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From the Secretary of State for Social Security

Prime Minister<sup>2</sup>

Caroline Slocock  
Private Secretary  
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You may like to glance  
at the White Paper in  
its final form.

29 October 1990

CAS  
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Dear Caroline,

MT

"CHILDREN COME FIRST:  
THE GOVERNMENT'S PROPOSALS ON MAINTENANCE FOR CHILDREN"

I am enclosing a copy of the White Paper which the Lord Chancellor, my Secretary of State, the Secretaries of State for Scotland and Northern Ireland and the Lord Advocate are laying before Parliament today. The White Paper contains the Government's proposals for a new system for the maintenance of children and invites comments by 14 December.

I enclose also a copy of the Statement which my Secretary of State is making to the House of Commons this afternoon. The Lord Chancellor is making a similar one in the House of Lords.

I am copying this letter to the Private Secretaries to all members of Cabinet, to Murdo MacLean and to Sonia Phippard.

Yours  
Debbie Heigh

DEBBIE HEIGH  
Private Secretary

## STATEMENT ON CHILD MAINTENANCE

With permission, Mr Speaker, I should like to make a statement about the Government's proposals for a new system for securing the maintenance of children, on which a White Paper entitled "Children Come First" is being published today. Copies have been placed in the Vote Office.

I should emphasise at the outset that, while it has seemed appropriate for me as Social Security Secretary to make this statement, the purpose and context of these proposals extend well beyond my Department. The White Paper is presented jointly by myself, my Noble and Learned Friend the Lord Chancellor, my Rt Hon and Learned Friend the Secretary of State for Scotland, my Rt Hon Friend the Secretary of State for Northern Ireland and my Noble and Learned Friend the Lord Advocate; and my Noble and Learned Friend the Lord Chancellor is also making a statement today in another place.

Governments cannot of course ensure that all children always live with both their parents. But it can and should seek to ensure that, whatever the underlying circumstances, the welfare of the children is the prime consideration. An effective system for securing their financial maintenance is an important element in achieving that objective.

The present arrangements are, by common consent, deficient. As the various surveys and background papers published with this White Paper clearly show, they are fragmented, inconsistent, and too often subject to uncertainty and delay. They lack systematic provision for review and up-dating as circumstances change. Even where a maintenance obligation has been clearly established, it can be difficult to enforce and the caring parent may face great additional difficulties and pressures in protecting the children's rights.

The result is that only 30 per cent of lone mothers and 3 per cent of lone fathers currently receive maintenance for their children regularly, and that some two thirds of lone parents and their children now depend wholly or partly on Income Support. Such a position is in the interests of neither the parents nor, above all, the children. And of course it places a large burden on those who pay tax, many of whom are themselves bringing up children on perhaps quite modest incomes. The cost of income-related benefits for lone parents has risen, in real terms, from less than £1 1/2 billion in 1981/82 to over £3 billion in 1988/89.

As the House is aware, a number of steps have already been taken, either administratively or through legal changes such as those in the recent Social Security Act, to make improvements within the present system. We shall press ahead with these, since it will clearly take time to undertake wider reform. But the Government have firmly concluded that such wider reform is now required, and the White Paper sets out our proposals.

There are three major elements in those proposals. The first is a clear formula for the assessment of maintenance, which can be applied administratively rather than through the courts. The aim here is to establish a single system available to all, giving consistent and predictable decisions with a realistic relationship to the costs of providing for the care of a child, and subject to regular reviews.

The second is a purpose-built agency to undertake the assessment itself, and the work of collection and enforcement where necessary.

The third is measures to enhance the payment of maintenance as a foundation on which lone parents can build greater independence for themselves and their children.

I will deal briefly with each in turn.

The assessment formula will itself consist of three main parts. The starting point will be the calculation of a maintenance bill, which all parents will be expected to pay if they can afford to do so. It will be based on the appropriate Income Support rates, including the caring parents own personal allowance. This represents the costs of caring for the children, and will thus take account of the number and age of the children.

Once the bill is calculated, the next step will be to assess the amount which the absent parent keeps from his net income for his own necessary expenses. This is described in the White Paper as "exempt income". This will include his reasonable housing costs and the costs of any other children he is liable to support. There will, additionally, be a protected level of income, set by reference to the Income Support level, to avoid the situation in which the absent parent could be better off on benefit rather than in work.

Thirdly, the amount expected to be paid in maintenance is then worked out on the basis of sharing the remaining income - what is left after allowing for the necessary expenses - equally with the children, up to the point at which the maintenance bill is met. Once this has occurred, contributions will continue, but taking a smaller share of any additional exempt income: thus, as would be expected in any family, the children will share in the standard of living of their parents. Where the caring parent has sufficient income, he or she will also be expected to contribute towards the maintenance bill.

Absent parents on Income Support have the same basic responsibility towards their children as others, and we therefore think it right both to bring them within the system and, with appropriate exceptions, to expect from them a small maintenance contribution. The White Paper suggests 5 per cent of the adult personal allowance, in line with the standard deductions made for other purposes.

We hope to begin applying the formula within the current system from early in 1992.

The second main element in our proposals in the establishment of a Child Support Agency. It will have responsibility for tracing absent parents, assessing, collecting and where necessary enforcing maintenance payments. It will need powers to make a legally binding assessment, to require information and to determine the method of payment. It will be required to review the maintenance payable every year. In Great Britain, the Agency will operate as a Next Steps executive agency within my department. The Secretary of State for Northern Ireland will make similar arrangements in Northern Ireland.

