

CONFIDENTIAL

Prime Minister

1. To assist our discussion on Tuesday, 20th February, it may be helpful if I set out the three lines along which action is now proceeding in parallel:

- steps to improve the collection of maintenance from "liable relatives" within the existing framework
- a survey of Courts and DSS offices to improve the factual basis for policy-making
- interdepartmental work to develop proposals for a wider reform of the assessment and collection of maintenance

Action within present framework

2. We have made a good start. From 9th October we extended the absent parent's liability to maintain to cover children aged 16, 17 and 18, saving an estimated £2.5 million from approximately 7,500 liable relatives. Together with earlier action (including a new leaflet placing greater emphasis on the father's responsibility to maintain children, which is successfully encouraging unmarried mothers to give the name), this has contributed to a sharp rise in the maintenance collected. It has risen from £155 million in 1988-89 to an anticipated £180 million in 1989-90.

3. From this April, as I have recently announced, we are reducing from 25 to 15 per cent the amount of net earnings a liable relative can keep (over and above his or her income support level). This will lead to some 100,000 liable relatives paying an average of some £5 a week more, to produce a further saving of some £34 million.

4. In looking for measures within the current system I am constantly being brought up against ways in which it is complex and inefficient. For example some of the measures examined last summer - such as more



frequent reviews of court orders - foundered because of resource costs in already overburdened courts. Nevertheless I have identified a number of additional measures which should enable us to make further progress while the more fundamental work is proceeding.

5. Subject to colleagues' agreement, I propose to make an announcement within the next few weeks, probably in the context of tabling appropriate amendments to the current Social Security Bill, covering six such measures:-

i. To take powers to enable us to recover all the benefit from the liable relative where the mother is unmarried or divorced.

At present, a liable relative's responsibility under Social Security law is only for the child in these circumstances.

ii. To take powers for court orders for maintenance taken out by DSS to be made transferable to the lone parent, who would not then be deterred from moving off benefit through uncertainty about her maintenance position. I am also investigating whether DSS could pursue in the Courts the enforcement of the claimant's own maintenance order.

iii. To build on the action already taken to put more pressure on lone parents to name the father: instructions will be issued to DSS offices to proceed in the expectation that the name will be given, and to record and monitor the reasons given for refusal. This will enable us to judge whether it is necessary to move further and take the controversial step of making naming the father a compulsory condition of receiving benefit.

iv. To activate, if Treasury colleagues are content, the use of powers which already exist for DSS access to Inland Revenue data to help us trace absent parents, in addition to the use we already make of National Insurance records.



v. To ensure that the Action Plan following the recent Efficiency Scrutiny on the management of Departmental debt, which I expect shortly, firmly embraces the recovery of money due from liable relatives. This may for example include setting up a Debt Management Unit to centralise activity and expertise.

vi. To ensure that, in announcing the liable relative target for the Regional Organisation for 1990-91, the priority attached to that work is increased, and that we improve the way staff tackle it. If Treasury colleagues can agree to my using part of the savings produced to pay for the extra staff, I believe we could raise an extra £40 million (gross) for £5-£10 million staff costs.

I estimate that, taken together, these measures would enable me to set a target of £260 million to be recovered from liable relatives in 1990-91, as compared with £155 million in 1988-89 and £180 million in 1989-90, a two-thirds increase over the period.

#### Survey of Courts and DSS Offices

6. Your private secretary's letter of 20th July 1989 emphasised the importance of costings for any emerging proposals. We have under way a survey in around 50 Courts and 30 DSS offices, to gather the information needed to estimate, with greater precision, the likely costs and benefits of any changes in how maintenance is awarded and assessed. This information covers, in particular, how much absent fathers can actually afford; how much courts in fact award, how consistent awards are; and how much is actually collected and when.

7. Some of the necessary information will become available in April and May, but we shall not have the crucial data on enforcement and compliance before June or July. I have asked Gillian Shephard to supervise this work personally.

