



Business plan
2009/10

Contents

Foreword by the Commissioner	2
Introduction	4
Promoting child maintenance and financial responsibility	10
Providing information and support	11
The existing statutory maintenance service	13
Collection and enforcement	14
Targets and resources	15
Corporate governance in the Commission	17
How to contact the Commission	19

Foreword by the Commissioner

In February 2006, the Government announced a twin-track approach to the reform of child maintenance: a three-year Operational Improvement Plan to stabilise the performance of the Child Support Agency (CSA), alongside a longer-term redesign of the child maintenance system.

The Commission has embarked on a significant journey of change with the primary objective of maximising effective child maintenance arrangements across the 2.6 million separated families that exist in Great Britain of which, current estimates suggest, less than half have arrangements in place.

In its first year of operation the Commission has already introduced a number of early improvements to the child maintenance system, including:

- removing the compulsion for parents with care in receipt of out-of-work benefits to use the statutory maintenance service;
- providing more help for those parents on benefits through an increased child maintenance disregard;
- launching the new Child Maintenance Options service to inform, guide and support parents in making and keeping appropriate maintenance arrangements; and
- taking over responsibility for the CSA and successfully delivering the Operational Improvement Plan.

March 2009 saw the successful conclusion of the CSA's Operational Improvement Plan. The CSA is now providing a significantly improved service for clients on the statutory schemes, collecting and arranging over £1,130m

of maintenance, to the benefit of nearly 780,000 children in just under 600,000 separated families. This is up from less than £800m for around 560,000 children in just over 400,000 families in the year before the plan was announced.

The longer-term review resulted in the Child Maintenance and Other Payments Act 2008 and the creation of the Child Maintenance and Enforcement Commission in July 2008, charged with taking responsibility for the CSA and delivering the second phase of reform; the fundamental redesign of the child maintenance system.

This plan outlines the Commission's vision, objectives, work programmes and targets for 2009/10.

As a non-departmental public body, operating at arm's length from direct government control, the Commission has the flexibility to work with the public, voluntary and private sectors to deliver its aims. It has engaged with stakeholders to shape its vision: 'Supporting separated families; securing children's futures', and to develop the new Child Maintenance Options service, so that it delivers the information and support that separated parents need to put in place effective maintenance arrangements.

Over a million parents do not currently fulfil their responsibilities to maintain their children financially. By promoting financial

responsibility, offering new services, and increasing the value of child maintenance to low income families by breaking the historical links between child maintenance and the benefits system, the Commission will help separated families to make effective child maintenance arrangements, and help them navigate the complex range of issues they face. For those parents who cannot, or choose not to, make effective private arrangements, the Commission will provide an increasingly efficient statutory maintenance service with enhanced enforcement, to take more effective action at the earliest opportunity.

The Commission is embarking on a challenging journey of change to transform child maintenance in Great Britain. This involves changes to attitudes and behaviours as well as providing a more effective and efficient statutory service where it is needed, and it will take several years to achieve. This plan sets out what we will do in the next year to begin the journey.

Introduction

Currently, more than a million parents in Great Britain do not fulfil their responsibilities to maintain their children financially. This can have damaging effects on children's lives.

The Child Maintenance and Enforcement Commission was established in July 2008 to provide a new system of child maintenance to address this problem. The Commission has already introduced early reforms to begin disconnecting child maintenance from the benefits system and to provide a new information and support service for separating and separated parents to make informed decisions about which arrangements are most suited to their individual circumstances.

This plan sets out how the Commission will continue to transform the system of child maintenance in Great Britain throughout 2009/10.

The Commission's vision

The Commission wants to create a future where parents who live apart from their children should expect, want and be able to make effective maintenance arrangements for their children. The Commission's vision is to support separated families in understanding the range of child maintenance options available and to help them navigate the issues they face in putting effective arrangements in place; therefore, in establishing an effective arrangement, the Commission can help to secure children's futures by facilitating the financial support that they need.

Most people agree with the principle that when parents separate they have an ongoing responsibility to maintain their children financially, but it is estimated that less than half of all children living with one parent in Great Britain benefit from an effective maintenance arrangement.

'Supporting separated families; securing children's futures.'

The Child Maintenance and Enforcement Commission

Established under the Child Maintenance and Other Payments Act 2008, the Commission is a new non-departmental public body responsible for the child maintenance system in Great Britain. Its primary objective is to ensure that the maximum number of children who live apart from one or both parents benefit from an effective maintenance arrangement – be that through a private maintenance arrangement or a statutory one.