When the Agency is fully operational, the courts will no longer decide applications for child maintenance or applications to vary existing awards. The courts will retain jurisdiction over related matters which arise when parents separate or divorce. These matters include residence of and contact with children, disputed paternity, property settlements and spousal maintenance. We hope that the Agency will begin work in early 1993 though the number of cases potentially involved means that it will be some time before all existing cases can be taken on.

Parents may choose to apply to the agency or make their own private arrangements, using if they wish the published formula. Where however the caring parent is receiving Income Support or Family Credit for herself and the children - that is to say where the public can be seen to have an interest - she will be obliged to use the Agency's services.

Since it is no more acceptable for a caring parent simply to choose not to seek maintenance than for an absent parent simply to choose not to pay it, we think it right - again with appropriate exceptions - to make it possible for a deduction to be made from the adult personal allowance if he or she unreasonably refuses to help in pursuing it.

The third element in our proposals, to which I also attach great importance, is one which builds on the advantages of regular payments of maintenance in making it easier for lone parents, as many wish to do, to move from reliance on Income Support into work and thus greater independence.

To this end we propose, at the same time as the formula is introduced, to make two significant changes in benefit rules.

One is to introduce into Family Credit, Housing Benefit and Community Charge Benefit a maintenance disregard of £15 a week, so that only above that level will maintenance have any effect on the help otherwise given by these benefits to parents who are working.

The other will be to widen the scope of Family Credit for all parents, but in a way likely to be of particular importance to lone parents. We shall make it possible to claim this benefit when working only for 16 hours weekly, instead of the present 24.

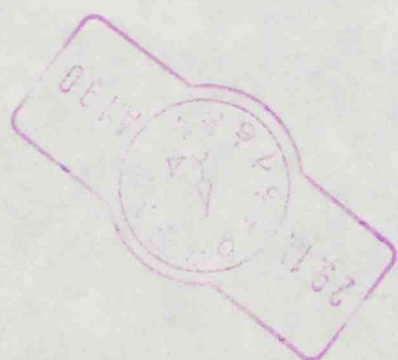
This should make it much easier for them to combine work with their responsibilities of caring of their children. A parallel change will be made in the Income Support rules, so that this can be claimed only when working less than 16 hours. In making these changes, we shall ensure full transitional protection for the small number of people who might otherwise be adversely affected.

The choice of whether to work or not must of course be for the parent. But it is clear that many wish to do so, and where that is so it is right that we should seek to help, as these measures will.

Mr Speaker, our proposals for a formula and an Agency, including the rights of appeal to whose precise form we are giving further consideration, will require legislation. This will be brought forward when Parliamentary time allows.

In the first two years, our proposals will give rise to some additional net expenditure, principally in establishing the Agency and in making the benefit changes I have just described. From then onwards, however, we expect to see net savings, initially modest but building up in the longer term.

More important, however, we shall have a system which better serves the parents and the children themselves. In conjunction with the Children Act and with the wide-ranging review of the family justice system as a whole which the Government has in hand, it is an important further step in making sure that children do indeed come first.





## Child Maintenance

3.37 pm

**The Secretary of State for Social Security (Mr. Tony Newton):** With permission, Mr. Speaker, I should like to make a statement about the Government's proposals for a new system for securing the maintenance of children, on which a White Paper entitled "Children Come First" is being published today. Copies have been placed in the Vote Office.

I should emphasise at the outset that, while it seemed appropriate for me as Social Security Secretary to make this statement, the purpose and context of these proposals extend well beyond my Department. The White Paper is presented jointly by myself, my noble and learned Friend the Lord Chancellor, my right hon. and learned Friend the Secretary of State for Scotland, my right hon. Friend the Secretary of State for Northern Ireland and my noble and learned Friend the Lord Advocate. My noble and learned Friend the Lord Chancellor is also making a statement today in another place.

Governments cannot, of course, ensure that all children always live with both their parents, but they can and should seek to ensure that, whatever the underlying circumstances, the welfare of the children is the prime consideration. An effective system for securing their financial maintenance is an important element in achieving that objective.

The present arrangements are, by common consent, deficient. As the various surveys and background papers published with this White Paper clearly show, they are fragmented, inconsistent, and too often subject to uncertainty and delay. They lack systematic provision for review and updating as circumstances change. Even where a maintenance obligation has been clearly established, it can be difficult to enforce and the caring parent may face great additional difficulties and pressures in protecting the children's rights. The result is that only 30 per cent. of lone mothers and 3 per cent. of lone fathers currently receive maintenance for their children regularly, and that some two thirds of lone parents and their children now depend wholly or partly on income support. Such a position is in the interests of neither the parents nor, above all, the children, and, of course, it places a large burden on those who pay tax, many of whom are themselves bringing up children on perhaps quite modest incomes. The cost of income-related benefits for lone parents has risen, in real terms, from less than £1.5 billion in 1981-82 to more than £3 billion in 1988-89.

As the House is aware, a number of steps have already been taken, either administratively or through legal changes such as those in the recent Social Security Act 1989 to make improvements within the present system. We shall press ahead with those, since it will clearly take time to undertake wider reform, but the Government have firmly concluded that such wider reform is now required, and the White Paper sets out our proposals.

