

## Child Maintenance: Improving the collection and transfer of payments

Public consultation

	Glossary of terms			
Child Maintenance Service (CMS)	Administrative body for the child maintenance scheme launched in 2012.			
Child Support Agency (CSA)	Administrative body for the 1993 and 2003 schemes of child maintenance.			
Family-based arrangement	A private child maintenance arrangement which has no state involvement.			
Paying parent	The parent who does not have main day-to-day care of the qualifying children and is responsible for the payment of child maintenance. Otherwise known as the non-resident parent.			
Receiving parent	The parent who has main day-to-day care of the qualifying children and should receive child maintenance. Otherwise known as the person with care.			

#### **Ministerial Foreword**

Child maintenance provides a vital service for separated families, and it is rooted in the fundamental principle that parents have a responsibility to support their children.

Through both private (family-based) and Child Maintenance Service (CMS) arrangements, it is estimated receiving parents in separated families received £2.8 billion annually in child maintenance payments between 2021 and 2023. These payments keep around 160,000 children out of poverty each year.

Over the past year, we have made a range of important improvements to the CMS to ensure children receive the maintenance payments they need.

I was very pleased to introduce regulations to remove the £20 application fee so that the poorest families are not deterred from accessing the CMS. In addition, we have published our response to the consultation on administrative liability orders to implement the measures brought forward in the Child Support (Enforcement) Act 2023, which will transform the way the CMS uses its tougher enforcement action against persistently non-compliant parents. All this is aimed at ensuring that more children, especially those most in need, receive more maintenance and get a better start in life as a result.

But more remains to be done. Many parents choose to make their own family-based arrangements without state support, and I believe this continues to be the best outcome for families and children so I want to ensure that the system is doing all it can to encourage parents to make, and sustain, these arrangements. For those who cannot make their own arrangement, the CMS must continue to be a safety-net.

The Direct Pay service was introduced to encourage parents to work together, and reduce the reliance on the CMS, where parents could manage the payments themselves. While there are Direct Pay arrangements that work well, evidence shows that many Direct Pay arrangements are not working as they were intended to. I want to tackle this to ensure that we get maintenance to children as swiftly and efficiently as possible and to encourage those parents who can to make their own family-based arrangements.

Domestic abuse is a particularly serious issue. The government supported the Child Support Collection (Domestic Abuse) Act which received Royal Assent in June 2023. The Act brought forward legislative changes to allow victims and survivors of domestic abuse to avoid further contact with their abuser through quicker access to the Collect and Pay service. This was one of the recommendations from Dr Samantha Callan's independent review into how the CMS supports victims and survivors of domestic abuse which I was pleased to publish last year.

The Act recognised that Direct Pay may not always appropriately support victims and survivors of domestic abuse. Combatting domestic abuse is vital, and something I feel passionate about. While that Act is one step in securing this objective, it remains a complex area and we have looked critically at the Direct Pay service and acknowledge there are wider fundamental issues with Direct Pay that need to be addressed.

I feel very strongly that we must provide a more accessible and easier to use service for all parents who use the CMS.

Through the consultation, I want to ensure government understands public views on potential changes to how the CMS collects and transfers maintenance payments, including removing the Direct Pay service. I also want to use this opportunity to consider how the CMS can be improved to better encourage parents to make their own arrangements and improve our support for victims and survivors of domestic abuse.

## **Executive Summary**

The government believes the majority of parents want to do the right thing and support their children.

Where they are appropriate, maintenance arrangements made privately, without state intervention, should be the default option for separated families. These arrangements can be characterised by more amicable relationships between parents than those with a statutory arrangement or no arrangement. Where these arrangements are not possible, i.e., where parents cannot agree, an efficient and effective statutory maintenance service continues to be needed.

With the right support, government believes that more parents will be able to make their own arrangements. This consultation seeks views on what further support we can provide to separated parents to help them make family-based arrangements. This includes a proposal for better signposting to conflict resolution tools and an enhanced calculation tool.

For customers within the statutory service, this consultation sets out how the Child Maintenance Service (CMS) can improve the collection and transfer of maintenance payments to ensure better outcomes for children and that parents are appropriately supported when using the service.

This includes a proposal to remove the Direct Pay service and manage all CMS cases in one streamlined service. There are three main areas of concern with Direct Pay which this consultation seeks to address: the extent to which it has not encouraged parents to move to family-based arrangements; hidden non-compliance with maintenance payments; and how it supports victims and survivors of domestic abuse. Moving to one streamlined service should allow the CMS to tackle non-compliance faster and, when necessary, take enforcement action more quickly.

We are also seeking views on a new fee structure to better incentivise the right behaviours. This would involve a small administrative fee of 2% in the single streamlined service for receiving parents and compliant paying parents but maintaining the higher 20% fee for non-compliant paying parents to ensure there remains a strong deterrent to avoidance.

Alongside these proposals, government wants to go further and build on the independent review conducted by Dr Callan to better support victims of domestic abuse and this consultation is therefore also seeking views on how we can better support this group.

This consultation is a positive step towards creating a better CMS that supports, further protects, and improves the lives of separated families and children across Great Britain.

## Introduction

Child maintenance is underpinned by the long-held principle that all parents should provide for their children. This helps to improve outcomes for children and build the strong, stable families that are important to all communities. In the financial year ending 2023 there were approximately 2.4 million separated families in Great Britain.<sup>1</sup>

Child maintenance arrangements can make a real difference to children in separated families. Through both private (family-based) and CMS arrangements, it is estimated that receiving parents in separated families received £2.8 billion annually in child maintenance payments between 2021 and 2023. Child maintenance payments keep around 160,000 children out of absolute poverty each year.<sup>2</sup>

#### **Background**

The current CMS was introduced in 2012 to improve child outcomes and to deliver a fundamentally different system that encourages parents to consider all their child maintenance options and to work together where possible. The Improving Lives: Helping Workless Families Study notes how good relationships and cooperation between separated parents are beneficial for their children across a range of outcomes.<sup>3</sup> The Survey of Separated Parents shows how parents with better relationships are more likely to have arrangements they are satisfied with, most often a family-based arrangement.<sup>4</sup> Consequently, where it is safe and appropriate, supporting parental cooperation, including to make a family-based arrangement, is likely to be associated with better child outcomes.

We know that not all separated parents can make their own arrangement, and for some it isn't appropriate or safe to do so. The CMS is designed to be an efficient and effective statutory scheme for those parents that need it.

When parents decide an application to the CMS is the most suitable option, their case is currently managed on one of two service types: **Direct Pay** or **Collect and Pay**.

#### Government action to date

#### Broader reform

<sup>1</sup> Department for Work and Pensions, 21 March 2024, <u>Separated families statistics: April 2014 to March 2023 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>2</sup> A household is said to be in absolute poverty if their equivalised income is below 60% of the median household income, adjusted for inflation, for the financial year ending 2011. If a household's income is equivalised, it means that it has been adjusted for household size and composition to make it comparable with other household incomes. For comparative purposes, poverty measures are estimated before and after taking housing costs into account. This figure relates to the absolute, after housing costs measure of low-income.

