

NAO Podcast on Child Maintenance – Transcript

[Suzanne Goldberg] The 2012 child maintenance scheme replaces the 1993 and 2003 statutory schemes for child support. Since 2014, the Department for Work and Pensions has started to close cases set up through the 1993 and 2003 schemes, offering parents the option to create a new child support case under the 2012 scheme. The Department expects to close around 800,000 cases by 2017.

This investigation follows on from our 2014 report, *Child maintenance 2012 scheme: early progress*. It examines the case closure process and the treatment of arrears built up under the 1993 and 2003 schemes.

I'm joined today by Claire Rollo and Sarah Taylor, who both worked on the investigation. Thank you for joining us.

To begin with Claire, we're talking about an investigation here rather than a report, so I wonder if you could explain the difference between the two quickly?

[CR] Certainly, an investigation looks to establish underlying facts where concerns have been raised with us, or can be in response to intelligence we've gathered through our wider work. An investigation usually leads to a short, factual and non evaluative report, unlike a more in depth report on a topic where we form an opinion and conclude on the value for money of a Department's activities.

And what does your investigation cover?

[CR] Over the course of last summer and Autumn we had a significant volume of correspondence from parents relating to case closure and arrears. Arrears build up where assessed maintenance hasn't been paid.

Our investigation sets out what is happening to close 1993 and 2003 or child support agency cases, and how arrears on those cases are being managed by the Department.

Why is the Department closing the legacy schemes?

[CR] The schemes struggled from the start with IT problems that led to poor customer service, backlogs and incomplete information about amounts due.

By closing these schemes and introducing the 2012 scheme the Department aims to resolve the problems of the 1993 and 2003 schemes, maximise children benefitting from child maintenance and reduce government spending on administering child support.

The Department also aims to encourage parents to make family based arrangements rather than using the 2012 scheme.

Sarah, How well is the Department doing with closing these schemes?

[ST] The Department aims to close around 800,000 active 1993 and 2003 scheme cases - those with continuing payments - by the end of 2017, and will then close a further 600,000 cases with arrears but no continuing payments. By September 2016, the Dept had closed around a third of the active cases.

It is taking longer than the Department expected to close cases including to undertake the work necessary to finalise arrears, which is part of case closure. The Department has found that fewer parents than expected have a child support arrangement in place after their 1993 or 2003 scheme case has closed.

And what about arrears?

[ST] There are £4billion of arrears relating to unpaid maintenance on the 1993 and 2003 schemes, although the Department considers $\frac{3}{4}$ or £3 billion of this balance uncollectable, based on loss of contact with parents.

In our report we note that the Department advises parents they can write off arrears when cases close, but parents don't always understand how and why the Department has calculated arrears. Parents owing money may not know that the Department will consider lowering repayments to avoid hardship.

There is less collection of arrears than previously, in line with the Department's current strategy to prioritise arrears collection where there is continuing maintenance to pay. The Department intends to publish a new strategy for arrears later this year.

If someone has concerns about this, who should they contact?

[ST] In the first instance, parents should contact the office dealing with their case. Where necessary that office can provide details of how raise a formal complaint through the Departments' case resolution team. Contact details are available at www.gov.uk/child-maintenance/contact.

Thank you

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