There are three major elements in those proposals. The first is a clear formula for the assessment of maintenance, which can be applied administratively rather than through the courts. The aim here is to establish a single system available to all, giving consistent and predictable decisions with a realistic relationship to the costs of providing for the care of a child, and the subject to regular reviews. The second is a purpose-built agency to undertake the

assessment itself, and the work of collection and enforcement where necessary. The third is measures to enhance the payment of maintenance as a foundation on which lone parents can build greater independence for themselves and their children. I will deal briefly with each in turn.

The assessment formula will itself consist of three main parts. The starting point will be the calculation of a maintenance bill, which the parents will be expected to pay if they can afford to do so. It will be based on the appropriate income support rates, including the caring parents own personal allowance. That represents the costs of caring for the children, and will thus take account of the number and age of the children.

Once the bill is calculated, the next step will be to assess the amount which the absent parent keeps from his net—I will stress net—income for his own necessary expenses. That is described in the White Paper as "exempt income" and it will include his reasonable housing costs and the costs of any other children he is liable to support. There will, additionally, be a protected level of income, set by reference to the income support level, to avoid the situation in which the absent parent could be better off on benefit than in work.

Thirdly, the amount expected to be paid in maintenance is then worked out on the basis of sharing the remaining income—what is left after allowing for the necessary expenses—equally with the children, up to the point at which the maintenance bill is met. Once that has occurred, contributions will continue, but taking a smaller share of any additional exempt income and thus, as would be expected in any family, the children will share in the standard of living of their parents. Where the caring parent has sufficient income, he or she will also be expected to contribute towards the maintenance bill.

Absent parents on income support have the same basic responsibility towards their children as others, and we therefore think it right both to bring them within the system and, with appropriate exceptions, to expect from them a small maintenance contribution. The White Paper suggests 5 per cent. of the adult personal allowance, in line with the standard deductions made for other purposes. We hope to begin applying the formula within the current system from early in 1992.

The second main element in our proposals is the establishment of a Child Support Agency. It will have responsibility for tracing absent parents, assessing, collecting and where necessary enforcing maintenance payments. It will need powers to make a legally binding assessment, to require information and to determine the method of payment. It will be required to review the maintenance payable every year. In Great Britain, the Agency will operate as a "next steps" executive agency within my Department. The Secretary of State for Northern Ireland will make similar arrangements in Northern Ireland.

When the agency is fully operational, the courts will no longer decide applications for child maintenance or applications to vary existing awards. The courts will retain jurisdiction over related matters which arise when parents separate or divorce. Those matters include residence of and contact with children, disputed paternity, property settlements and spousal maintenance. We hope that the agency will begin work in early 1993, though the number of cases potentially involved means that it will be some time before all existing cases can be taken on.

## Oral Questions

3.32 pm

**Mr. Speaker:** I have a short statement to make about oral questions next Session.

The House has now agreed to the first report of the Select Committee on Procedure relating to oral questions and to certain changes in the relevant Standing Orders. The main effects of this decision will be that, as from the first day of the next Session, Wednesday 7 November, oral questions will have to be tabled in person by hon. Members, and only a limited number of oral questions tabled will be printed. The Table Office has prepared a short note explaining the exact effects of the changes, and this will be available to hon. Members in the Table Office and in the Whips' Offices.

The Procedure Committee Report left one or two matters to my discretion, in particular the exact number of questions to be printed, and the timing of the shuffle. So far as numbers are concerned, I propose initially to authorise the numbers suggested in the report. Accordingly, for those Departments answering for the whole of Question Time a maximum of 40 questions will be printed. For those Departments answering until 3.10 or 3.15, the maximum figure will be 30. For the Prime Minister the figure will be 10. Similarly for the smaller Departments that answer for five or 10 minutes, the maximum will also be 10. As the Procedure Committee recommended, I will review those figures from time to time in the light of experience.

The present deadline for oral questions to be included in the daily "shuffle" will be extended from 4 pm to 5 pm. Again, I will review this when the new system has been in operation for a period.

I hope that any hon. Member who is still uncertain about how the new system will operate will not hesitate to consult the Table Office before the House is prorogued, so that the new system can get off to a smooth start on 7 November.

**Several Hon. Members:** On a point of order, Mr. Speaker.

**Mr. Speaker:** Order. I do not think that any points of order can arise from that—it is an Order of the House.

**Mr. Dennis Skinner (Bolsover):** On a point of order, Mr. Speaker. Could you please explain, the question of —[*Interruption.*]

**Mr. Speaker:** Order. I call Mr. Cryer first.

**Mr. Bob Cryer (Bradford, South):** On a point of order, Mr. Speaker. The question that arises is about the number of Prime Minister's questions, which has been set at 10. What will happen if hon. Members pull out, as they frequently do, both in Prime Minister's Question Time and in other Question Times? Will the maximum number of questions take it into account that some hon. Members who are lucky enough to be in the first 10 may pull out before Prime Minister's Question Time starts? Will questions then include the 11th, 12th, 13th and 14th and so on, as for other Question Times to replace the withdrawn questions.

**Several Hon. Members rose—**

**Mr. Speaker:** Order. Allow me to answer one point at a time. If hon. Members table questions themselves—that will be the procedure in the future—I should be surprised if a large number of them who are in the first 10 do pull out.