#### Proposals for Wider Reform

8. At the same time, my Department is working with James Mackay's, David Waddington's and others to devise proposals for a new system. I

CONFIDENTIAL



plan to put such proposals to colleagues in July. Any subsequent announcement could include David Waddington's suggestions (in his letter to Geoffrey Howe of 9th February) for more effective enforcement of maintenance orders in Magistrate's Courts, which I welcome.

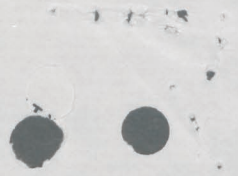
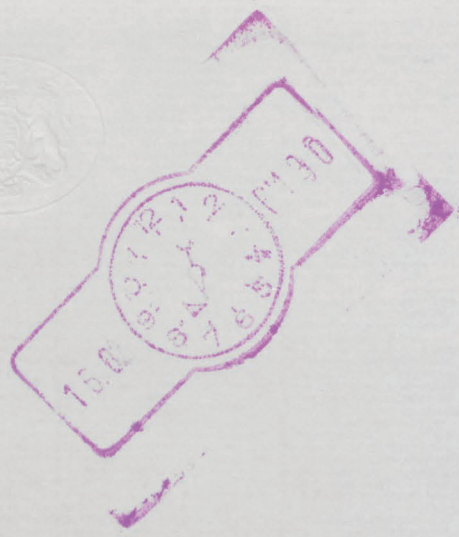
9. While we have the American and Australian systems as examples, neither is likely to provide an exact model for us because of differences in our legal and Social Security systems. Radical reform, however, clearly offers the prospect of substantial potential savings as well as a better deal for lone mothers and their children. We can expect to profit from the early American and Australian experience as we work up our proposals for change.

10. I am copying this to those who will be at our meeting on Tuesday - James Mackay, Geoffrey Howe, David Waddington, Peter Fraser, Kenneth Baker and Norman Lamont - and to John Major, Peter Brooke, Kenneth Clarke, Peter Walker and Malcolm Rifkind.

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16th February 1990



PRIME MINISTER

P 03636

## LONE PARENT FAMILIES

Minute by the Secretary of State for Social Services, 16  
February 1990

## DECISIONS

This meeting provides an opportunity to review progress with work on lone-parent families, and to ensure that there is a clear timetable and a programme of announcements to maintain impetus.

2. Mr Newton sets out three lines of action:

i. steps to improve the collection of maintenance from "liable relatives" within the present framework. He proposes to announce within the next few weeks further measures designed to increase the receipt of maintenance and the identification of absent parents. You will wish to check that you are content with his proposals.

ii. a survey of courts and DSS offices to improve the factual basis for policy making. Preliminary results are expected in April/May, final results in June/July. You may want to consider whether this timetable can be accelerated.

iii. inter-departmental work on reforming the assessment and collection of maintenance. This will be finalised in July. An announcement at that time could include Mr Waddington's suggestions for a Bill to improve the enforcement of Maintenance Orders in Magistrates Courts. You may wish to check the timetable and consider whether there is any policy guidance you wish to give at this stage.

Overall, you will wish to decide whether the aim should be an initial announcement by Mr Newton in April, a further announcement in the light of the survey and inter-departmental work in July, and final decisions (following consultations) in the autumn.

#### BACKGROUND

3. The number of lone-parent families has doubled since 1979. 77% of lone mothers receive no maintenance from the fathers. Some 70% of lone-parent families claim income support. Total expenditure has roughly doubled in real terms since 1978-79 to over £3.5 billion this year. Further growth up to £250 million p.a. on income support and one-parent benefit is projected.

4. Your meeting on 19 July last year considered proposals by Mr Moore for radical changes to the system of assessing maintenance and enforcing its payment. You announced this work in your George Thomas Society Lecture on 17 January.

5. So far, the following action has been taken to increase the maintenance collected within the present system:

i. the absent parents' liability to maintain has been extended to children aged 16-18, saving an estimated £2.5 million;

ii. more encouragement has been given to mothers to name the absent father;

iii. maintenance collected has risen from £155 million in 1988/89 to an anticipated £180 million in 1989/90;

iv. from April, the amount of net earnings a liable relative can keep over income support level will be reduced from 25% to 15%, at a potential saving of £34 million.