<sup>&</sup>lt;sup>3</sup> Department for Work and Pensions, April 2017, <u>Improving lives: helping workless families</u> (publishing service gov.uk)

<sup>&</sup>lt;sup>4</sup> Ipsos MORI on behalf for Department for Work and Pensions, July 2022, <u>Survey of Separated Parents - GOV.UK (www.gov.uk)</u>

Child maintenance makes a real difference to the life chances of many thousands of children. Earlier this year, government removed the £20 application fee for the CMS to ensure no child misses out on this vital support.

Government understands that the majority of parents want to do the right thing and contribute towards the upbringing of their children. However, there are a minority of parents who fail to meet their responsibilities and avoid paying what they owe. This is why the CMS has a range of enforcement powers that are designed to get money flowing quickly. These powers include the ability to deduct money directly from earnings, benefits, and bank accounts. For parents who persistently avoid paying, the CMS has the power to force the sale of a property, confiscate driving licences or passports and where necessary, commit the individual to prison.<sup>5</sup>

In the year to December 2023, the CMS has collected £4.7 million from paying parents with a court-based enforcement action in process and has reduced uncollected maintenance as a percentage of overall maintenance liability over the life of the CMS from 17% in March 2015 to 8%.

To further improve our enforcement powers, government will introduce new legislation which will speed up enforcement action by enabling the CMS to use an administrative liability order to recover unpaid child maintenance instead of having to apply to the courts.

This change will help reduce the time it takes to obtain a liability order, from around 22 weeks to as little as six to eight weeks – and ensure that further action such as forced sale of property or disqualification from driving can be considered much sooner.

#### Tackling domestic abuse

Tackling domestic abuse is a government priority. We recognise the impact that financial and economic abuse can have on victims and survivors. For the first time in history, economic abuse is now recognised in law as part of the statutory definition of domestic abuse included in the Domestic Abuse Act 2021. There are a number of initiatives across government including the Tackling Domestic Abuse Plan, which committed further funding to support improving the response to economic abuse.

Government welcomed the independent review of the ways in which the CMS supports victims of domestic abuse, which was published in January 2023 and conducted by Dr Samantha Callan, a leading expert on domestic abuse.

A domestic abuse plan has been developed by the CMS which outlines key steps for caseworkers to follow. The CMS has also reviewed its domestic abuse training and commenced a trial of a single, named caseworker team to help ensure victims and survivors of domestic abuse are appropriately supported.

<sup>&</sup>lt;sup>5</sup> Northern Ireland does not have the power to confiscate a parent's passport, <u>Legal action Child Maintenance</u> <u>Service can take | nidirect</u>

<sup>&</sup>lt;sup>6</sup> Department for Work and Pensions, 26 March 2024, <u>Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)</u>

The CMS is currently consulting with a range of external organisations, including specialist domestic abuse services and charities to help it enhance and modernise its learning to incorporate the broadest and most up to date information about dealing with victims and survivors of abuse.

Government also supported the Child Support Collection (Domestic Abuse) Act (2023), which intended to provide victims of domestic abuse greater protection when using the CMS. The Act recognised that Direct Pay may not always be appropriate for victims and survivors of domestic abuse.

#### Modernisation

Over the past year, government has made significant improvements to the service. Despite an increase in demand (there was a 7% increase in applications in the year to December 2023 compared to the year to December 2022), compliance on the Collect and Pay service increased from 65% in the quarter ending December 2022 to 68% in the quarter ending December 2023.<sup>7</sup>

DWP is undergoing a transformation to modernise its services. This includes work to re-design our customer service model to better support customers, resolving issues quicker and improving customer experience by organising more efficiently.

Within the CMS, this includes allowing functions to be completed online (rather than requiring parents to contact caseworkers directly) and covers elements of the service from understanding options around child maintenance arrangements, completing applications, and managing cases. These online services are available 24/7. We are also continuing to improve the communications with customers including greater use of SMS and email, as well as improving letter content. To improve the efficiency of the service, changes have been made to process simple actions automatically whilst improving training and guidance for CMS colleagues.

#### Reviewing the calculation

Alongside action to modernise the service, increase ease of access, streamline enforcement, and better support victims and survivors of domestic abuse, government is undertaking a fundamental review of the child maintenance calculation. This review will examine the affordability of maintenance calculations, impacts on child outcomes, family relations, parental responsibility, complexity, and interactions with other policies. Government has been engaging with external stakeholders over the past 6 months on this important area. Over the coming months we will combine stakeholder views with internal analysis and international research to formulate options for calculation reforms.

We want to ensure that CMS calculations are reflective of all income a paying parent receives to ensure they are fair and accurate. We already have powers to include unearned income when either parent makes an application for a variation, and we are looking at ways to improve this process.

<sup>&</sup>lt;sup>7</sup> Department for Work and Pensions, 26 March 2024, <u>Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)</u>

#### This consultation

This consultation will look more fundamentally at how we deliver the main objectives of the CMS, and the role that government should play to ensure that no child misses out on this vital support. This consultation will explore changes in four broad areas.

Chapter 1 will seek views on what further support the CMS can provide to help parents make **family-based arrangements** in safe circumstances and how the CMS can work along with other family services to reduce conflict. Chapter 2 covers how the CMS can **improve its service types** and explores a proposal to remove the Direct Pay service completely. Chapter 3 seeks views on how we can ensure **fees** incentivise engagement and compliance within the service and chapter 4 covers how we can better support **victims and survivors of domestic abuse** who need to use the CMS.

#### Who this consultation is aimed at

This consultation is open to the public. We would be particularly interested to hear from organisations representing separated families and children, as well as individuals who have used the CMS, those who have accessed other family support, such as mediation and those who have separated but not sought any support.

#### Purpose of the consultation

The purpose of the consultation is to gain a greater understanding of views on potential changes to Direct Pay, collection fees, and how the CMS supports victims and survivors of domestic abuse and how we can better encourage family-based arrangements.

#### Scope of consultation

This consultation applies to England, Wales, Scotland, and Northern Ireland. Please note the statistics used in the consultation are Great Britain wide only. Please see the Department for Communities website for the latest Northern Ireland Child Maintenance Statistics.<sup>8</sup>

#### **Duration of the consultation**

The consultation period began on 8<sup>th</sup> May 2024 and has been extended to 30<sup>th</sup> September 2024.

## How to respond to this consultation

Please record your consultation responses online at <a href="https://forms.office.com/e/1Q1tqvemUU">https://forms.office.com/e/1Q1tqvemUU</a> or send your consultation responses to:

Email: cm.consultation@dwp.gov.uk

<sup>&</sup>lt;sup>8</sup> Northern Ireland Child Maintenance Service Statistics: Data to December 2023 | Department for Communities (communities-ni.gov.uk)

or

DWP Consultation Coordinator, Second Floor Caxton House Tothill Street London SW1H 9NA

# Chapter 1: Family-Based arrangements

In this chapter, we seek views on:

- Working together to support separated families
   How we can ensure that parents have easy access to resources, guidance, and support to help separating families agree on child support arrangements.
- Supporting private arrangements through online tools
  What further online initiatives and targeted interventions are needed for separated parents to support them into making effective family-based arrangements through accessible online tools.

Family-based (sometimes known as 'private') arrangements, where appropriate, can produce the best outcomes for parents and children, as they can be adapted and tailored to the needs of families as their circumstances change over time. They can include a range of support, which can be financial, non-financial or a combination of both. Family-based arrangements can also include certain aspects which are not considered in statutory CMS arrangements, such as non-overnight care of a child.