**Sir Peter Emery (Honiton):** On a point of order, Mr. Speaker. May I, on behalf of the Procedure Committee, thank you for acting within two working days of the recommendation of the House to bring in something that will, first, benefit the real Members of Parliament—

**Mr. Speaker:** Order. I think that that is a bit provocative. We are all real Members of Parliament!

**Sir Peter Emery:** Allow me to finish my question, Sir. It will benefit real Members who do not take part in the syndicalisation of questions, which is likely—

**Mr. Speaker:** Order. We have a heavy day ahead of us. I hope that the hon. Member is coming to a conclusion.

**Sir Peter Emery:** It is likely to result in a saving to the Exchequer of something over £3 million. The House should be grateful.

**Mr. Skinner:** On a point of order, Mr. Speaker. You mentioned in your remarks that the limit on Prime Minister's questions would be 10. I suggest that you look at that afresh because you will find, on examination, that in the past two or three years, there have been at least three occasions when 10 was exceeded. There was one occasion when you personally called more than 14 because people were missing and so on. It is not a matter of hon. Members pulling the questions out if they are in the first 10. Towards the end of a session when hon. Members are missing, as on two previous occasions, we could finish up running short.

**Several Hon. Members rose—**

**Mr. Speaker:** Order. We do not really want further points of order on this. It is not for me to second-guess what the Select Committee has decided and recommended. I have already said to the whole House that I shall keep the matter under review. If I think that the maximum numbers need to be increased, that will certainly be done. I shall take one more point of order.

**Mrs. Margaret Ewing (Moray):** On a point of order, Mr. Speaker. You have kindly said that you will monitor the new arrangements. May I ask in particular that you pay attention to the geographical distance of the constituencies of some hon. Members from the House? The extension from 4 o'clock to 5 o'clock will not make much difference to Members from the north of Scotland, the regions of England and Wales, who are not within easy communication distance of the House. Will you ensure that we are not in any way disadvantaged when tabling questions?

**Mr. Speaker:** I cannot interfere with the shuffle. I hope that the hon. Lady is not asking me to do that.

Parents may choose to apply to the agency or make their own private arrangements, using if they wish the published formula. Where however the caring parent is receiving income support or family credit for herself and the children—that is to say where the public can be seen to have an interest—she will be obliged to use the agency's services.

Since it is no more acceptable for a caring parent simply to choose not to seek maintenance than for an absent parent simply to choose not to pay it, we think it right—again with appropriate exceptions—to make it possible for a deduction to be made from the adult personal allowance if he or she unreasonably refuses to help in pursuing it.

The third element in our proposals, to which I also attach great importance, is one which builds on the advantages of regular payments of maintenance in making it easier for lone parents, as many wish to do, to move from reliance on income support into work and thus greater independence. To that end we propose, at the same time as the formula is introduced, to make two significant changes in benefit rules.

One is to introduce into family credit, housing benefit and community charge benefit a maintenance disregard of £15 a week, so that only above that level will maintenance have any effect on the help otherwise given by those benefits to parents who are working. The other will be to widen the scope of family credit for all parents, but in a way likely to be of particular importance to lone parents. We shall make it possible to claim this benefit when working only for 16 hours weekly, instead of the present 24. That should make it much easier for parents to combine work with their responsibilities for caring for their children. A parallel change will be made in the income support rules, so that that can be claimed only when working less than 16 hours. In making those changes, we shall ensure full transitional protection for the small number of people who might otherwise be adversely affected. The choice of whether to work or not must of course be for the parent. But it is clear that many wish to do so, and where that is so it is right that we should seek to help, as these measures will.

Our proposals for a formula and an agency, including the rights of appeal to whose precise form we are giving further consideration, will require legislation. That will be brought forward when parliamentary time allows. In the first two years, our proposals will give rise to some additional net expenditure, principally in establishing the agency and in making the benefit changes I have just described. From then onwards, however, we expect to see net savings, initially modest but building up in the longer term. More important, however, we shall have a system which better serves the parents and the children themselves. In conjunction with the Children Act 1989 and the wide-ranging review of the family justice system as a whole, which the Government have in hand it is an important further step in making sure that children do indeed come first.

**Mr. Michael Meacher** (Oldham, West): Is the right hon. Gentleman aware that we strongly support the principle of the state assisting with the collection of child maintenance and agree that fathers should be expected to accept responsibility for their children? As the House knows, I issued a consultation paper last year, making that proposal

a month before the Prime Minister's speech recommending it, which demonstrates that there is cross-party support in the House for this principle.

However, we have considerable reservations about the means by which the right hon. Gentleman intends to operate the agency. In particular, is it not clear from the way that the Government have drafted the scheme that the main intention is to save public expenditure rather than to remedy child poverty and enable lone parents to gain self-sufficiency? When there has been time for people clearly to read the paper, perhaps they will think that it should have been entitled not "Children Come First" but "The Treasury Comes First."

For a mother on income support, where the right hon. Gentleman is proposing no disregard on maintenance—so the mother is permitted to keep none of the money collected without a corresponding reduction in her income support—it is clear that she gains nothing; only the Government gain, through a reduction in public expenditure. Will not the father feel intense resentment that none of his enforced maintenance will go to the child or to the mother, only to the Department of Social Security? Is not the lack of a maintenance disregard when the mother stays at home with her child a basic flaw in the scheme, as without it, neither mother nor father will have an incentive to participate? Does not that reveal that the real purpose behind the scheme is to save Government expenditure?

If the mother does seek a job, will the £15 maintenance disregard that the right hon. Gentleman is proposing for family credit, really assist her in gaining her independence when she still has to meet far higher expenses in child care costs and, if she is an owner occupier, in mortgage interest payments? Does the right hon. Gentleman accept that, given those large offsets, a mother would probably have to earn more than £150 a week—10 times as much—before she was better off than she would be on income support?