6. An inter-departmental group is now looking at the options for more radical change. One problem is the lack of information about, for example, the amount of maintenance collected by the Courts, the cost to the Courts of collecting it, and the ability of fathers to pay more than they are paying now. The survey of Courts and DSS offices, recently announced by Mr Newton, is intended to provide the information needed for policy decisions.

MAIN ISSUES

Early announcement

7. Mr Newton proposes to announce within the next few weeks six additional measures within the present framework:

i. new powers to enable the recovery of all the benefit from the liable relative where the mother is unmarried or divorced. At present a liable relative's responsibility under social security law is only for the child in these circumstances. You will wish to decide whether this change should be made in the Social Security Bill.

ii. new powers for Court Orders for maintenance taken out by the DSS to be made transferable to the lone parent. The lone parent would then not be deterred from moving off benefit through uncertainty about her maintenance position. You will wish to decide whether this change should also be made in the Social Security Bill.

iii. further pressure on lone parents to name the father. DSS offices would be instructed to proceed in the expectation that the name would be given, and to record and monitor the reasons given for refusal. You may wish to discuss the case for making naming the father a condition of receiving benefit.

iv. to activate the use of powers which already exist for DSS access to Inland Revenue data to help trace absent



parents. You will wish to check that the Chief Secretary is content.

v. to pursue new mechanisms for debt recovery as part of the follow-up to the recent efficiency scrutiny on the management of departmental debt. This may include setting up a Debt Management Unit to centralise activity and expertise. You may wish to endorse this initiative.

vi. higher targets for the recovery of maintenance by DSS offices in 1990-91, though this is partly dependent on Treasury agreement to the use of part of the savings produced to pay for extra staff. Mr Newton believes that an extra £40 million (gross) could be raised for £5-£10 million of staff costs. You will wish to ask whether the Chief Secretary is content for Mr Newton to proceed.

8. Mr Newton estimates that these measures together would allow him to set a target of £260 million to be recovered from liable relatives in 1990-91, an increase of two-thirds over the amount collected in the last financial year. You will wish to decide whether he should announce these measures, and do so in the context of amendments to the Social Security Bill.

#### Further changes

9. Mr Newton indicates that work on the options for more radical change is proceeding in parallel with a survey of Courts and DSS offices. Options and questions being examined inter-departmentally include:

i. simplifying and speeding up the basis on which maintenance payments are assessed. Can a formula be used? Can the task be done administratively instead of by the courts?

ii. improving the collection and enforcement of

maintenance. Can this be done by deduction from earnings or through the tax system? Should a separate agency be set up to collect payments (as in the USA and Australia)? Should some incentive to fathers to pay be built into the system?

These questions could affect family as well as social security law, the courts, social security offices and the Inland Revenue. You may wish to consider whether there is any guidance which you wish to give to this work at this stage.

10 Mr Newton indicates that the work on more radical options cannot sensibly be finalised until the results of the survey of Courts and DSS offices are available. An interim report is expected in April/May, final results in June/July. Mr Newton has asked Mrs Shephard to supervise the work personally. You may wish to discuss the timetable and the possibility of speeding up the survey results.

#### Seminar

11. Mr Newton's minute of 6 February said that he proposed to sponsor a seminar on maintenance as a means of tapping the expertise of people involved in this area. The seminar might also help to maintain the momentum and the general welcome for Government action on this area. You may wish to ask whether Mr Newton still intends to proceed with it.

#### Enforcement of maintenance orders

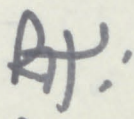
12. In his letter of 9 February to the Lord President, the Home Secretary proposed a short Bill next session to improve the enforcement of maintenance orders by Magistrates Courts. He estimated that his proposals could generate up to £13 million in extra maintenance each year, with commensurate savings in benefit. The Lord President will be conscious of the other pressures on the legislative programme. But the Bill should be short and uncontroversial. You may wish to ask whether a place can be found for it in next session's programme.