The CMS aims to encourage separated parents to make these arrangements, in safe circumstances, as these can be better for children if characterised by good relationships and cooperation between separated parents.<sup>9</sup>

Research has shown that in child maintenance arrangements, once basic needs for clarity and security have been met, many parents want to work towards increased collaboration with their co-parent. This was often seen as the key advantage of a family-based arrangement which was likely to be of benefit to their children.<sup>10</sup>

The 2021 Survey of Separated Parents showed that separated families with family-based arrangements were characterised by more amicable relationships between parents than those with a statutory arrangement or no arrangement. Of parents with low levels of conflict, 75% had arranged their financial support privately, compared to

<sup>&</sup>lt;sup>9</sup> Department for Work and Pensions, April 2017, <u>Improving lives: helping workless families</u> (publishing.service.gov.uk)

<sup>&</sup>lt;sup>10</sup> GfK NOP on behalf of the Department for Work and Pensions, August 2015, Long-term separated parents: developing support to encourage child maintenance arrangements (publishing.service.gov.uk)

52% of parents with high conflict.<sup>11</sup> Further qualitative research, exploring the barriers and experiences of long-term separated parents, found that relationship quality is a key factor driving parents' capacity to build and sustain a private arrangement.<sup>12</sup>

Since government introduced the child maintenance reforms in 2012, the estimated proportion of separated families with family-based arrangements has increased: it was estimated that 29% of separated parents had family-based arrangements in 2011-12<sup>13</sup>; however, in the financial year ending 2023 this was estimated to be 39% of separated families. We know that family-based arrangements are not always possible or safe, so the statutory child maintenance scheme is available if a family-based arrangement is not appropriate. Parents may choose to use the CMS for several reasons, including to ensure the other parent takes responsibility for their children and to help decide the amount that should be paid.

#### **Get Help Arranging Child Maintenance**

To help parents make an informed choice about their child maintenance arrangement, government introduced the 'Get Help Arranging Child Maintenance' service in 2021/22. This service is available online and provides free, unbiased information about the different types of maintenance options available, including family-based arrangements, with advice on how to set these up. The service also includes signposting to Gov.uk, Citizen's Advice and Gingerbread for further information on making a family-based arrangement.

At the end of the process, parents can choose to make their own arrangement or make an application to the CMS. Since 2021/22, applications to the CMS have been increasing. In the year to December 2023 there were 130,000 new applications to the CMS, an increase of 7% from 120,000 in the year to December 2022. There are likely to have been multiple factors contributing to the increase in applications to the CMS, but the online service is designed to be convenient and support people into the most suitable arrangements for their circumstances.

#### Online child maintenance calculator

The online calculator helps parents work out an amount to pay for their children using the CMS calculation formula. The online calculator was reported as one of the most used support services for separated families in the 2021 Survey of Separated Parents, with around 40% of both receiving parents and paying parents having used the calculator. A majority of these users reported that they found the calculator useful. However, we recognise it can be difficult for parents to use this if they do

<sup>14</sup> Department for Work and Pensions, 21 March 2024, <u>Separated families statistics: April 2014 to March 2023 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>11</sup> Ipsos MORI on behalf of Department for Work and Pensions, July 2022, <u>Survey of separated parents</u> (<u>publishing.service.gov.uk</u>)

<sup>&</sup>lt;sup>12</sup> GfK NOP on behalf of the Department for Work and Pensions, August 2015, <u>Long-term separated parents:</u> developing support to encourage child maintenance arrangements (publishing.service.gov.uk)

<sup>&</sup>lt;sup>13</sup> National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

<sup>&</sup>lt;sup>15</sup> Department for Work and Pensions, 26 March 2024, <u>Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>16</sup> Ipsos MORI on behalf of Department for Work and Pensions, July 2022, <u>Survey of separated parents</u> (<u>publishing.service.gov.uk</u>)

not know the paying parent's income information, which is required to get an estimate of maintenance amounts.

**Question 1:** Do you think the current CMS initiatives described above (Get Help Arranging Child Maintenance and the current online calculator), help parents to make effective family-based arrangements?

- Yes
- No
- Don't know

**Question 2:** Please could you explain your answer?

**Question 3:** How could Get Help Arranging Child Maintenance be improved?

#### **Enhanced online calculation tool**

We are proposing to enhance the online calculation tool whereby the CMS would provide an indicative maintenance calculation using CMS rules and based on a paying parent's financial circumstances. As stated above, currently parents must know the income information of the paying parent to use the online calculator. In this proposed enhanced calculation tool, information about financial circumstances would be gathered by CMS from already verified income data held by government (for example, HMRC data) and would be used to calculate an accurate maintenance amount. Evidence from the Direct Pay Survey showed that 24% of parents surveyed have difficulties talking about money and that this was a barrier to having a private arrangement.<sup>17</sup>

This information would be provided to parents to help them set up their own private arrangement. It would provide assurance that the amount is reasonable and calculated in line with what they would be expected to pay via the statutory scheme. However, there would be no ongoing case management by the CMS and the making of payments, the frequency of those payments, and whether the support provided by the paying parent took an entirely monetary form or mixed payments with other support, would be up to the parents themselves to arrange.

Alongside this, the CMS would provide advice to guide parents to reach a private agreement in the best interests of their children, with no ongoing involvement from the CMS.

**Question 4:** Government is considering introducing a service which provides a full maintenance calculation using verified income data held by government (for example HMRC data). Would you find this useful?

- Yes
- No
- Don't know

<sup>&</sup>lt;sup>17</sup> Ipsos Mori on behalf of the Department for Work and Pensions, 14 July 2022, <u>Direct Pay research 2017 to 2019 - GOV.UK (www.gov.uk)</u>

**Question 5:** Please could you explain your answer?

**Question 6:** What else could CMS do to improve the online calculator?

#### Wider initiatives for family-based support

Some of the initiatives listed below are examples of support available in England. However, we will continue to work with our devolved partners to ensure broad equivalence of provision across Great Britian for all CMS customers, and also for customers of the child maintenance system in Northern Ireland.

#### **Reducing Parental Conflict programme**

DWP, through the Reducing Parental Conflict (RPC) programme, has been central to putting the issue of parental conflict into the spotlight and made funding and support available, centrally and at the local level, to address conflict and thereby improve children's lives. Up to £77m since 2017 has been allocated to this programme, with £33 million for the current phase of the RPC programme, running throughout 2022-2025, and £21m is available in direct funding to Local Authorities in England.

The RPC programme funds parental conflict interventions, training, and co-ordination within Local Authorities, providing the capacity to identify and tackle parental conflict. Throughout, the programme has delivered significant evidence that has enabled the consideration of relationship support within early help strategies. This has included one of the largest assessments of parental conflict interventions, published by the department in August 2023, which has shown their sustained positive improvements in interparental relationships and the mental health of participants' children.<sup>18</sup>

We have worked closely across departments to integrate RPC into other significant family programmes, such as the Supporting Families Programme and Family Hubs. We continue this close working, for example working with DfE on the 'Families First for Children' pathfinders to streamline the Local Authority experience of working with a range of central government programmes.

