undercount of statutory arrangements. So the figures are adjusted to the published administrative data statistics and the 'none' category is decreased until the overall total is reached.

## FBAs

The definition of FBAs promoted in government policy is fairly broad covering non-financial agreements such as childcare and in-kind payments, as well as regular financial payments. The current policy definition is not captured exactly in Understanding Society where the terminology in the survey is different from government policy in that a family based arrangement is called a 'private' arrangement.

In subsequent years DWP have worked with the USoc data providers to try and align the study with current DWP policy on child maintenance. This is a work in progress and although now more comparable, we must use the earlier USoc data on child maintenance, as used in this analysis, with the appropriate caution and caveats.

## Types of FBA

Current DWP policy defines FBAs as either 'Financial FBAs' or 'Ad-hoc FBAs'. The following elements can be included in the definition of an FBA and be used to define the nature of the FBA:

- Regular payments, at a set level to support the child/ren.
- Payments not always regular, specifically for the support of the child/ren.

- Non-financial contributions, specifically for the support of child/ren, like clothes or childcare.
- Both parents look after the child/ren.
- Other financial support.
- Other non-financial support.
- Another type of support.

'Financial FBAs' are those with regular payments, at a set level to support children. They can also include any/none of the rest of the options. The important part is that there is a regular financial contribution.

'Ad hoc FBAs' are those which have any number of the support options except a regular financial contribution at a set level.

The above definitions apply to all FBAs whether they are effective or not.

Although the definition of a FBA is not completely comparable in both Waves, there are additional questions that do ask about these other types of care by the paying parent (PP).

These questions together with the primary question on the occurrence of a private arrangement have been used to count FBAs. A reasonable definition of an FBA can be derived by counting the family as having an FBA either if they have declared one as a regular private payment <u>or</u> if they report that the PP contributes through in-kind assistance or by paying for specific items such as school trips. This is a reasonable way to define an FBA for our needs.

**Financial part of FBA**

The financial part of the FBA definition is captured by the USoc data by asking the respondent if they have a private agreement which says that they should receive regular private payments from a previous partner either on behalf of themselves, their children or both.

For this analysis respondents are included where they have answered that they receive support for their children only, or that receive support for themselves and their children. It may be that including parents that also benefit the RP as well as the child over states the benefit to the child. However, excluding these would result in a population undercount as we would be missing those families where this is the only type of arrangement.

**Non-Financial part of FBA**

The non-financial part of the definition from USoc is a combination of two variables from the data, each with different constituents of in-kind assistance. Following discussion with policy colleagues on the point that our analysis is very broad, we decided to include all constituents of both variables in our analysis.

**Hierarchy**

Parents with child maintenance arrangements often have multiple arrangements. Following the previous methodology a hierarchy of arrangements is used to assign one type of arrangement in cases of multiple arrangements. The previous publication used the hierarchy of CSA, Court and FBA. There has been a change to the order of the hierarchy used in the previous publication. This is now in the order of Effective FBA, CSA, Court, Ineffective FBA, None. This is better aligned with current statistics produced on Child Maintenance Options and counts of effective arrangements[6].

The proportions of families found from USoc with each type of arrangement and the proportion with no arrangement are then applied to the estimated number of households containing separated families in the UK.

In the previous publication this estimate was derived from the Labour Force Survey (LFS) for Q2 2011, by identifying households where there was a lone parent, or a step parent-child relationship.

This publication follows the previous publication's methodology and obtained data from ONS from the reweighted LFS survey for households where there is either a lone parent or a couple where a step relationship between a parent and one dependent child is reported.

As Wave 3 fieldwork for USoc took place between January 2011 and December 2012, to be consistent with these timings data has been obtained from LFS from the quarter April-June 2012.

Following this, for Wave 5 LFS data from Apr-Jun 2014 has been used.