**Timetable**

13. Mr Newton's minute of 6 February mentioned the need for consultation on proposals for major reform. You may wish to ask what timetable he has in mind. The papers seem to point to a statement of Government proposals for a new system before the summer recess, followed by the publication of a consultation document, with final decisions in the autumn. There is also the question of the timing of any major legislation.

**HANDLING**

14. You will wish to invite MR NEWTON to speak to his minute of 16 February. The meeting could then work through the proposals in paragraphs 5 onwards of the minute. The CHIEF SECRETARY will want to increase the pace of the exercise, but may be concerned about the expenditure implications of some of Mr Newton's immediate measures. The LORD CHANCELLOR, the HOME SECRETARY and the LORD ADVOCATE may wish to comment on the implications of radical change for the Courts. The LORD PRESIDENT will want to know about the legislative consequences of Mr Newton's and Mr Waddington's proposals.



R T J WILSON  
Cabinet Office  
19 February 1990

19 February 1990

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LONE PARENTS: RECOVERY OF MAINTENANCE

John Moore first put work in hand well over a year ago. This issue already has, therefore, a long history. You were rightly concerned at the pace at which work was proceeding.

Tony Newton's note sets out what work is proceeding. The note is encouraging on two points:

- as a result of your pressure there has been some improvement in the timetable;
- the DSS are pressing ahead with interim measures to tighten up the existing system.

This is fine as far as it goes. But we recommend that tomorrow's meeting is used to:

- get a much firmer timetable for legislation on the more fundamental changes;
- get agreement on what the broad lines of the new system should be (this will help to focus more effectively the work of the official Working Group and prevent them pursuing red herrings).

Action with present framework

Tony Newton's note lists a number of administrative changes (Para 5). An explanation of what these changes entail is at the Annex.

These are all useful changes to tighten up the existing system.

But:

- (1) You gave broad agreement to changes of this sort last Summer;
- (2) If the DSS can increase maintenance payments by two-thirds (as the note estimates), then all well and good. But these savings are targets: they have yet to be achieved. These useful, but relatively minor, administrative changes must not be allowed to divert attention from more radical reform.
- (3) More radical reform has wider objectives than merely the total sums recovered. Improving the system for recovering maintenance from liable relatives is also important for moral reasons, for its deterrent effect and for increasing the numbers of people actually paying.

#### Proposals for wider reform

There are some real points of substance to decide: but not many. There is also more work to be done: but not as much as Tony Newton and officials argue. The process can and should be faster.

We believe the broad lines of a new system of maintenance are clear. And there is a good deal of agreement on what they are:

1. A simple numerical formula relating to all maintenance awards, being a percentage of the liable relative's (ie, in practice, the father's) income assessed for each child on a fixed scale; perhaps, as in the USA, applied through guidelines challengeable in the courts on specific limited grounds eg the needs of dependents of a second marriage.

2. Enforcement through the tax system, probably by a separate (and fully costed) special unit based in the Inland Revenue. Attachment of social security benefits must also - as Frank Field has suggested - be possible and applied: this, incidentally, deals with most of the "why work" implications of greater maintenance enforcement.
3. Naming the absent parent must be a clear condition of benefit payments to lone parents: DNA fingerprinting, bloodtests etc should be applied.

In our view the issues of substance to be decided are:

- what precise formula? (there is plenty of international evidence to provide a range of possibilities)
- what are the precise costs and duties of the unit or agency for making maintenance enforcement? For example, how would enforcement be achieved if an employer refused to co-operate with a procedure for deducting maintenance direct from pay-packets?
- how is the income of the "liable relative" to be assessed: in practice, how are assets to be taken into account?
- are there to be any "carrots" as well as the "stick" of naming the absent parent (see 3 above) eg disregards of benefits for either the mother or the maintenance paying father.