To meet this primary objective the Commission will, through its three core functions:

1. promote financial responsibility;
2. inform parents about the different options available, guide them to the most appropriate for them and support them in making private arrangements; and
3. provide an efficient statutory maintenance service, with effective enforcement.

This is very different from the CSA, which has only one function: providing the statutory maintenance service. The Commission is seeking to ensure that *all* parents who live apart put in place an effective arrangement to maintain their children, whether privately, through the courts or through the statutory service.

As it is for parents to decide which type of arrangement suits them best, the Commission will launch new services – and continue to develop existing services – to inform, guide and support parents in choosing between the available options:

- Making their own private arrangement for child maintenance.
- Asking the courts to make a Consent Order (or a Minute of Agreement in Scotland) for child maintenance, usually as part of a divorce settlement.
- Applying to the statutory maintenance service to make an arrangement for them.

The timeline for change

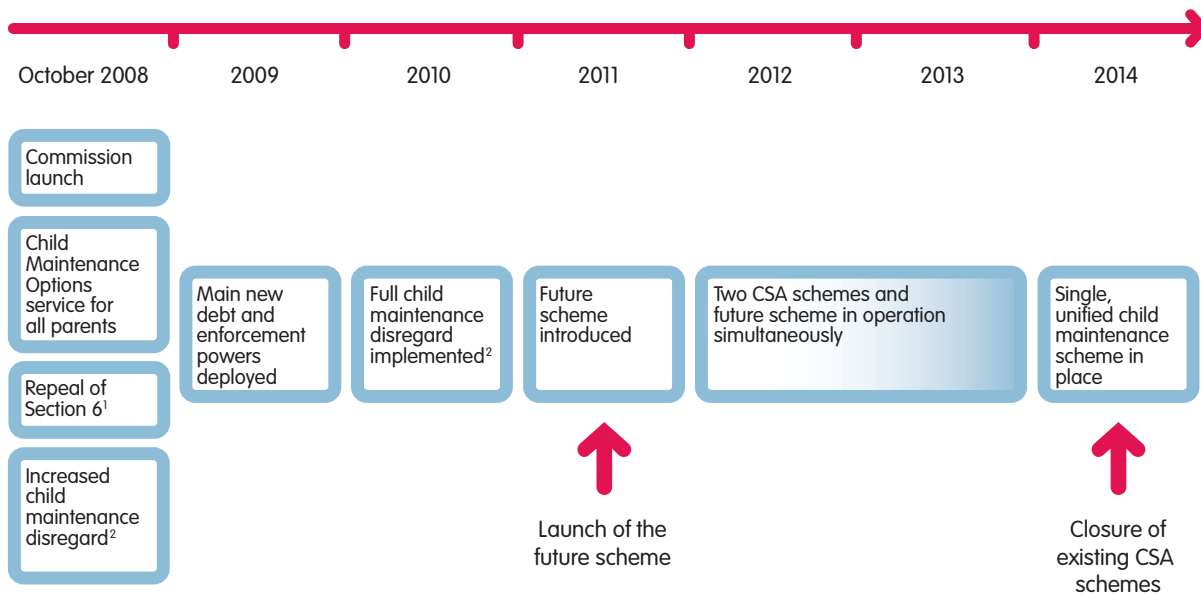
The Commission is now embarking on the second year of its journey to reform child maintenance across Great Britain. Over the next five years, the Commission will deliver changes to the system set out in the 2008 Act; changes that are designed to achieve its primary objective of maximising effective arrangements.

In 2008/09 the new organisation was established and began putting in place the infrastructure to deliver its core functions and new services. The Commission has removed the compulsion for those parents on out-of-work benefits to apply to the CSA and has launched a new information and support service (Child Maintenance Options) to support separated, separating and lone parents in making informed choices about maintenance arrangements. The increased child maintenance disregard now means that parents with care on benefits who choose to use the statutory scheme keep more of their child maintenance before their benefits are affected.

The Commission also took responsibility for the CSA and successfully completing the Operational Improvement Plan.

In 2009/10, the Commission will launch programmes to promote child maintenance and financial responsibility; further develop the information and support available through the Child Maintenance Options service; and begin to use new enforcement powers to ensure that more parents meet their financial responsibilities.

Timeline for change



In April 2010, full child maintenance disregard will take effect allowing parents to keep all of the money paid in child maintenance and mark the end of any connection between child maintenance and the benefits system.