#### **Co-parenting programmes**

There are two main programmes – delivered by the Children and Family Court Advisory and Support Service – across England and Wales that are designed to support separating parents to focus on the best interests of their children and coparent more effectively. The Planning Together for Children course (England) and Working Together for Children (Wales) programmes aim to help parents understand the impact of separation and parental conflict on children and encourage parents to take steps for themselves, including developing agreements without court intervention.

The Planning Together for Children course replaces the Separated Parents Information Programme and follows a hybrid model where parents complete an

<sup>&</sup>lt;sup>18</sup> Department for Work and Pensions, August 2023, <u>Reducing Parental Conflict programme 2018 to 2022: an evaluation of the effects of interventions - GOV.UK (www.gov.uk)</u>

online course followed by a facilitated group workshop. To note, these programmes are only available to families who are in family court proceedings.

In Scotland, a range of parenting programmes are delivered through Local Authorities. The Scottish Government provides online resources and information on separation, including the creation of parenting plans.

#### **Family Hubs**

Family Hubs are 'one stop shops' that make it easier for families with children aged 0-19 (25 for SEND) to get the support they need. They bring together a range of services in order to improve access to support. This includes existing support for separating parents and reducing parental conflict. Family Hubs are being developed in 88 upper-tier local authorities in England.

#### **Supporting Early Resolution in Private Family Law**

Government published its response to the consultation on supporting early resolution in private family law in January. This response sets out our end-to-end vision for the private family law system, informed by the consultation responses and the feedback from stakeholder engagement events. The package of reforms we have developed will help families resolve their private family law disputes earlier and without court involvement, where appropriate. This includes an announcement of a pilot to test the impact of providing funded early legal advice to people with a child arrangements dispute, and expansion of the ground-breaking Pathfinder pilot model. It also commits to improving domestic abuse screening and training for mediators and increasing access to parenting programmes.

**Question 7:** What are your views on the accessibility of support available to separated parents to help them maintain family-based-arrangements outside of the CMS? For example: mediation, co-parenting, and relationship programmes.

**Question 8:** What more could be done to help parents make effective family-based arrangements, where appropriate?

It was always our intention to offer services which effectively encourage parents to make their own arrangement when it is safe to do so. To do this, we are committed to exploring better tools to support separated families, including improving online tools to provide more impartial information and advice. We want to improve the information that is available to parents, to help them to make well-informed decisions about the options available to them, and we recognise that parents often face a challenge knowing where to go for information.

We would like to reiterate, that for those where domestic abuse or safety is a factor, a private arrangement may be dangerous, and it is our intention that parents will always be able to use the CMS where they need to.

In the qualitative Long Term Separated Parents research, published in 2015, parents reported that family-based arrangements could be subject to vulnerable periods as relationships fluctuated, and that support would be needed to resolve conflicts in

order for such an arrangement to work most effectively. Preventative mediation to avoid disputes was thought to be more effective than trying to address conflict after it had become entrenched.<sup>19</sup> We are exploring how we offer targeted interventions for parents to help them work together to make and sustain their own arrangement, and which allow parents to come to an agreement on a child maintenance arrangement that is most effective for them and their children.

Furthermore, we know that parents' needs and relationships can change over time. The above research shows that some parents may have several phases of arrangements and may move between private and statutory arrangements following separation. This government wants to ensure parents get the right support on their journey to maximise the benefit to their children and minimise the conflict between them.

For some parents who currently use the CMS, it may be that the support of the statutory scheme is no longer required, especially where parents are able to establish good relations or trust has been built through having a successful arrangement within the CMS. We want to empower and support parents with long term, compliant arrangements who have a reasonable relationship, to move out of the statutory scheme and try to operate their own arrangement. We would like to make improvements in how we support this process, and as part of that are exploring better mechanisms for facilitating it effectively.

#### Identifying potential for collaboration

To support parents to make their own, family-based arrangements, we first need to identify for whom these arrangements will be most appropriate. Currently, we cannot identify compliance trends in Direct Pay as payments are not tracked – we have outlined a proposal to monitor and transfer all payments in the next section in this document.

Monitoring and transferring all payments would enable the CMS to identify cases that have strong positive characteristics and could be suitable for moving from a CMS arrangement to a family-based arrangement. These characteristics would likely include, amongst other factors, payments made in full and on time over a long period of time, and those cases that require limited intervention from the CMS. Upon identifying suitable cases, we could then consider which targeted interventions would be most appropriate to encourage parents to consider whether a family-based arrangement would be suitable.

#### Relationship interventions before and during application

While the CMS provides tools to support parents to make family-based arrangements through its online tools and the calculator, there are some parents where there is a lack of the trust required to be able to reach an agreement. Therefore, we are currently exploring the promotion of RPC support, and the benefits of family-based arrangements, to new CMS customers (where it is safe and

<sup>&</sup>lt;sup>19</sup> GfK NOP on behalf of the Department for Work and Pensions, August 2015, <u>Long-term separated parents:</u> <u>developing support to encourage child maintenance arrangements (publishing.service.gov.uk)</u>

appropriate), both before and during the application process to support better outcomes for parents and children.

**Question 9:** Are you in favour of CMS signposting and where possible embedding support to parents to resolve conflict, where appropriate?

- Yes
- No
- Don't know

Question 10: Please could you explain your answer?

## Chapter 2: Service Types

In this chapter, we seek views on:

- How the CMS operates different service types
   How Direct Pay and Collect and Pay are currently operating and whether we should remove Direct Pay and consolidate the CMS into one service type where all maintenance payments are monitored and transferred by the CMS.
- Transitional and notice period
   How CMS should transfer current cases into the proposed new service.

The CMS operates two service types: Direct Pay and Collect and Pay. In Direct Pay cases, the CMS provides a maintenance calculation and issues a payment schedule, but the payments are arranged privately between the receiving parent and the paying parent. In Collect and Pay, the CMS collects the maintenance from the paying parent and transfers it to the receiving parent.

Direct Pay was designed to encourage collaboration and to act as a steppingstone towards a family-based arrangement as it allows parents to manage payments themselves but with support from the CMS. This is why the majority of parents must try Direct Pay first and their CMS case will only be placed onto Collect and Pay if both parents agree or if the paying parent does not pay voluntarily via Direct Pay. Collect and Pay tends to manage the most difficult cases where many require the CMS to intervene to transfer payments, including using its enforcement powers where necessary.

At the end of December 2023 there were approximately 700,000 CMS arrangements, 61% of which were on Direct Pay.<sup>20</sup>

Since Direct Pay was introduced, the CMS has made a number of improvements to how the service operates. The importance of full and on-time maintenance payments is emphasised in all cases and the CMS will notify parents at the start of every case, and at each annual review, what to do if their arrangement breaks down.

The CMS also sends SMS messages to all receiving parents using the Direct Pay service to remind them to contact the CMS if their maintenance arrangement is not working. My Child Maintenance Case, which is a parent's online service account with the CMS, will also remind parents to check their bank account for receipt of direct payments and encourages digital reporting of any missed payments.

If a Direct Pay arrangement breaks down, the case will be moved to Collect and Pay where the CMS collects the money from the paying parent and transfers it to the receiving parent. Further enforcement action can also be taken if parents continue to fail to pay.