The next steps should be:

- an illustrative paper on effects of formulae;
- urgent discussions, principally between the Inland Revenue and DSS, on the maintenance unit's size and functions;

- a quick (ie not seven months) enquiry to show what practice the courts currently pursue in awarding maintenance: we do not want a formula which leads to lower maintenance awards than is the case now.

By contrast, issues of no substance whatsoever are:

- the proposed full survey of the present system (to take seven months). This is unnecessary: we know the system is not working.
- the relationship with the proposed Law Commission reforms of divorce law, conciliation etc: this is irrelevant: (moreover, Brian Griffiths and Robin Harris do not believe that the Law Commission's approach is the right one).
- considerations of "equity" between various concerned parties. This is a quagmire we can surely skirt: let the courts sort it out, if the liable relative wants to challenge application of the formula. In particular, the point in Tony Newton's note (Para 6), about how much absent father can actually afford, is a red herring. The DSS, as Para 3 of the note makes clear, already has a rough formula for assessing how much they can afford.

### Timetable

DSS were originally planning to put proposals to Ministers in the early Autumn. As a result of your pressure, Tony Newton intends to bring forward proposals in July. This is an improvement, but the timetable thereafter remains unclear. We have been told that the earliest legislation could be contemplated is the 1991/92 Session.

You will want to consider whether legislation any earlier - eg in the next session - is possible. Two points seem important here:

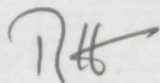
- it does not seem to us that the consultation period for any proposals need be long. While some specific aspects of the new maintenance system will be controversial there is already widespread public support for the fundamental overhaul of the system signalled in your George Thomas lecture;
- all the "i's" may not need to be dotted before legislation can proceed. For example, legislation would surely need to lay down that maintenance would be assessed by administrative formula. But would it need to specify the precise formula? This could be introduced by an Order laid before Parliament.

### Recommendations

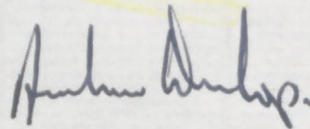
1. Agree a firm timetable for legislation. We should aim for legislation in the next session.

2. Agree that the new maintenance system should have the following features:

- the naming of an absent father should be made a condition of benefit;
- assessment of maintenance should be by means of an administrative formula, with a right of appeal to the courts;
- collection should be through the tax system.



ROBIN HARRIS



ANDREW DUNLOP



ADMINISTRATIVE CHANGES PROPOSEDPara 5(i)

The law requires spouses to maintain each other. The Courts may also make maintenance orders for divorced women.

There is no provision for unmarried couples to maintain each other, although the children of such a union must be provided for. In these circumstances, therefore, the DSS is able to recover from the father all the benefit that can be attributable to the children, but not the mother. This does not seem right.

The mother - as custodial parent, caring for the children - is bearing a direct cost which the father escapes. For example, if the mother was not looking after the children she could be out at work. The DSS propose, therefore, to be able to recover all benefit from the father.

Para 5(ii)

At present if a liable relative is defaulting in payment of maintenance, DSS can apply for a Court Order to recover this money. The money recovered does not go direct to the lone parent, but into DSS coffers. DSS will then use the money to finance benefit payments to the lone parent. The DSS proposal is that money recovered in this way should be paid direct to the lone parents. Her benefit would then be adjusted accordingly. This would improve the transparency of the maintenance system for the lone parent, thus making it easier for her to calculate how much better off she could be in work.

Para 5(iii)

This is largely self-explanatory. DSS proposed to tighten up the administrative arrangements for asking lone mothers to name the absent fathers. You supported this last Summer when John Moore first put proposals to you. It is still some way short of making the naming of a father a condition of benefit.

Para 5(iv)

Again this is self explanatory. DSS already have access to Inland Revenue data for use when employees or employers default on their National Insurance Contributions.

Para 5(v)

This is pretty small beer. At present the DSS has to recover debts for a variety of reasons: overpayment of benefit (either due to fraud or an unnotified change in circumstances), default on National Insurance Contributions or failure to pay maintenance. The expertise on recovery is dispersed throughout the Department. One suggestion is to centralise this expertise.