The Commission is developing a future scheme for calculating child maintenance that will be introduced in 2011. By 2014 it will have established arrangements on this scheme for all parents who have chosen to use the statutory service.

The Commission's primary objective

The overall aim for the Commission is to maximise the number of children benefitting from effective maintenance arrangements.

- An effective private maintenance arrangement exists where both parents have agreed the form of the arrangement and are complying with it.

- An effective statutory maintenance arrangement exists where the calculation under the scheme rules has produced an amount payable and this amount is being paid consistently.

As current estimates suggest that less than half of the 2.6 million separated families in Great Britain currently have effective arrangements in place, the scale of the challenge is significant. In choosing the best arrangement for their families, it is important that parents understand the services and support available to them from the statutory maintenance service (CSA) and the Child Maintenance Options service.

¹ The repeal of Section 6 of the Child Support Act 1991 removed the compulsion for parents with care claiming benefits to use the CSA to arrange child maintenance.

² Since October 2008, parents with care on benefits choosing to use the CSA can keep more of the child maintenance paid, up to £20, before it affects their benefits. From 2010 they will be able to keep all child maintenance paid without it affecting their benefits.

Although the primary objective of the Commission is to maximise effective arrangements for children who live apart from one or both of their parents, no reliable benchmark of current private arrangements exists. The Commission has therefore begun a programme of research, measurement and evaluation to provide robust measures and understand more about the attitudes, behaviours, service needs and expectations of its current and potential future clients.

In 2009/10 the Commission will monitor the number of children benefiting, for which the target is 840,000. This includes both those whose arrangements are administered under the statutory scheme and those who have made new private arrangements following contact with the Child Maintenance Options service.

Following the repeal of Section 6 of the Child Support Act 1991, which removed the compulsion on parents with care claiming benefits to use the CSA, more parents have exercised their option not to use the statutory maintenance service, reducing the volume of cases and the inflow of new cases to the statutory scheme. However, the wider Commission focus on all separated families will result in a greater number of families overall.

The journey to an effective arrangement

Through its three core functions, the Commission will support parents on a six-step journey to an effective arrangement:



The Commission will actively promote child maintenance by raising parental awareness of the importance of taking responsibility and making arrangements, for the maintenance of their children.

The Commission will seek to understand and address the barriers that prevent parents from putting arrangements in place and further develop services to encourage them to overcome these barriers.

The Child Maintenance Options service will inform separated parents of their options, guide them to the arrangement that is most suitable to their circumstances and then support them to establish effective arrangements.

Priorities for 2009/10

The Commission will: continue the development of the organisation and existing services; develop new services and design the commissioning strategy to deliver them; develop the strategy to deal with arrears of maintenance; manage the programme of change to deliver the future statutory maintenance scheme; and begin the organisational changes that are needed to support the introduction of that future scheme.

As part of the work to transition to the future scheme, the Commission is developing a framework to enable it to commission and deliver services in the most effective way, and to enable the organisation to cope with additional volumes of activity associated with the transition process.

Promoting financial responsibility

In 2009, the Commission will begin to promote the financial responsibility that separated parents have for their children. It will investigate and open new channels with trusted intermediaries and with other government departments that interact with parents, families and children. It will undertake research to understand how to best effect behavioural change and therefore begin to develop and establish a long-term programme of interventions to normalise parental responsibility.

Information and support

The Child Maintenance Options service was launched in 2008. In 2009 the Commission will build awareness and use of the service among the priority audience of separating and new lone parents and will begin evaluating possible enhancements and extensions to the service to improve its offering to customers.

Existing CSA statutory schemes

The main priorities will be to: sustain performance improvements and realise the benefits of the investment and performance improvement delivered under the Operational Improvement Plan; continue to improve the performance of the CSA while preparing for the introduction of new services, including the future statutory scheme; strengthen the use of existing enforcement and introduce new enforcement powers; and enhance systems to avoid managing cases clerically.

Preparing for the future statutory scheme Evaluating performance

The Commission plans to introduce a completely new scheme for calculating child maintenance in 2011 that is simpler and quicker to deliver. The maintenance assessment process will be simplified to enable a faster, more accurate calculation that is easier to understand and administer, based on latest available tax-year gross income information from HM Revenue and Customs.

