

SUBJECT TO MINISTER  
MEETING RECORD.

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10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

21 February 1990

The Prime Minister held a meeting yesterday to discuss the issue of lone parent families. Those present were the Lord President of the Council, the Lord Chancellor, the Home Secretary, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Scotland and for Social Security, the Chief Secretary to the Treasury, the Lord Advocate, Sir Robin Butler, Mrs Bowtell (Department of Social Security), Mr Grant (Home Office), Mr Harris (Lord Chancellor's Department), Mr Wilson and Mrs Bailey (Cabinet Office) and Mr Dunlop (No 10 Policy Unit). The meeting had before it a minute by your Secretary of State dated 16 February 1990.

Your Secretary of State said that he was anxious for the work on lone parent families to proceed quickly. He was currently taking action on three fronts. First, he had taken steps to improve the collection of maintenance within the present framework: the absent parent liability to maintain had been extended to children aged 16 to 18, saving an estimated £2.5 million; more encouragement had been given to mothers to name absent fathers; maintenance collected had risen from £155 million in 1988/89 to an anticipated £180 million in 1989/90; and, from April, the amount of net earnings a liable relative could keep over income support level was to be reduced from 25% to 15%, giving a potential saving of £34 million.

He also proposed to make an announcement within the next few weeks, probably in the context of tabling amendments to the Social Security Bill, of six further measures: new powers to enable the recovery of all the benefit (not just an allowance for the child) where a mother is unmarried or divorced; new powers for court orders for maintenance taken up by the DSS to be made transferable to the lone parent; further pressure on lone parents to name the father; the use of powers already enacted for DSS access to Inland Revenue data, to help trace absent parents; the introduction of new mechanisms for debt recovery, as part of the follow up to the recent efficiency scrutiny on the management of departmental debt; and higher targets for the recovery of maintenance by DSS officers in 1990/91.

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Together these proposals would significantly improve the enforcement arrangements, though they would not remove the basic difficulties inherent in the present system, which was inconsistent in some respects with family law and which contained a number of disincentives to lone parents and absent fathers to accept their responsibilities.

For the future, a new system needed to be devised which simplified and speeded up the basis on which maintenance payments were assessed, and improved the collection and enforcement of maintenance payments. Significant public expenditure savings in relation to income support could be made. A survey of courts and DSS offices had been set in hand to improve the factual basis for policy making in this area. At the same time, his department was working with the Lord Chancellor's Department and the Home Office to devise options for more radical change. His objective was to bring forward policy proposals in July, with a view to making final decisions, following consultation, in the Autumn.

In discussion, the following main points were made:

- a. Absent fathers must not be allowed to avoid their responsibility for their children or for a mother charged with their care. It was vital therefore to improve arrangements for the assessment and collection of maintenance. Changes in social security law in the early 1980s had been poorly focussed in this respect. As a result an attitude had grown up, which needed to be reversed, that the moral responsibility to children was no longer important. Against this background the steps already taken to improve the collection of maintenance within the present framework were a welcome move in the right direction. It was imperative to keep up the momentum.
- b. Under the present social security arrangements, the DSS could recover all the benefit from the liable relative only where a mother was separated from the father. In cases where the mother was unmarried or divorced, only benefit in respect of the child could be recovered. The proposal to extend the DSS's powers to encompass unmarried and divorced mothers, though it would bring relatively small public expenditure savings, would be an important means of reinforcing the principle that a father was always responsible for the full costs of maintaining a child. The change would make social security law more consistent with family law which permitted the courts to take account of the costs of child care in assessing liability for maintenance.
- c. The proposed new powers for court orders taken out by the DSS to be made transferable to a lone parent would remove the present deterrent to moving off benefit through uncertainty about the maintenance position. It was desirable for maintenance payments transferred in this way to go direct to the lone mother, rather than via the DSS, in order to remove the present disincentive against paid work, which in practice led to a reduction in benefit. It was also desirable that the DSS should take the power to pursue in the Courts the enforcement of the claimant's own order.