Para 5(vi)

Again self-explanatory. Essentially a spending to save measure.

PRIME MINISTER

## AD HOC MEETING ON LONE PARENTS

You asked to hold a meeting of Ministers and Departmental officials because you were unhappy with how slowly work has been progressing on improving the system for collecting maintenance. Papers attached are:

- Flag A An excellent joint note by Andrew Dunlop and Robin Harris;
- Flag B A handling brief from Richard Wilson;
- Flag C A note of 16 February from Mr Newton setting out short-term proposals and a (faster) timetable for action;
- Flag D Note of 6 February from Mr Newton, somewhat overtaken by Flag C, but giving detail of Departments' proposals for long-term proposals;
- Flag E Note of 9 February from the Home Secretary setting out proposals for legislation in the next session to improve the courts' powers to enforce maintenance orders and simplifying procedures for attachment of earnings.

Mr Newton's latest minute sets out some interim proposals to improve the operation of the existing system. He suggests that he might make an announcement in the next few weeks, perhaps proposing amendments to the Social Security Bill, about these short-term proposals. Andrew Dunlop and Robin Harris broadly welcome these proposals. The annex to their note also explains their significance (Mr Newton's note is not I find particularly clear).

Although you will wish to explore - and endorse - these short-term proposals, Andrew and Robin rightly suggest that you can use the

meeting most usefully to agree the broad shape of a longer-term radical reform of the system; and a timetable for action. The Policy Unit suggest that this should be:

- that the naming of an absent father should be a condition of benefit. Mr Newton's note of 16 February sees this as a possibility, depending on the success of administrative changes to tighten the existing system. A subsidiary question is whether any carrots are needed as well as this stick;
  
- that assessment of maintenance should be through an administrative formula, with a right of appeal to the courts (as in the USA); Mr Newton's note of 6 February suggests a formula may be the answer but leaves open whether it should be administrative, or used by the courts;
  
- that collection should be through the tax system, probably by a separate and fully costed special unit in the Inland Revenue. Mr Newton's note of 6 February suggests that collection might be through deduction from earnings or through the tax system. It points to the example of the USA and Australia, both of whom have separate Agencies collecting maintenance.

Other main issues are:

- the survey of courts and DSS offices, which DSS says is essential (full results will be available in June/July). The Policy Unit say a full survey is not necessary - but a quick enquiry to show current practice by the courts in awarding maintenance is. This would ensure that the formula does not lead to lower maintenance than now;
  
- timetable. Mr Newton plans to make an announcement of interim proposals in the next few weeks. You will want to welcome this. He hopes to bring forward longer term proposals in July, which the Policy Unit also welcome. But they say you should establish a clear timetable thereafter, with the aim of legislation in the next session. Consultation may be necessary, but the Policy Unit does not think it needs to be protracted. Also legislation need not cover all the detail, which can be left to Regulations.

at the meeting you may wish to:

- welcome what has been achieved so far (paras 2 -4 of Mr Newton's minute of 16 February at Flag C);
- endorse the short-term proposals (para 5 of Mr Newton's minute at Flag C), asking the Chief Secretary and Lord President about expenditure and legislative implications; and agree an early announcement ;
- welcome the Home Secretary's proposals at Flag E and ask the Lord President whether legislation can be agreed for the next session;
- consider proposals for wider reform (Mr Newton's of 6 February at Flag D), asking the Lord Chancellor, the Home Secretary and the Lord Advocate about the implications of radical changes for the courts;
- consider the timetable for action and the need for a full survey (paras 6-9 of Mr Newton's note at Flag C);
- commission future work. The Policy Unit suggest a paper on the effects of formulae; ask Departments to begin discussions on the creation of a new unit in the Inland Revenue to collect maintenance; and commission a quick survey.

ONS

Caroline Slocock  
19 February 1990



10 DOWNING STREET

Note for the file

Love Parents

The LCD official  
attend in Tuesday's  
meeting will be

Mr Peter Graham Harris

Head of Law and  
family Policy  
Division.