The coming year will be significant in laying robust foundations for future success. Preparing for the future scheme will be the Commission's biggest investment over the coming years. Investment in 2009/10 will deliver the first year of the contract to develop the new computer system, the design of future scheme processes and the required interfaces with other government departments and agencies. Planned improvements in the assessment process and in collections, enforcement and automation, as well as making self-service processes available to clients, will deliver significant efficiencies and cost savings in the future.

The contract to design and build the computer system for the future scheme was awarded in March 2009. In 2009/10, the Commission will complete the design and begin to build this system and develop implementation plans for the launch of the scheme.

The programme is ambitious, the timetable is challenging, and the Commission remains committed to implementing change only when it is confident it will deliver the outcomes required.

As a new organisation, the Commission will need to demonstrate clear progress towards meeting its statutory objectives and providing value for money for taxpayers.

To support the delivery of its key corporate objectives, the Commission has begun a programme of research, measurement and evaluation. The aims are to understand even more about the attitudes, behaviours, service needs and expectations of its current and potential clients; deliver insights to inform policy development, service enhancements and communications programmes; and provide robust baseline measures against which it will measure future performance and monitor improvements.

In 2009/10 the Commission will:

- establish measures for evaluating the performance of the statutory maintenance service and Child Maintenance Options; and
- conduct research with parents and those influencing their behaviour to: understand awareness, attitudes, behaviours, existing barriers to paying maintenance and potential triggers for changing behaviour; measure service use and satisfaction; and evaluate the effectiveness of communications and marketing campaigns.

Promoting child maintenance and financial responsibility

A core function of the Commission is to promote child maintenance and the financial responsibility that separated parents have for their children, whether or not they live with them.

Section 4 of the Child Maintenance and Other Payments Act 2008 requires the Commission to 'take such steps as it thinks appropriate for the purpose of raising awareness among parents of the importance of (a) taking responsibility for the maintenance of their children, and (b) making appropriate arrangements for the maintenance of children who live apart from them'.

During 2009/10 the Commission will establish the factors that encourage separated parents to accept financial responsibility for their children, promote awareness and understanding of the Commission's services and prioritise communications to recently separating or new lone parents and families where maintenance is not currently flowing. Specifically the Commission will:

- conduct research on effecting behaviour change among parents;
- pilot a marketing campaign to increase awareness, understanding and usage of Child Maintenance Options;
- work with client representatives, other government departments and those who support separated families and their children, to encourage and support maintenance arrangements.

While research suggests that most people accept the principle that separated parents should financially maintain their children, many believe this principle should not apply in their case because of the circumstances of the parents and their relationship. While some separated families simply need an efficient statutory service with effective enforcement, others will need to be made aware of the increased choice and support now available to help them to establish effective arrangements and ensure financial stability for their children. The Commission will encourage parents to recognise that their responsibilities to their children do not end if their relationship with the other parent does.

There are some 2.6 million separated families in Britain, in which more than 3 million children do not live with both their parents. Around 300,000 families join this group each year through divorce or separation, or when children are born to single parents outside of a relationship. The Commission will focus on promoting its services to this key group of parents through a programme of marketing and communications, and by working alongside other government departments and agencies and trusted intermediary organisations that interact with families, children and separated parents. These programmes will promote the benefits of maintenance arrangements and build awareness and demand for the help available through Child Maintenance Options.

Providing information and support

The 2008 Act requires the Commission to provide to parents 'such information and guidance as it thinks appropriate for the purpose of helping to secure the existence of effective maintenance arrangements for children who live apart from one or both of their parents'.

Securing child maintenance is a stressful and at times frustrating experience for many parents, which often leaves children financially and emotionally poorer. When dealing with the issues arising on separation, parents may come into contact with a range of organisations. If these organisations provide differing or incomplete information about maintenance it can limit parents' ability to make a properly informed choice about next steps, potentially increase conflict and may delay resolution. When arranged quickly however, child maintenance can help to unlock other issues in relationships, helping separated families to work better together.

The Child Maintenance Options service is designed to help parents to understand the full range of options available for putting a child maintenance arrangement in place. It provides authoritative, impartial information and support to both parents so that they are able to make informed choices about the child maintenance arrangements most suited to the best interests of the child. This includes information on other issues parents might face in making arrangements, such as housing or money worries, and the service will put people in touch with organisations that can provide more expert help.

The service is delivered:

- on the phone, through a national helpline, with specially trained agents;
- online via a website providing accessible and practical support in setting up and maintaining arrangements; and
- via a face-to-face service for those in most need of more personalised help and support.

The service is available to all parents – whether they live with their children or not and regardless of circumstances – as well as relatives, friends and advisers. The service can be used anonymously.