<sup>&</sup>lt;sup>20</sup> Department for Work and Pensions, 26 March 2024, <u>Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)</u>

**Question 11:** What are your views on how Direct Pay and Collect and Pay currently operate?

Despite the improvements we've made, evidence suggests that many Direct Pay arrangements are not working as they were intended to. In research carried out on Direct Pay between 2017 and 2019, around half of receiving parents who had received a Direct Pay calculation 13 months earlier reported that their Direct Pay arrangement was either ineffective or not sustained.<sup>21</sup>

As stated above, the majority of parents must try and use Direct Pay first. Of new applications from December 2022 to December 2023 that were assigned to either Direct Pay or Collect and Pay, around 89% started in Direct Pay. However, many subsequently moved to Collect and Pay, resulting in 61% of arrangements using Direct Pay in the quarter ending in December 2023, while 37% used Collect and Pay. This can result in delays in payments flowing and is administratively burdensome.

We believe there are three further fundamental issues with Direct Pay arrangements: (1) their ability to encourage family-based arrangements (2) hidden non-compliance on Direct Pay, and (3) how they support victims and survivors of domestic abuse.

Direct Pay was designed to encourage collaboration and to act as a steppingstone towards a family-based arrangement, however, there is little evidence that this is happening in practice. The 2016 survey of Direct Pay customers found that around 41% of receiving parents who received a Direct Pay calculation three months earlier reported having no relationship at all with the paying parent and 27% reported having an unfriendly relationship. The survey also found that 61% of users had previously attempted a family-based arrangement that did not work and the most commonly cited reason for choosing Direct Pay over a family-based arrangement was that receiving parents believed the paying parent was more likely to pay if the CMS was involved (71%). <sup>23</sup>

#### Non-compliance in Direct Pay

There are issues with non-compliant cases on Direct Pay. Evidence suggests that parents can be reluctant to report missed payments on Direct Pay and instigate enforcement action due to the impact it could have on their relationship with the paying parent.<sup>24</sup> The 30-month review of charging also showed that some parents with ineffective arrangements were not informing the CMS but the survey findings

<sup>&</sup>lt;sup>21</sup> Ipsos MORI on behalf of Department for Work and Pensions, 14 July 2022, <u>Direct Pay research 2017 to 2019 -</u> GOV.UK (www.gov.uk)

<sup>&</sup>lt;sup>22</sup> Department for Work and Pensions, 26 March 2024, <u>Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>23</sup> National Centre for Social Research on behalf of the Department for Work and Pensions, December 2016, Survey of Child Maintenance Service Direct Pay Clients - DWP Report 931 (publishing.service.gov.uk) Note that this evidence could somewhat overstate the poor state of relationships among direct pay customers generally as it captures a group who had only had a calculation 3 months earlier. A proportion of these would move to a Collect & Pay arrangement in subsequent months. But the evidence is still broadly indicative of relationships between parents who use the CMS, the majority of whom use the direct pay service.

<sup>24</sup> Gingerbread, March 2019, Direct Pay child maintenance: innovation or failure? (barrowcadbury.org.uk); National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

were not clear about the reasons for this.<sup>25</sup> Receiving parents in Direct Pay who had not moved to Collect and Pay following issues with missed payments, most often attributed this to a perceived unwillingness on the part of the paying parent to pay.<sup>26</sup> This may suggest a barrier in terms of encouraging receiving parents to report non-payment.

Delays in reporting missed payments contribute to delays in cases being moved to Collect and Pay and a build-up of arrears. On average paying parents moving onto Collect and Pay in the quarter ending September 2021 brought £1,100 of debt from Direct Pay.<sup>27</sup> This was more than five times the average monthly maintenance on Direct Pay, and it was noted that the actual debt could be even higher as the estimate could be affected by the limits on the amount of unpaid maintenance transferred to Collect and Pay.

Many new applicants to Direct Pay and parents without any child maintenance arrangement have said they would like support enforcing payments. In Direct Pay research, around two in five receiving parents would have preferred a Collect and Pay arrangement. Those who indicated that they would have preferred to start on a Collect and Pay arrangement were much less likely to have an effective Direct Pay arrangement. Research also indicates that many parents who do not have child maintenance arrangements but would like one, feel they need more support than is provided in Direct Pay to maintain an effective arrangement. The Survey of Separated Parents found that the most common support needs were for a service that helped ensure payments were made by paying parents (31%) and stronger enforcement or consequences if an arrangement was not upheld (25%).<sup>29</sup> This suggests that many currently in Direct Pay as well as others outside of the CMS could benefit from the CMS offering greater support to monitor and transfer payments.

#### **Domestic abuse**

Receiving parents who are less likely to be happy with the decision to try Direct Pay tend to include those with a poor relationship with the paying parent, including those who had no contact with them at all and those who are experiencing, or have experienced domestic abuse.<sup>30</sup>

The Child Support Collection (Domestic Abuse) Act 2023 recognised that Direct Pay was not appropriate for victims and survivors of domestic abuse and intended to provide them greater protection when using the CMS by allowing them to access Collect and Pay where there is evidence of domestic abuse.

<sup>&</sup>lt;sup>25</sup> Department for Work and Pensions, August 2017, Child Maintenance Reforms (publishing.service.gov.uk)

<sup>&</sup>lt;sup>26</sup> Ipsos MORI on behalf of Department for Work and Pensions, 14 July 2022, <u>Direct Pay research 2017 to 2019 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>27</sup> National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

<sup>&</sup>lt;sup>28</sup> Ipsos MORI on behalf of Department for Work and Pensions, 14 July 2022, <u>Direct Pay research 2017 to 2019 - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>29</sup> Ipsos MORI on behalf of the Department for Work and Pensions, July 2022, <u>Survey of separated parents</u> (publishing.service.gov.uk)

<sup>&</sup>lt;sup>30</sup>Ipsos MORI on behalf of Department for Work and Pensions, 14 July 2022, <u>Direct Pay research 2017 to 2019 - GOV.UK (www.gov.uk)</u>

The Act was an important measure and laid the foundation for looking critically at Direct Pay. As this work has developed, we now want to go further than the measures set out in the Act. We know that many victims and survivors of domestic abuse will not be able to provide evidence, and for the cases where evidence is available, it could be traumatic for victims and survivors to discuss. Where evidence could be provided, the CMS would need to verify this with the appropriate bodies, which could lead to delays in payments flowing.

We are, therefore, considering removing the Direct Pay service completely, and managing all cases in a service similar to what is currently the Collect and Pay service, where the CMS monitors and transfers maintenance payments.

Under this proposal, parents who use Direct Pay would either be offered the choice to leave the CMS and setup a private family-based arrangement or move over to 'Collect and Pay' and all parents who use Collect and Pay would remain in that service.

This would mean parents who currently use Collect and Pay would experience the same type of service as they already do, whereas parents who currently use Direct Pay would experience a different service as the CMS would be monitoring and transferring their payments. We believe this is the right approach for parents who use the CMS. As all payments would flow via CMS systems, we would be able to automatically identify any missed, late, or partial payments, and immediately take action to re-establish compliance. Where a paying parent refused to comply, we would be able to take appropriate enforcement action much more quickly as there would be no need to manually move the case to Collect and Pay or calculate the outstanding debt.