AS



10 DOWNING STREET

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AS



10 DOWNING STREET

~~cc Mr Mawer  
Mr Watson~~

Cabinet office

I understand you are  
to discuss who will  
brief for next Tuesday's  
meeting at 10.30.  
You may like to see  
this.

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SPW

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

12 February 1990

Dear Linda,

I am writing to confirm that the meeting on loan parents which we discussed will be held at No.10 on Tuesday 20 February at 1030. The meeting should last approximately three-quarters-of-an-hour.

I am copying this letter to the Diary Secretaries to the Home Secretary, Chief Secretary, Lord Chancellor, Lord Advocate, Lord President, Chancellor of the Duchy and to Anne Botell (Department of Social Security).

Yours sincerely

Amanda

(AMANDA PONSONBY)

The Diary Secretary,  
Private Office,  
Department of Social Security.

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

12 February 1990

Dear Ross,

LONE PARENT FAMILIES

The Prime Minister was grateful for your Secretary of State's minute of 6 February setting out the position on the work which is being done in this area. She has also seen the Home Secretary's letter of 9 February to the Lord President. She is anxious that the work is not progressing fast enough and would like to hold a meeting of colleagues as soon as possible to discuss the way forward. We shall be in touch to set up a meeting.

I am copying this letter to Tim Sutton (Lord President's Office), Duncan Sparkes (H M Treasury), Carys Evans (Chief Secretary's Office), Paul Stockton (Lord Chancellor's Office), Stephen Leach (Northern Ireland Office), Andy McKeon (Department of Health), Stephen Williams (Welsh Office), Robert Caniff (Chancellor of the Duchy of Lancaster), Colin Walters (Home Office), Jim Gallagher (Scottish Office) and Alan Maxwell (Lord Advocate's Department).

Yours sincerely,  
Caroline

CAROLINE SLOCOCK

Ross Hutchison, Esq,  
Department of Social Security

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Prime Minister

LONE PARENT FAMILIES

You were concerned that progress be made urgently in the work we are doing on maintenance - a concern which I and colleagues very much share.

2. We are working in three main areas:

- how maintenance payments should be assessed. In view of the legal issues involved, and its close connection with the review of divorce law currently under way, this work is being carried forward by the project group referred to in James Mackay's letter to me of 2 February. Particular consideration is being given to whether, as in other countries, a formula could be used and whether this should be done through the Courts or administratively. The object would be both to see that the maintenance awarded properly reflected the situations of both parties and to speed up assessment.
  
- how maintenance should be collected and enforced - for example by deduction from earnings, or through the tax system; and what kind of organisation would be required for an effective enforcement system. A number of other countries - the United States and Australia for example - have separate Child Support Agencies specifically charged with the collection function which operate very effectively;



- establish the effectiveness of the present system, in terms of costs and maintenance collected. This work is essential if we are to assess properly what the costs and benefits of a new system would be and this is the purpose of the survey in the Courts and DSS Offices which I announced recently. The nature of this work is such that it cannot be done in less than six or seven months and this sets the outside parameters for the work we are doing: but we are proceeding with all speed with the rest of the work in parallel with it.

3. We also need to consolidate public support for reform and tap the expertise of people involved in the maintenance field. I propose therefore to sponsor a seminar on maintenance within the next two or three months when officials in the Departments involved can meet with organisations such as the Law Commission, Women's National Commission, lone-parent groups and experts in this field.

4. This is a very substantial programme of work which my officials are carrying forward in close consultation in particular with those from the Home Office and the Lord Chancellor's Department. I intend to keep a close eye on its progress myself and I shall be asking for an interim report in April. I would expect to have costed proposals once the survey data is available in the Summer which would be fed into the PES bilaterals with published proposals thereafter.

5. If we choose to go down any of the more radical paths - in particular the use of a formula or assessment outside the Courts - we are likely to need some measure of consultation in view of the legal issues involved and probably main legislation. We shall need to judge once we see the options whether this is a prize worth waiting for: on the experience of other countries we may find that it may well be.