From the launch of the service in July 2008 to the end of March 2009, some 90,000 referrals were made by Jobcentre Plus alone, and 120,000 telephone contacts were made. Many more used the Child Maintenance Options website, downloaded private agreement forms and used the outline maintenance calculator. Robust and assured data on private arrangements that have been made is not yet available, but the Commission has used internally conducted surveys to estimate that around 70,000 of those contacted have arrangements in place. This includes private arrangements established after contact with the Child Maintenance Options service, from which approximately 30,000 children are benefitting. These volumes will increase substantially through the coming year, with additional referrals from the tax credit system, responses to campaigns to promote child maintenance, and because it will be a full year of operation.

Through 2009/10, the Commission will focus particularly on promoting the availability of Child Maintenance Options; enhancing the services available for parents; building further the process of referrals from other government organisations that interact with separated parents; and developing its signposting relationships with trusted intermediary and specialist advisory organisations.

The existing statutory maintenance service

In November 2008, the Commission took over responsibility from the Department for Work and Pensions for the CSA and for the delivery and continued improvement of client service on its two existing statutory maintenance schemes.

This is to ensure continuity of client service and continued service and performance improvement through the transition to the future scheme, which the Commission plans to introduce from 2011.

The CSA has made substantial and wide-ranging improvements in performance and service under its three-year Operational Improvement Plan. However, significant productivity and efficiency challenges remain if the organisation is to deliver more outcomes for children in less favourable economic times, and where many parents will be exercising their option not to use the CSA.

While the removal of any compulsion to use the statutory service for parents with care on benefits will mean some decline in the numbers on the statutory scheme in 2009/10, the overall proportion of children benefiting and monies collected or arranged will increase. This will be delivered by continued improvements in performance and additional action on non-compliant cases and others with ineffective or only partially effective arrangements.

The three-year CSA Operational Improvement Plan, which concluded in March 2009, saw the number of children benefiting rise by 33%; statutory scheme collections and arrangements increase by 39%; the proportion of statutory maintenance cases where money is flowing rise by 8% to 71%; and the total number of cases awaiting clearance at the application stage fall by more than 80%.

The Commission will continue to improve the performance of the existing schemes and use the lessons learned from the Operational Improvement Plan to help inform the development of the future scheme.

Key priorities for 2009/10 are to:

- continue to deliver improved client service and overall outcomes;
- achieve substantial efficiency and productivity gains; and
- make systems changes to avoid the need to manage any cases clerically.

Collection and enforcement

The Commission will continue to pursue arrears of maintenance.

Over the past 16 years the CSA has collected and arranged over £8.6bn in child maintenance. Nonetheless, many non-resident parents have not paid everything that they owed and the accumulated balance of maintenance arrears on 1.1 million cases was £3.8bn at March 2009. Historical problems mean that this balance contains some estimates and not all of it is collectable.

Having taken over responsibility for the CSA from the Department for Work and Pensions, the Commission is assessing the collectability of the longstanding legacy of maintenance arrears. This assessment will help inform the strategy, currently being developed, to deal with these arrears.

In 2009/10 the Commission will:

- pursue more rigorous enforcement of regular maintenance payments and arrangements which repay outstanding arrears within two years;
- continue to use existing enforcement powers in the most effective way possible; and
- introduce the new enforcement powers available under the Child Maintenance and Other Payments Act 2008 and continue to seek new powers where necessary.

Targets and resources

The Commission is a non-departmental public body sponsored by the Department for Work and Pensions. The Government reviews funding requirements in three-yearly spending review cycles. The current cycle covers the period from April 2008 to March 2011.

2009/10 targets

Overall target	2006/07 actual	2007/08 actual	2008/09 actual	2009/10 target
Children benefiting (000's)	683 ¹	749 ¹	810 ²	840 ²

Statutory only	2006/07 actual	2007/08 actual	2008/09 actual	2009/10 target
Statutory collections and arrangements (£m)	898	1,010	1,132	1,135
(of which arrears (£m))	91	126	158	170
Maintenance outcomes (%)	65	67	71	72

During 2009/10 the Commission will continue to deliver an increase in overall outcomes, with numbers of children benefiting rising as a result of intervention by the Commission. The 840,000 target shown above consists of both the number of children directly benefiting from the statutory maintenance service and the best estimate of the impact of Child Maintenance Options.

Targets for the statutory service show increases in both the total amount of money collected and arranged, and the proportion of parents paying child maintenance.