We anticipate this could lead to an overall improvement in compliance among cases managed by the CMS as we would be able to act on non-payment that is currently hidden in Direct Pay. This could help increase the transfer of money to children and potentially lift more children out of poverty. We would also be able to identify cases that would be suitable for a family-based arrangement and also reduce the ability for perpetrators of domestic abuse to inflict economic control and coercion through withholding child maintenance payments.

Please note that in this scenario, we are exploring maintaining a small fee applied to everyone within the service for the use of the CMS. Fees are covered in Chapter 3.

**Question 12:** Are you in favour of consolidating the CMS into one service that monitors and transfers all maintenance payments?

- Yes
- No
- Don't know

**Question 13:** Please could you explain your answer? Please consider the effect of monitoring payments on compliance in your response, the effect on parents making their own arrangements and the effect on parents who choose not to have an

arrangement in place. Please refrain from discussing fees in your response, as this topic will be addressed in the following section.

If we were to remove the Direct Pay service, we know careful consideration will need to be given to how existing cases might move into the new service. We recognise the magnitude of this change for parents who currently use Direct Pay and we want to provide assurances that the CMS would handle this process extremely carefully. We propose implementing a sufficient transitional and notice period to allow the service to move cases with as little disruption to parents as possible and to give parents adequate opportunity to consider the future of their CMS case. The CMS would give parents a notice period to decide whether they wanted to remain in the CMS or leave. We would send digital communications throughout the notice period to clearly set out the upcoming change and what parents would be required to do as well as reminders.

**Question 14:** Do you agree there should be a notice period for parents who use Direct Pay before moving to a new service?

- Yes
- No
- Don't know

**Question 15:** What do you think would be a sufficient amount of time for parents currently using Direct Pay to make a decision about the future of their CMS case?

- 3 months or less
- 6 months
- 1 year
- Don't know

## Chapter 3: Fees

In this chapter, we seek views on:

- How collection fees underpin the CMS Views on collection fees and the impact of proposals to reduce, but maintain, fees.
- Fees for non-compliance What are people's views on the paying parent non-compliance fee.

The current Collect and Pay service, operated by the CMS, incurs collection fees for both parents. Fees were introduced in 2014 and were designed to encourage compliance. Fees were also intended to contribute to the running cost of the CMS, to reduce the burden on the taxpayer. Income received from collection fees annually has been around £45m-£50m in recent years.<sup>31</sup>

Within Collect and Pay, receiving parents currently pay a 4% fee. This fee acknowledges the costs associated with maintaining the case and it provides a financial incentive for parents to consider having a Direct Pay case, where appropriate. The fee is deducted from maintenance payments. Paying parents currently pay a 20% fee.

For example, if the liability was £100, a paying parent would pay £120 (£100 liability and £20 fee) and the receiving parent would receive £96.

Research findings from the 30-month review of charging, published in 2017, show that collection fees have an impact on decision-making surrounding maintenance arrangements, with roughly half of parents stating it influenced them to try Direct Pay first. However, on-going fees did not affect decisions around maintenance arrangements in isolation. Parents were also influenced by their past experience of trying to set up an arrangement, their relationship with the other parent and CMS rules requiring most parents to try Direct Pay first, unless they can show the paying parent is unlikely to pay.<sup>32</sup>

The review also showed that some parents were not switching over to Collect and Pay despite their Direct Pay arrangement being ineffective, however, it was not clear whether this was due to the fees and/or other reasons.<sup>33</sup>

Question 16: What are your views on the current fee rates for receiving and paying parents in Collect and Pay?

Fees were never intended to be a financial barrier for parents, and we have recently introduced regulations to remove the £20 application fee to apply to the CMS.34

<sup>&</sup>lt;sup>31</sup> Can be derived: from Department for Work and Pensions, 26 March 2024, Child Maintenance Service statistics: data to December 2023 - GOV.UK (www.gov.uk)

32 Department for Work and Pensions, August 2017, Child Maintenance Reforms (publishing.service.gov.uk)

<sup>&</sup>lt;sup>33</sup> Department for Work and Pensions, August 2017, Child Maintenance Reforms (publishing.service.gov.uk)

<sup>34</sup> The £20 application fee was introduced in 2012, however it was never made applicable to Northern Ireland.

The application fee was introduced as a behavioural driver, providing an incentive for separated parents to make collaborative family-based arrangements to facilitate better outcomes for children.

We have outlined that we are considering consolidating the CMS into one service type where all maintenance payments are monitored and transferred through the CMS. This would mean all cases would be managed in what is currently Collect and Pay, enabling the CMS to automatically identify any missed payments and immediately take action to re-establish compliance and get money flowing to children.

To underpin this more streamlined approach, we are considering how the new fee structure will operate.

#### Fees for receiving parents and compliant paying parents

We believe a small administration fee of 2% for both receiving parents and compliant paying parents is appropriate for the new service the CMS is offering – this is a substantial reduction from the fees that receiving parents and compliant paying parents currently pay in Collect and Pay. The CMS will be taking more action through monitoring and transferring maintenance payments which will increase the cost of the service due to identifying and acting on more non-compliance. Therefore, we feel it is fair to the taxpayer if parents contribute a small amount towards the cost of running this service, as they currently do in Collect and Pay. Importantly, as is currently the case, the fees would only be payable from the money that is actually collected and transferred by the service.

Research highlighted in previous sections of this document suggests that many parents who use Direct Pay have previously attempted a family-based arrangement which did not work, and the most common reason for engaging the CMS was that receiving parents believed the paying parent was more likely to pay if the CMS was involved.

We also recognise that family-based arrangements are not always appropriate, particularly for victims and survivors of domestic abuse. During the passage of the Child Support Collection (Domestic Abuse) Act we committed to looking at the charging structure for the use of Collect and Pay. As stated previously in this document, as we have explored the evidence requirements for parents to demonstrate that domestic abuse is a factor in their case and therefore eligible for an exemption to fees, it has become increasingly clear that this will be extremely difficult. For cases where evidence may be available, there is likely to be significant manual effort for the CMS and other bodies to verify this evidence, which could lead to delays for parents and for transferring maintenance.

We therefore feel a fairer option could be for all parents to be subject to the same, lower, level of fees and contribute towards the costs of running the CMS.

If paying parents are compliant with their maintenance payments and there are no other reasons why a family-based arrangement would be inappropriate, the CMS will do everything it can to support those parents to move out of the statutory scheme.

Earlier sections of this consultation around encouraging family-based arrangements, will help to understand what support and interventions might empower parents to work better together and move away from intervention of the CMS.

The proposed fee structure would mean, for example, if the liability was £100, compliant paying parents would pay £102, and receiving parents would receive £98 (£2 deducted from the maintenance liability).

Below is a table to show what receiving parents may be receiving now and what they could receive in the new service. Please note in these scenarios the paying parent is paying for one qualifying child and has no shared care agreement in place.