6. But in the meantime I attach great importance to finding ways to improve the amount of maintenance recovered under the present system, and we have also been pursuing this. I reported to the House earlier this week that DSS recovered £155 million from absent parents in 1988/89 and we are on target to increase this to £180 million in the current year. We are tightening the basis on which our local offices assess absent parents' ability to pay, and so next year we expect to recover over £200 million.

7. Your private secretary also conveyed your concern that fathers should be identified so that they can be pursued for maintenance. I and colleagues are also very concerned about this and identification will be a key element of a new, reformed system. It is an integral part of our work programme and we will be bringing forward detailed proposals as part of the overall interdepartmental plans for reforms.

8. I am copying this and the private secretaries' correspondence to Norman Lamont and to other recipients of my letter to him of 23 January - John Major, James Mackay, Peter Brooke, Kenneth Clarke, Peter Walker, Kenneth Baker, David Waddington, Malcolm Rifkind and Peter Fraser.

TN

6<sup>th</sup> February 1990

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PRIME MINISTER

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**LONE PARENTS**

You asked me to set up a meeting to discuss Tony Newton's report on what is planned on lone parents.

We have received today the attached copy of the letter from the Home Secretary to the Lord President suggesting some legislation in the next session to improve the courts' powers to enforce maintenance orders and to simplify the procedure for attachment of earnings. This is encouraging - as it shows work is advancing, although it will take time to implement. But it is worrying that there was no hint of this in Mr Newton's progress report and suggests Departments are not properly coordinating their work.

I propose to invite Mr Newton, Mr Waddington, Mr Lamont, Lord Mackay and Lord Fraser to the meeting, and Mrs Anne Botell, the Grade 2 in DSS leading the work, and who has recently visited Australia to look at their systems.

You may like to consider whether you would like the Lord President to be present (in view of possible legislation); and perhaps Mr Baker.

Content that I invite those proposed above to the meeting?

Yes

Do you want to add Sir Geoffrey, Mr Baker and any other officials?

Yes  
me

CSS

Caroline Sloccock  
9 February 1990

LONE PARENTS

You asked for a work programme and timetable for action because you were concerned that work on lone parents was not progressing fast enough. Mr Newton has sent you the minute at Flag A which suggests that:

- work is already underway on tightening the existing system for recovering maintenance - with a target of £200 million next year compared to a £180 million target this year and £155 million collected last year;

- that other work, although underway, is dependent on:

(a) the survey being carried out, which will take 6-7 months, which will establish costs and benefits;

(b) a review of divorce law;

(c) carrying public opinion. A DSS seminar involving the Law Commission, the Women's National Commission, lone-parent groups and others is proposed. A period of formal consultation of proposals which may have legal consequences may also be necessary.

Mr Newton plans to have costed proposals by the time the survey data is available in the summer, which could be fed into the PES bilaterals. If consultation - and changes in the law - are necessary, more time will have to be allowed before implementation.

Andrew Dunlop, whose note is at Flag B, is not very happy with this; and thinks work could be done faster by carrying it out in stages. He thinks the need for reform is already demonstrated by the evident short-comings of the system; and that public opinion - judging by the reactions to your speech - does not need to be carried.

Agree:

- to welcome the work already being carried out to tighten the existing system for collection?
- to stress that work should not be held up until all aspects of the problem have been settled but should be done in stages. As Andrew Dunlop suggests, although changes in divorce law may affect the levels of maintenance paid, that review should not hold up work to improve the recovery of maintenance. Also creating a new formula for assessment can be done after improving the method of collection (reforms in Australia were in two such stages)?
- to stress that, as Andrew believes, the seminar proposed is a bad idea and should not be pursued. The groups concerned are likely to want higher benefits, not tougher action?
- to stress yet again the urgency of the work and to say that you hope some action can be taken before the results of the survey and before the PES bilaterals?

CAS

Caroline Slocock  
9 February 1990

This would do.  
Get them in - with  
officials - and we will talk  
to them. They are dragging  
them just badly.  
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