Will a £15 maintenance disregard on family credit offer much of a pathway out of poverty? According to a recent CBI survey, 70 per cent. of lone parents want to work but cannot because there is no child care provision available. Is it not clear that, without those other elements, of a genuine family policy, which the Government have so far grossly neglected, the right hon. Gentleman's proposal will do very little either to cure poverty or to help lone parents to regain their independence?

As to the father—the absent parent is usually the father—will not the requirement for him to pay up to 50 per cent. of his income, after allowances for necessary personal expenses, simply transfer poverty from the first family to the second family if the father has other children in another relationship?

Will the right hon. Gentleman confirm that surveys have shown that up to one third of men liable to pay child maintenance are either unemployed or on very low incomes, so that, even given a protected income for the second family at income support levels, the right hon. Gentleman's proposal will simply leave both families on the poverty line? Does not he understand that, if he takes a punitive attitude to absent fathers and forces them to make unreasonable levels of payment, he will create hostility and antagonism and damage the relationship between the absent father and his child?

Will the right hon. Gentleman confirm that he wanted a scheme along the lines of the Australian and Wisconsin models, whereby the father would pay to support the child,

[*Mr. Michael Meacher*]

and at much lower percentages of his income—but the Treasury insisted that the father should pay for the full maintenance costs of the mother as well, including her mortgage interest payments, up to the crippling rate of 50 per cent.?

Does not that again expose the fact that it is a cost saving, not a poverty reducing, exercise? Is it not likely that a penal 50 per cent. repayment rate will have the perverse result of pushing more second families into dependence on benefit than it will rescue first families from it? Will the right hon. Gentleman also reconsider the element of compulsion in the scheme, which forces the mother to name the father on pain of otherwise losing up to 20 per cent. of benefit? Will the mother have an untrammelled right—

**Ms. Clare Short** (Birmingham, Ladywood): Some of the children are yours.

**Mr. Meacher**:—to refuse to name the father when she fears that he might be violent or where she may not be certain that she knows who is the father?—[*Interruption.*]

**Ms. Short**: They might have illegitimate children.

**Mr. Jerry Hayes** (Harlow): On a point of order, Mr. Speaker.

**Mr. Speaker**: Order. All these interruptions take time. We are in the middle of hearing a response to the Secretary of State's statement.

**Mr. Hayes** *rose*—

**Mr. Speaker**: Do I understand that an allegation has been made against the hon. Gentleman?

**Mr. Hayes**: A remarkable allegation was made, Mr. Speaker, by the hon. Member for Birmingham, Ladywood (Ms. Short)—all the more remarkable, I suspect, to my wife than to me—that I had sired illegitimate children. To the best of my knowledge, I have not.

**Ms. Short**: I was not referring, Mr. Speaker, just to the hon. Member for Harlow (Mr. Hayes), but was pointing out to Conservative Members that some of them may have fathered children that they do not know about—and might end up being named.

**Mr. Speaker**: Order. That is an unworthy allegation for the hon. Lady to make. I ask her to withdraw it.

**Hon. Members**: Withdraw.

**Ms. Short**: The point that I am making is about all men.

**Mr. Speaker**: The hon. Lady specifically mentioned Conservative Members, and it is that remark that I am asking her to withdraw.

**Ms. Short**: It was clear that I was not speaking only—

**Mr. Speaker**: Order. I thought that I heard the hon. Lady refer—in fact, I think that she did refer—to Conservative Members. I am not asking her to withdraw the generality of her remark but the allegation against Conservative Members.

**Ms. Short**: I was making the point, Mr. Speaker, that many men—including those on the Conservative Benches, and on these Benches, and outside—

**Mr. Speaker**: Order. I ask the hon. Lady to do the right thing. She knows exactly what I am asking her to do, and I ask her please to do it now.

**Ms. Short**: I am very sorry about this, Mr. Speaker. I have no wish to challenge your authority, but I mean the point that I am making, which is not just about Conservative Members but includes them. I mean it, and I am very sorry, but I am not willing to withdraw it.

**Mr. Speaker**: The hon. Lady is an Opposition Front Bench spokesman, and she must withdraw her allegation against Conservative Members. That is what she has said, and if she looks at the record in *Hansard*, she will see that that is what she said. That is what I am asking her to withdraw, please.

**Ms. Short**: This is not fair and not reasonable.

**Mr. Speaker** *rose*—

**Ms. Short**: I was making the point, Mr. Speaker, when Conservative Members were heckling—

**Mr. Speaker**: Order. Time is getting on. We have a very busy day ahead. The hon. Lady knows exactly what I am asking her to do, as does the whole House.

**Ms. Short**: I have made no specific allegations, Mr. Speaker, against any right hon. or hon. Member.—[HON. MEMBERS: "Yes you have."] I am sorry, but I was making a point about the statement, and about forcing women to name the fathers of their children.

**Mr. Speaker**: Order. I would be deeply reluctant to have to take further action in relation to the hon. Lady. I heard her say it and the House heard her make an allegation against hon. Gentlemen. That is what I am asking her to withdraw. Will she now withdraw that so that we can get on?