¹ The children benefiting figures for 2006/07 and 2007/08 refer to those benefiting from maintenance on statutory cases with the Child Support Agency.
² The figure for 2008/09 comprises 780,000 children who benefited from statutory maintenance and an estimated 30,000 benefiting from private arrangements established after contact with the Child Maintenance Options service, based on internal survey data. A more robust method of estimating those benefiting from such private arrangements will be developed during 2009/10.

Administration cost (£ million)	2008/09 ¹ Actual (unaudited)	2009/10 Forecast
Existing statutory service		
Investment (£m)	46	17
Delivery (£m)	523	490
New services¹		
Investment (£ million)	40	70
Delivery (£ million)	10 ²	36
Total	£619m	£613m

The total forecast cost for 2009/10 is £613m. Of this, some £87m is investment spend. The majority of previous investment spend has been focused on the CSA's Operational Improvement Plan. Future investments are about beginning the delivery of the new services, the new organisation and the future statutory maintenance scheme.

In 2009/10 investments will deliver the first year of the contract for the development of the computer system for the future scheme, the design of future scheme processes, and the required interfaces with other government departments and agencies.

The largest element of the Commission's spend remains the current statutory service operated by the CSA. The costs of the service are driven by the size and composition of the statutory caseload, the number of children per case and ongoing performance improvements.

¹ Cost estimates for 2008/09 are subject to change. Audited accounts will be published later in 2009/10.

² Represents operation for part of the year (the Commission was established in July 2008).

Corporate governance in the Commission

The Commission is governed by the Commission Board, comprising the Chair, the Commissioner and a number of executive and non-executive directors who are responsible for developing the overall vision, strategy and policy of the Commission as well as for the governance of the organisation.

The Commission Board

The Board sets the strategy and policy for the whole of the organisation. It is responsible for ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. It is specifically responsible for establishing and taking forward the strategic aims of the Commission, consistent with its overall statutory objectives.

Chair of the Commission

The Chair is responsible to the Secretary of State for ensuring that the Commission's policies and actions support the wider policies of the Secretary of State, and that its affairs are conducted with probity.

In addition, the Chair has the specific responsibility for ensuring that the Commission fulfils the functions set out in the Child Maintenance and Other Payments Act 2008, and an obligation to ensure that the work of the Board and its members is reviewed and that it is working effectively.

The Child Maintenance Commissioner

The Commissioner is the chief executive of the organisation, responsible for leadership, management and operation of the commission.

The Commissioner is the Commission's Accounting officer and is responsible: to Parliament for the Commission's accounts, internal controls and procedures; to the Department for Work and Pensions for corporate and business planning informing it of progress in achieving agreed objectives and targets; for advising the Board on the discharge of its responsibilities; and for executing Board decisions.

Board committees

The Board governs the committees that ensure that the Commission runs with propriety, is effective in delivering public service and demonstrates good value for money for the taxpayer. These committees include a non-executive committee, which governs the Commission's remuneration and audit committees.

The Executive Team

The Commission's Executive Team supports the Commissioner in discharging his responsibilities, and is responsible for the executive management of the Commission.

The Commission's governance is covered in detail in the Framework document and the Governance Handbook at www.childmaintenance.org

Status and authority of the Commission

The Commission is established under Section 1 of the Child Maintenance and Other Payments Act 2008 as a Crown non-departmental public body. This means that the Commission is not a government department (or part of one), and accordingly operates to a greater or lesser extent at arm's length from Ministers.

The Commission is sponsored by the Department for Work and Pensions. This means that the Commission is funded through the Department and, ultimately, the Secretary of State for Work and Pensions is accountable to Parliament for the Commission's activities and performance. The Permanent Secretary of the Department for Work and Pensions, as the Department's Principal Accounting Officer, is responsible for ensuring that there is a high standard of financial management, both within the Department and in the non-departmental public bodies that it sponsors.

How to contact the Commission

Child Maintenance and Enforcement Commission

The Commissioner
Child Maintenance and Enforcement Commission
PO Box 239
Holbeck
LS1 1EB

www.childmaintenance.org

Child Maintenance Options

National helpline: **0800 988 0988**

www.cmoptions.org

For impartial information and support on the range of options for making child maintenance arrangements.

Child Support Agency

National helpline: **08457 133 133**
(textphone **08457 138 924**).

www.csa.gov.uk

For information about existing child maintenance cases and the current statutory service.