Table 1 – Illustrative impacts of fee proposals<sup>35</sup>

Paying parent Annual Income	Maintenance currently paid and received in Direct Pay (no fees)	Maintenance currently received in Collect and Pay (4% fee)	Consultation proposal: paying parent weekly liability (2% fee)	Consultation proposal: maintenance to the receiving parent (2% fee)
£15000	£34.52	£33.14	£35.21	£33.83
£25000	£57.53	£55.23	£58.68	£56.38
£35000	£80.55	£77.33	£82.16	£78.94

As this table shows, CMS cases which are currently in Collect and Pay will receive around 2% more maintenance and cases which are currently compliant in Direct Pay will receive 2% less maintenance. However, on balance, receiving parents who are most in need of the service, should be better off in the new service than they are in Direct Pay. The previous section highlighted that on average, paying parents moving over from Direct Pay to Collect and Pay brought an average of £1,100 in arrears in the quarter ending September 2021 which is maintenance that should have been paid to the receiving parent.<sup>36</sup> In the new service, all payments would flow via CMS systems and therefore, we would be able to automatically identify these missed payments and immediately take action to re-establish compliance. This should reduce arrears building up and get money to children more quickly.

**Question 17:** Are you in favour of a 2% fee for receiving parents and a 2% fee for compliant paying parents under a scheme where the CMS monitors and transfers all maintenance payments?

- No

<sup>-</sup> Yes

<sup>&</sup>lt;sup>35</sup> The table shows impacts of fee proposals on weekly payments and receipts of receiving parents and compliant paying parents in the CMS.

<sup>&</sup>lt;sup>36</sup> National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

#### - Don't know

Question 18: Please could you explain your answer?

#### Non-compliant paying parents

The CMS believes that strong deterrents are needed to encourage compliance, especially where paying parents continuously refuse to pay.

We are therefore proposing to maintain a 20% fee for non-compliant paying parents who do not pay their maintenance liability in full and on time. The paying parent fee for non-compliance was set higher than the receiving parent fee as paying parents have more control on whether they make maintenance payments.

We believe this remains the right approach as we know that some paying parents deliberately avoid paying maintenance, meaning the CMS has to take enforcement action, so a significant deterrent is needed to encourage paying parents to be compliant and to offset a small amount of the cost to the taxpayer for the handling of non-compliant cases.

This would mean, in the new service we are proposing, if the liability was £100, paying parents would pay £102 if they are compliant and £120 if they are non-compliant. Receiving parents would receive £98.

**Question 19:** Do you agree that the CMS should maintain a 20% fee for non-compliant paying parents?

- Yes
- No
- Don't know

#### **Question 20:** Please could you explain your answer?

Government is aware of concerns related to the affordability of child maintenance payments<sup>37</sup> and evidence suggests that paying parents cite issues with affordability as a reason for non-payment. Around two-thirds (68%) of paying parents on Collect and Pay, who are paying less than they should, said that the maintenance payments required were unaffordable.<sup>38</sup> As noted in the introduction, Government is conducting a calculation review which will examine the affordability of maintenance calculations, impacts on child outcomes, family relations, parental responsibility, complexity, and interactions with other policies.

Many paying parents on the CMS caseload are in receipt of Universal Credit. In the quarter ending December 2023, there were around 643,000 paying parents on our caseload, approximately 29% were on Universal Credit. <sup>39</sup>

<sup>&</sup>lt;sup>37</sup> National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

<sup>&</sup>lt;sup>38</sup> National Audit Office, 3 March 2022, Child maintenance (nao.org.uk)

<sup>&</sup>lt;sup>39</sup> Department for Work and Pensions, [n.d.], CMS Paying Parents Dataset - December 2023, <u>Stat-Xplore - Table View (dwp.gov.uk)</u>

We are, therefore, exploring exempting those paying by deduction from benefit in the new service from the non-compliance fee of 20%.

**Question 21:** Are you in favour of the CMS exempting those paying by deduction from benefit from non-compliance fees?

- Yes
- No
- Don't know

Question 22: Please could you explain your answer?

**Question 23:** As stated above, government is considering a fee structure of 2% for compliant paying parents, 20% for non-compliant paying parents and exempting those paying via a deduction from benefit order from the non-compliance fee. Do you agree that these proposals will encourage more paying parents to pay their maintenance?

- Yes
- No
- Don't know

Question 24: Please could you explain your answer?

Government is clear that this is about getting long-term sustainable arrangements for the benefit of the children involved. Family-based arrangements are free, tend to be more flexible than CMS arrangements and can adapt over time to parents' individual circumstances. For some parents, a family-based arrangement may not be safe or appropriate, and where that is the case, the CMS will continue to facilitate their arrangement. For others, a CMS case may be a steppingstone or temporary solution as they navigate the challenges of co-parenting and learn to work better together.

## Chapter 4: Domestic Abuse

In this chapter, we seek views on:

How the CMS operates for victims and survivors of domestic abuse What further support could the CMS offer for victims and survivors of domestic abuse.

Government takes the issue of domestic abuse extremely seriously and recognises that domestic abuse often continues and can worsen after separation, which can have detrimental impacts on the welfare of children.<sup>40</sup>

The CMS has procedures in place to ensure victims and survivors of domestic abuse can use its services safely. Of 29,000 new applications to the CMS in the quarter ending December 2023, 56% of applications were exempt from the application fee, largely on the grounds of domestic abuse.<sup>41</sup>

The CMS recognises that domestic abuse can take many forms including physical, emotional, or financial abuse, violent or threatening behaviour and coercive control and has procedures in place to ensure domestic abuse cases are handled appropriately.

For parents using the Direct Pay service, the CMS can act as an intermediary to facilitate the exchange of bank details to help ensure there is no unwanted contact between parents and can provide information on how to set up bank accounts with a centralised sort code, which reduces the risk of a parent's location being traced. CMS caseworkers will also signpost, where needed, to suitable domestic abuse organisations, if domestic abuse is raised or suspected.

Question 25: Do you think CMS domestic abuse procedures help support victims and survivors of domestic abuse when using the CMS?

- Yes
- No
- Don't know

Question 26: Please could you explain your answer?

In 2021, DWP commissioned an independent review of the ways in which the CMS supports victims of domestic abuse. As part of the review, victims and survivors, the Domestic Abuse Commissioner and charities reported that post-separation abuse can be facilitated by abusers taking advantage of the child maintenance system. An example of this is the deliberate withholding of payments and/or the making of erratic payments as a means of continuing post-separation coercion and control.<sup>42</sup> The

<sup>&</sup>lt;sup>40</sup> Dr Samantha Callan, 3 February 2023, Independent review of the Child Maintenance Service (CMS) response to domestic abuse (publishing.service.gov.uk)

41 Department for Work and Pensions, 26 March 2024, Child Maintenance Service statistics: data to December

<sup>2023 -</sup> GOV.UK (www.gov.uk)

42 Dr Samantha Callan, 3 February 2023, Independent review of the Child Maintenance Service (CMS) response

to domestic abuse (publishing.service.gov.uk)

review also found that paying parents are likely to report coercive and controlling behaviour from the receiving parent in regard to access to children.<sup>43</sup>

We have welcomed the chance to learn lessons and take practical steps to help separated parents who have experienced abuse, to set up safe maintenance arrangements. The Government accepted 8 of the 10 recommendations made in the review and we have already made good progress on implementing them.

All CMS staff receive mandatory domestic abuse support training, which has been updated following a recommendation made in the independent review. This included working closely with officials in the Home Office to review their updated statutory guidance on coercive and controlling behaviour to ensure CMS staff are equipped to recognise this form of domestic abuse and signpost parents appropriately.