**Mr. Jeff Rooker** (Birmingham, Perry Barr): Further to that point of order, Mr. Speaker.

**Mr. Speaker**: Order. No, I shall not deal with the hon. Gentleman's point of order. I am dealing with the hon. Lady.

**Ms. Short**: I did not, and no one in the House heard me, make a specific allegation about any hon. Member. I am making a point that I mean, and it is important. I respect you greatly, Mr. Speaker, but I am not going to be bullied on this matter. I have not broken the rules of the House. I have not made an allegation against any hon. Member, and I would not do so.

**Mr. Speaker**: I think that we cannot continue like this. I heard the hon. Lady make that allegation—[*Interruption.*] I am dealing with it. All the hon. Lady needs to do is to get up and withdraw any reflection upon hon. Members in the House. I am not asking her to withdraw a reflection on men in general. That is a matter for her. Will she withdraw any reflection upon hon. Members?

**Ms. Short**: I was making a comment about men in general and there are a lot of men in the House, and that is the only sense in which it is a reflection. I am not casting any aspersions on individual hon. Members. I am making

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CHILD MAINTENANCE STATEMENT

My Lords, with the leave of the House, I shall make a statement about child maintenance. My Right Honourable Friend, the Secretary of State for Social Security, will be making a corresponding statement in another place.

The Government have today published a White Paper - *Children Come First* - which sets out their proposals for a new system of maintenance for children. Copies have been placed in the Library.

My Lords, these important proposals are a collaborative effort involving many Departments of State. They are to be seen as a further step in the wide-ranging review of the family justice system which the Government have in hand. As with other aspects of that review, its aim is to give priority to the welfare of children and to highlight their parents' responsibility for ensuring it. It is a natural adjunct to the Children Act over which this House spent so much time and care in the last session. It takes its place with the other items in that review, such as divorce reform and the law of domestic violence on which Law Commission reports are expected, and current work in Departments on the arrangements for and place of conciliation, reconciliation and support services for the courts in family proceedings. At the same time, my colleague the Home Secretary will be taking steps to ensure that maintenance is paid more reliably.

Every child has a right to receive care from his or her parents. Parents have a legal and moral responsibility to care for their children until the children are old enough to look after themselves.

The parents of a child may separate. In some instances the parents may not have lived together as a family at all. Events may change the relationship of the parents to each other. They may divorce, for example. But these events cannot in any way change the responsibilities of the parents towards their children.

The payment of child maintenance is one important way in which parents fulfil those responsibilities.

Government cannot ensure that families stay together. But we can and should ensure that parents make proper financial provision for their children whenever it can reasonably be expected.

The present system of maintenance is unnecessarily fragmented, and uncertain in its results. It is based largely on discretion. And it is operated through hundreds of courts and hundreds of social security offices throughout the United Kingdom. The cumulative effect is uncertainty and arguably inconsistent decisions about how much maintenance should be paid. In a great many cases, the maintenance awarded is not paid at all or the payments fall into arrears and take many weeks to re-establish.

Only 30% of lone mothers and 3% of lone fathers receive maintenance regularly. Over three quarters of a million lone parents and their children depend on Income Support. In 1989 only 23% of lone parents who were receiving Income Support received maintenance. Ten years ago the figure was 50%. Income Support represents 45% of the income of all lone parents. The cost in real terms to the taxpayer has risen from £1.4 billion in 1981/82 to £3.2 billion in 1988/89.

We have made improvements within the present system. These will help parents but they cannot solve all the problems. We now need strategic reform.

Our proposals will deliver:-

- a single system available to all;
- consistent and predictable decisions about how much maintenance is to be paid;
- payments that bear a realistic relationship to the costs of caring for a child;
- a fair and reasonable way of deciding maintenance so it does not become a contest between parents to the detriment of the children;
- regular reviews of maintenance;

- a chance for children to share in their parents' standard of living; and
- continuing incentives for absent parents to work and to go on working.

And, we want to help caring parents who are ready and able to go to work to do so.

We do not want children to become dependent on Income Support whenever this can be avoided. It is not right that taxpayers should shoulder that responsibility if parents are able to do it themselves. After all, taxpayers include other families who are bringing up children.

We intend to achieve all these many objectives by introducing three important measures. The first is a formula for the calculation of maintenance. The second is to create a Child Support Agency which will assess and collect and enforce maintenance. The third is to make changes to the social security benefits which are paid to parents who work.

Before turning to the details of the formula I should tell the House that there will be a protected income level which is higher than income support. Nobody who is working will ever be left with less than that after maintenance is deducted. There will also be an upper income limit on the operation of the formula



beyond which further support for the child will have to be sought in the courts.

Turning to the formula itself, it has three elements. First, there will be a maintenance bill which represents the day to day costs of caring for a child and which all parents should pay if they can afford to do so. The size of the bill will depend on the number and age of the children and will be based on Income Support rates.

Secondly, there will be an exempt income which the parent keeps before he pays any maintenance at all. So from his take home pay he keeps enough to meet his own necessary expenses and his housing costs and the cost of those of his children who are living with him.

Thirdly, maintenance will be paid from the remaining income. We believe it is right that, once his expenses have been met, he should share the remaining income equally with his children until the maintenance bill has been paid. In most cases, this will mean that the absent parent will keep between two thirds and three quarters of his net - post tax - income. Those who can afford to meet the maintenance bill will continue to contribute to their children but at a lower rate.

Where the caring parent has enough income, she will also be expected to contribute towards the maintenance bill. Both parents are liable to support their children.

We hope to apply this formula from early in 1992.

Absent parents who are receiving Income Support have the same legal and moral obligations towards their children as any other parents. As a general rule, they will be expected to make a nominal contribution from their Income Support for the maintenance of their children.