**Adjustment to account for multiple family types**

Following the previous publication, administrative data has been used to derive a measure of cases per RP. This factor then used to scale up the households to account for different types of families. For instance some RPs will have multiple children by multiple NRPs. This was obtained from CSA administrative data and it showed for every 1,000 parents there are 1,070 child maintenance cases. This gives the results at separated family level where a separated family is defined as one Receiving Parent (RP), one Paying Parent (PP) and any children they have between them.

There is also the possibility of using USoc data to obtain the adjustment factor for complex families. The previous publication uses the LFS to obtain the number of households with separated families. It does not cover the possibility of one household having multiple RPs. The adjustment made is for those separated families where the RP has multiple PPs only and has been replicated in this analysis. Looking at the

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[6] https://www.gov.uk/government/statistics/effective-family-based-child-maintenance-arrangements-preliminary-estimates-march-2016

USoc data the ratio of the number of households containing separated families to the number of individual separated families is 100 to116 (as compared to current admin data 100 to 107). This adjustment takes account of parents with care having multiple NRPs <u>and</u> the fact that some households contain multiple RPs.

There is a case for using this analysis of USoc to provide an alternative adjustment to the admin data.  The results are very sensitive to this adjustment to whether this is used in place of the administrative data needs consideration. At present we are using the admin data adjustment as before but this could be reviewed.


**Effective child maintenance arrangements**

An effective FBA is defined above.

Wave 3 and Wave 5 USoc data do not include all the information required to measure effectiveness according to definition, as it does not ask about how 'well' the respondent feels the arrangement is working. Some information of whether money is flowing in the arrangement can be obtained as it there are questions on regularity of payment and how much of the financial arrangement the respondent is receiving.

The percentage of effective FBA (and Court arrangements) is based on the timeliness and proportion of financial support the receiving parent has indicated and is based on:

- Whether when thinking about the payment they should receive they have answered that they receive all of it or most of it; and
- Whether these payments that they receive are always on time, usually on time, more often on time than late

As Waves 3 and 5 do not include measurement of how 'well' the FBA is working there will therefore be an over count of effectiveness here. Wave 7 does include a measurement on how well the arrangement is working so going forward this should not be a problem.

There will be undercounting of the effectiveness of financial FBAs as there is not inclusion of both financial and ad-hoc arrangements. How well the arrangement is working is not captured and even if ad-hoc FBAs could be defined separately effectiveness cannot be measured.

Effectiveness for CSA Statistics is taken from administrative data, and is measured as the proportion of cases that have a positive outcome, from all those that have a positive liability for child maintenance. Positive liability cases are those which have been assessed to have a current liability and those with a positive outcome are those where there is payment towards that liability

**Future developments**

This analysis uses the data in a cross sectional manner by taking the populations for Wave 3 and Wave 5 and comparing the different populations at that time period. The USoc data is a longitudinal data set and it would be very useful to look at the data and the flows between Waves. For example, how family situations are changing between Waves and whether families are changing their arrangement types in between Waves could be analysed.

USoc data also holds other related information which could be looked at, for example;

- More specific child maintenance payment data such as the amount or proportion of arrangement they are supposed to receive and the amount they have actually received
- Period of time the arrangement covers
- Various demographic information
- Income information covering household and individual levels
- Family relationships

The above could potentially be incorporated into future analysis.

## Status of the statistics

These statistics are badged as "Experimental" because the methodology is still being developed further. We hope that releasing these statistics will encourage discussion which will enable us to finalise a more stable methodology.

## Quality Statement

These statistics are new official statistics undergoing evaluation. They have, therefore, been designated as Experimental Statistics. Users are invited to comment on the development and relevance of these statistics at this stage.

# Feedback

## We welcome feedback

Tell us your views on this publication by emailing [sarah.metcalf@dwp.gsi.gov.uk](mailto:sarah.metcalf@dwp.gsi.gov.uk)

# Useful links

This document, the statistics release and supporting tables can be found here:

[https://www.gov.uk/government/statistics/estimates-of-the-separated-family-population-to-december-2014](https://www.gov.uk/government/statistics/estimates-of-the-separated-family-population-to-december-2014)