We have also commenced a pilot of using a single, named caseworker as the main contact point for a customer to improve our service in domestic abuse cases. We are exploring the effectiveness of the pilot to inform next steps. We are continuing to engage with a range of stakeholders to seek insight and invite feedback on CMS domestic abuse training.

The review recommended the removal of the requirement to report domestic abuse to qualify for the application fee waiver – we have taken this a step further by removing the application fee entirely.

**Question 27:** What are your views on the single, named caseworker for victims and survivors of domestic abuse?

Government supported the Child Support Collection (Domestic Abuse) Act, which received Royal Assent in June 2023. The Act recognised that Direct Pay may not always be appropriate for victims and survivors of domestic abuse and aimed to allow automatic access to Collect and Pay where there is evidence of domestic abuse. As stated previously in this document, we are now exploring the removal of the Direct Pay service completely, which would impact all victims and survivors of domestic abuse and not just those who are able to provide evidence. However, we recognise that financial and economic abuse can be a complex issue, and, following extensive engagement with stakeholders, we are eager to explore how the CMS can be improved further to support parents who are a victim of it.

**Question 28**: Do you agree removing Direct Pay completely would benefit victims and survivors of domestic abuse who use the CMS?

- Yes
- No
- Don't know

Question 29: Please could you explain your answer?

<sup>&</sup>lt;sup>43</sup> Dr Samantha Callan, 3 February 2023, <u>Independent review of the Child Maintenance Service (CMS) response to domestic abuse - GOV.UK (www.gov.uk)</u>

**Question 30:** Assuming the CMS did manage the collection and transfer of all maintenance payments, what further support would you like to see the CMS offer to victims and survivors of domestic abuse?

We want to be clear that we recognise both receiving and paying parents can experience domestic abuse and we would like to explore how we can ensure issues of domestic abuse suffered by paying parents are dealt with appropriately in the CMS.

**Question 31:** How do you think we could improve the CMS for victims and survivors of domestic abuse who are receiving parents?

**Question 32:** How do you think we could improve the CMS for victims and survivors of domestic abuse who are paying parents?

**Question 33:** What do you think the barriers are to accessing the CMS for victims and survivors of domestic abuse?

## **Questions**

We would welcome responses to the following questions set out in this consultation paper.

**Question 1:** Do you think the current CMS initiatives (Get Help Arranging Child Maintenance and the current online calculator), help parents to make effective family-based arrangements?

- Yes
- No
- Don't know

**Question 2:** Please could you explain your answer?

**Question 3:** How could Get Help Arranging Child Maintenance be improved?

**Question 4:** Government is considering introducing a service which provides a full maintenance calculation using verified income data held by government (for example HMRC data). Would you find this useful?

- Yes
- No
- Don't know

Question 5: Please could you explain your answer?

**Question 6:** What else could CMS do to improve the online calculator?

**Question 7:** What are your views on the accessibility of support available to separated parents to help them maintain family-based-arrangements outside of the CMS? For example: mediation, co-parenting, and relationship programmes.

**Question 8:** What more could be done to help parents make effective family-based arrangements, where appropriate?

**Question 9:** Are you in favour of CMS signposting and where possible embedding support to parents to resolve conflict, where appropriate?

- Yes
- No
- Don't know

**Question 10:** Please could you provide reasons for your answer?

**Question 11:** What are your views on how Direct Pay and Collect and Pay currently operate?

**Question 12:** Are you in favour of consolidating the CMS into one service that monitors and transfers all maintenance payments?

- Yes
- No
- Don't know

**Question 13:** Please could you explain your answer? Please consider the effect of monitoring payments on compliance in your response, the effect on parents making their own arrangements and the effect on parents who choose not to have an arrangement in place. Please refrain from discussing fees in your response, as this topic will be addressed in the following section.

**Question 14:** Do you agree there should be a notice period for parents who use Direct Pay before moving to a new service?

- Yes
- No
- Don't know

**Question 15:** What do you think would be a sufficient amount of time for parents currently using Direct Pay to make a decision about the future of their CMS case?

- 3 months or less
- 6 months
- 1 year
- Don't know

**Question 16:** What are your views on the current fee rates for receiving and paying parents in Collect and Pay?

**Question 17:** Are you in favour of a 2% fee for receiving parents and a 2% fee for compliant paying parents under a scheme where the CMS monitors and transfers all maintenance payments?

- Yes
- No
- Don't know

**Question 18:** Please could you explain your answer?

**Question 19:** Do you agree that the CMS should maintain a 20% fee for non-compliant paying parents?

- Yes
- No
- Don't know

Question 20: Please could you explain your answer?

**Question 21:** Are you in favour of the CMS exempting those paying by deduction from benefit from non-compliance fees?

- Yes
- No
- Don't know

Question 22: Please could you explain your answer?

**Question 23:** Government is considering a fee structure of 2% for compliant paying parents, 20% for non-compliant paying parents and exempting those paying via a deduction from benefit order from the non-compliance fee. Do you agree that these proposals will encourage more paying parents to pay their maintenance?

- Yes
- No
- Don't know

Question 24: Please could you explain your answer?

**Question 25**: Do you think CMS domestic abuse procedures help support victims and survivors of domestic abuse when using the CMS?

- Yes
- No
- Don't know

**Question 26:** Please could you explain your answer?

**Question 27:** What are your views on the single, named caseworker for victims and survivors of domestic abuse?

**Question 28**: Do you agree removing Direct Pay completely would benefit victims and survivors of domestic abuse who use the CMS?

- Yes
- No
- Don't know

**Question 29:** Please could you explain your answer?

**Question 30:** Assuming the CMS did manage the collection and transfer of all maintenance payments, what further support would you like to see the CMS offer to victims and survivors of domestic abuse?

**Question 31:** How do you think we could improve the CMS for victims and survivors of domestic abuse who are receiving parents?

**Question 32:** How do you think we could improve the CMS for victims and survivors of domestic abuse who are paying parents?

**Question 33:** What do you think the barriers are to accessing the CMS for victims and survivors of domestic abuse?

#### Government response

We will aim to publish the government response to the consultation on the GOV.UK website. Where consultation is linked to a statutory instrument, responses should be published before or at the same time as the instrument is laid.

The report will summarise the responses.

## How we consult

#### **Consultation principles**

This consultation is being conducted in line with the revised <u>Cabinet Office</u> <u>consultation principles</u> published in January 2016. These principles give clear guidance to government departments on conducting consultations.

### Feedback on the consultation process

We value your feedback on how well we consult. If you have any comments about the consultation process (as opposed to comments about the issues which are the subject of the consultation), including if you feel that the consultation does not adhere to the values expressed in the consultation principles or that the process could be improved, please address them to:

**DWP Consultation Coordinator** 

Second Floor

Caxton House

**Tothill Street** 

London

SW1H 9NA

Email: <a href="mailto:caxtonhouse.legislation@dwp.gsi.gov.uk">caxtonhouse.legislation@dwp.gsi.gov.uk</a>

#### Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.

To find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact the Central Freedom of Information Team. Email: <a href="mailto:freedom-of-information-request@dwp.gsi.gov.uk">freedom-of-information-request@dwp.gsi.gov.uk</a>

The Central FoI team cannot advise on specific consultation exercises, only on Freedom of Information issues. Read more information about the <u>Freedom of Information Act</u>.