The second measure is the Child Support Agency which will have responsibility for tracing absent parents, assessing, collecting and where necessary enforcing maintenance payments. It will need powers to make a legally binding assessment, to require the provision of information and to determine the method of payment. The Agency will be required to review the maintenance payable every year. In Great Britain, the Agency will operate as a Next Steps executive agency within the Department of Social Security. The Secretary of State for Northern Ireland will make similar arrangements in Northern Ireland.

When the Agency is fully operational, the courts will generally no longer decide applications for child maintenance or applications to vary existing awards. The courts will retain jurisdiction over related matters which arise when parents separate or divorce. These matters include residence of and contact with children, disputed paternity, property settlements and spousal maintenance.

As at present, generally parents may choose to apply for an assessment or may make their own private arrangements. The details of the formula will be well known and they will be able to use the formula themselves.

However, where there is a third party interest, that of the taxpayer, parents will be obliged to use the Agency's services. The taxpayer has an interest when the caring parent is receiving Income Support or Family Credit for herself and the children. It is also in the parent's own interests. If a regular pattern of maintenance is established, then it is easier to move from benefit to work. If a parent unreasonably declines to seek maintenance, it will be possible to make some deduction from her adult allowance. There will, of course, be exceptions for those rare circumstances where it is not in the interests of the children to seek maintenance.

The third measure, and one to which the Government attach great importance, is providing more help for those parents who are looking after children and who want to go to work. Receiving maintenance, in addition to their earnings, will provide an invaluable bridge between reliance on Income Support and the world of work. But we believe that we should offer further help still to parents who work. We will be making two significant changes in the rules for benefits paid to working people.

To coincide with the introduction of the formula, we will introduce a maintenance disregard of £15 per week. The first £15

of maintenance paid will be ignored for the purposes of calculating entitlement to Family Credit, Housing Benefit or Community Charge Benefit.

At the same time, we will reduce the number of hours work which qualify for Family Credit from 24 hours a week to 16 hours a week. Similar adjustments will be made to the rules for receipt of Income Support. This will apply to all claimants. It will be of particular value to lone parents. This will make it easier for parents to combine work with their responsibilities for caring for children. No one will lose from this change because full protection will be provided.

These measures will make it easier for parents to achieve independence through their own efforts. The choice must be the parent's own. But we know that many of them wish to work. It is right that we should take steps to help them realise those ambitions.

We will bring forward legislation which provide for the use of the formula, the powers of the Agency and rights of appeal against the Agency's decisions. We are giving further consideration to the precise form of the appeal structure.

My Lords, this is an integrated package of important measures which will help children. Where maintenance is paid it advances the interests of all of us.

It is in the interests of the children that they should be maintained by their parents. Maintenance provides them with a reliable source of income and they learn about the responsibilities which family members owe to each other.

And it is in the interest of the caring parents. Maintenance provides them with a bridge into work and greater independence.

My Lords, I commend the proposals in the White Paper to your Lordships as a further valuable step in our staged reforms of the family justice system.



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*From the Secretary of State for Social Security*

**POLICY IN CONFIDENCE**

The Private Secretary  
Lord Chancellor's Department  
House of Lords  
London  
SW1

*Annals phoned through  
to DSS on 29/10*

*CAS 29/10*

*26* October 1990

*Dear Jenny,*

**CHILD MAINTENANCE: WHITE PAPER**

I enclose a further draft of the statement my Secretary of State is proposing to make to the House on Monday 29 October. This reflects a discussion with both the Secretary of State and Parliamentary Under Secretary and has been shortened to meet the Lord President's concern about the demands on Parliamentary time.

The statement is broadly in its final form, but my Secretary of State is proposing to do further work on it over the weekend. I understand that the Lord Chancellor will also be finalising the text of his statement, and the final versions will therefore be agreed on Monday.

I am copying this letter to the Private Secretaries to the Prime Minister, Sir Geoffrey Howe, Lord Fraser, David Waddington, Michael Howard, Malcolm Rifkind, Kenneth Clarke, Kenneth Baker, Norman Lamont, Peter Brooke, David Hunt, Tim Renton, Lord Denham and Sir Robin Butler.

*Debbie Heigh*

DEBBIE HEIGH  
Private Secretary

**DRAFT STATEMENT ON CHILD MAINTENANCE**

With permission, Mr Speaker, I should like to make a statement about child maintenance.

The Government has today published a White Paper - Children Come First - which sets out its proposals for a new system of maintenance for children. Copies have been placed in the Library.

Mr Speaker, these important proposals go well beyond my usual responsibilities for social security. They are a collaborative effort involving many Departments of State. They are to be seen as part of this Government's wide ranging measures to improve the care and welfare of children. These include the implementation of the Children Act, reviews of divorce law and related matters including conciliatory and welfare services.

Government cannot ensure that families stay together. But we can and should ensure that parents make proper financial provision for their children whenever it can reasonably be expected.

The present system of maintenance is unnecessarily fragmented, inconsistent and slow. It is based largely on discretion. And it is operated through hundreds of courts and social security offices throughout the United Kingdom. The result is massive inconsistency. For example, awards ranging from £5 to £50 for people with the same income. There is no automatic way of reviewing awards. In a great many cases, the maintenance awarded is not paid at all or the payments fall into arrears and take many weeks to re-establish. To many parents it must look like an obstacle course. The system is also ineffective. Only 30 per cent of lone mothers and 3 per cent of lone fathers receive maintenance regularly. Two thirds of lone parents and their children depend on Income Support. Only 23 per cent of lone parents who are receiving Income Support receive any maintenance. The cost in real terms to the taxpayer of income related benefits for lone parents has risen from £1.4 billion in 1981/82 to £3.2 billion in 1988/89.

We have made improvements within the present system. These will help parents but they cannot solve all the problems. We now need strategic reform.

Our proposals will deliver a single system which will be available to all. The system itself will deliver consistent and predictable decisions about how much maintenance is to be paid; payments that bear a realistic relationship to the costs of caring for a child and a fair and reasonable way of deciding maintenance so it does not become a contest between parents to the detriment of the children. It will also deliver regular reviews of maintenance; a chance for children to share in their parents' standard of living and continuing incentives for absent parents to work and to go on working.

And, we want to help caring parents who are ready and able to go to work to do so.

We do not want children to become dependent on Income Support whenever this can be avoided. It is not right that taxpayers should shoulder that responsibility if parents are able to do it themselves. After all, taxpayers include other families who are bringing up children.

To achieve these objectives we are introducing three important measures. The first is a formula for the calculation of maintenance. The second is a Child Support Agency which will assess and collect and enforce maintenance. The third is the introduction of changes to the social security benefits which are paid to parents who work.

The formula will consist of three elements. Firstly, a maintenance bill which represents the day to day costs of caring for a child as measured by Income Support rates. All parents should pay it if they can afford to do so. The size of the bill depends on the number and age of the children.



Secondly, an exempt income which the parent keeps before he pays any maintenance at all. So from his take home pay he keeps enough to meet his own necessary expenses, and his housing costs and the costs of any other children he is liable to care for. In addition there will be a protected level of income which is higher than Income Support. Nobody who is working will ever be left with less than that.

Thirdly, maintenance will be paid from the remaining income. We believe it is right that, once his expenses have been met, he should share the remaining income equally with his children until the maintenance bill has been paid. In most cases, this will mean that the absent parent will keep between two thirds and three quarters of his net - post tax - income. Those who can afford to meet the <sup>basic</sup> maintenance bill will continue to <sup>pay more of their child's home</sup> contribute to their children but at a <sup>much</sup> lower rate. Children are entitled to share in their parents' standard of living.

Where the caring parent has enough income, she will also be expected to contribute towards the maintenance bill. Both parents are liable to support their children.

We hope to apply this formula from early in 1992.

Absent parents who are receiving Income Support have the same obligations towards their children as any other parents. As a general rule, they will be expected to make a nominal contribution from their Income Support for the maintenance of their children.

The second measure is the Child Support Agency. It will have responsibility for tracing absent parents, assessing, collecting and where necessary enforcing maintenance payments. It will need powers to make a legally binding assessment, to require the provision of information and to determine the method of payment. It will be required to review the maintenance payable every year. In Great Britain, the Agency will operate as a Next Steps executive agency within my department. The Secretary of State for Northern Ireland will make similar arrangements in Northern Ireland.

When the Agency is fully operational, the courts will no longer decide applications for child maintenance or applications to vary existing awards. The courts will retain jurisdiction over related matters which arise when parents separate or divorce. These matters include residence of and contact with children, disputed paternity, property settlements and spousal maintenance.

Parents may choose to apply to the agency or make their own private arrangements. The details of the formula will be published and they can use the formula themselves.

When the caring parent is receiving Income Support or Family Credit for herself and the children - that is to say when the taxpayer can be seen to have an interest - she will be obliged to use the Agency's services. If a parent unreasonably declines to seek maintenance, it will be possible to make some deduction from her adult allowance but not of course, from any payment to the children themselves. There will, of course, be exceptions for those rare circumstances <sup>such as rape,</sup> where it is not in the interests of the children to seek maintenance.

The third measure, and one to which I attach great importance, is more help for those parents looking after children who want to go to work. There are many of them and receiving maintenance will in itself help them to work. It provides an invaluable bridge between reliance on Income Support and the world of work, as it is in addition to their earnings. But we believe that we should offer further help still. We will be making two significant changes in the rules for benefits paid to working people.

To coincide with the introduction of the formula, we will introduce a maintenance disregard of £15 per week. The first £15 of maintenance paid will be ignored for the purposes of calculating entitlement to Family Credit, Housing Benefit or Community Charge Benefit.

At the same time we will reduce the number of hours work which qualify for Family Credit from 24 hours a week to 16 hours a week. Similar adjustments will be made to the <sup>(respective)</sup> rules for receipt of Income Support. This will apply to all claimants. It will be of particular value to lone parents. It will be easier for them to combine work with their responsibilities for caring for children. No one will lose from this change because full protection will be provided.

These measures will make it easier for parents to achieve independence through their own efforts. The choice must be the parent's own. But if they wish to work, it is right that we should take steps to help them do so.

We will bring forward legislation which provide for the use of the formula, the powers of the Agency and rights of appeal against the Agency's decisions. We are giving further consideration to the precise form of the appeals.

Mr Speaker, this is an integrated package of important measures which will help children. Where maintenance is paid it advances the interests of all.

It is in the interests of the children that they should be maintained by their parents. Maintenance provides them with a reliable source of income and they learn about the responsibilities which family members owe to each other.

It is in the interest of the caring parents. Maintenance provides them with a bridge into work and greater independence.

I am sure that many on all sides in this House will wish to support and commend these proposals.