Lone parents are sometimes discouraged by the complexity and difficulty of the legal process; and they may not always have the incentive themselves to pursue their case when they are receiving benefit. The new powers would be welcome and it was agreed that they should be taken although they could bring a significant increase in the number of cases coming before the courts. Any reduction in DSS costs might be accompanied by increases in expenditure by Home Office and LCD. The possibility of transferring some or all of the savings would need to be explored in the public expenditure survey.

d. The willingness of a lone parent to name the father of a child was a key factor. Any further pressure that could be achieved by revisions to DSS office instructions should be put in hand at once. In the short term, the important thing was to create a change in the expectations of lone parents. For the future, it was important that a claimant should name the father as a condition of receiving benefit, although it would clearly be necessary to provide for exceptional cases, for example of rape or incest, or cases where the identity of the father was genuinely not known. Further work should accordingly be put in hand. At the same time consideration should be given to the introduction of incentives to encourage the payment of maintenance (perhaps for instance through a disregard on maintenance payments).

e. Problems might arise if an alleged father subsequently denied paternity though this could now be established through DNA testing. The issue of parenthood could also be complicated where AID techniques had been used to establish a pregnancy, particularly for a single mother. A recent debate in the House of Lords in the context of the Human Fertilisation and Embryology Bill had highlighted the problems of allowing single mothers access to AID, and had raised the issue of the accuracy of birth certificates in this respect. In practice, however, a birth certificate recorded the legal position of a child, rather than its true parenthood. This seemed to undermine the rights of a child, who might have no means of knowing its natural father. On the other hand, if a sperm donor was required to consent to his identity being revealed to a child conceived through AID, in all likelihood donors would refuse to come forward. Any proposal to amend the Bill in the Commons to prevent single women benefiting from AID should be given serious consideration.

f. The proposal to activate existing powers for DSS access to Inland Revenue data was essential. Any difficulties needed to be identified and resolved without further delay. Inland Revenue records were often more up to date than National Insurance data. Any additional information might also be useful to women wishing to enforce a court order. The proposed higher targets for the recovery of maintenance by DSS offices were also agreed to be worthwhile. Officials should pursue these proposals as a matter of urgency. Similarly, work on the action plan following the recent efficiency scrutiny on the management of departmental debt should be completed as soon as possible, without further

reference back. It would be useful if the Efficiency Unit of the Cabinet Office could check up on progress in about six months' time. On the question of additional resources in paragraph 5 (vi), the Treasury wished to understand the figuring although they were sympathetic to the case. It had to be recognised that the savings were dependent on staff being made available.

g. For the longer term, particular consideration was being given to whether, as in other countries, a formula might be used to assess maintenance payments, either through the courts or administratively. It was agreed that an administrative formula, with a right of appeal to the courts, would probably be the best option, as it would reduce the burden placed on the courts. The object would be to see that the maintenance awarded properly reflected the situation of both parties and to speed up assessment. Identifying an appropriate formula would not be straightforward, because of the need to take account of a wide range of factors not always covered in existing systems abroad, such as an element for child care, and arrangements to ensure that the mother retained the use of the family home. Ideally, however, a formula would enable the anomalies between family law and social security law to be removed.

h. The options for improving the collection of maintenance included deductions from earnings, or changes in the tax system. Collection through the tax system would require a reversal of Government policy, which had previously resisted an extension of Inland Revenue powers into the debt collection field. The attraction of a separate child support agency on the Australian model was that it removed the collection function from the DSS which was essentially a paying-out agency. It was agreed that urgent consideration should be given to the possibilities including the creation of a new unit for collecting maintenance within the Inland Revenue. Progress should be made as quickly as possible. It was conceivable that changes might be made in the Finance Act next year.

i. The Home Secretary had proposed a short Bill in the 1990/91 Session to improve the enforcement of maintenance orders by magistrates courts. His proposals would allow an attachment of earnings to be made at the time of a court order, and for the self employed to be required to pay maintenance by banker's order; these changes could generate up to £30 million in extra maintenance each year with commensurate savings and benefits. The pressures on the legislative programme were recognised, but consideration nonetheless needed to be given to whether a place might be found for this short and uncontroversial Bill. An alternative might be to offer a handout Bill to a private member.

j. In general, it was important to speed up the work being done to develop policy in this area. In particular, the survey of courts and DSS offices, on which final policy

decisions depended, should be completed in time for those decisions to be finalised by the summer. It would be desirable to include any necessary legislative changes in the 1990/91 legislative programme, if at all possible.

The Prime Minister, summing up the discussion, said that it was vital to improve the arrangements for recovering maintenance from absent fathers, who must not be allowed to avoid their responsibilities. Although there were significant savings in public expenditure to be gained from changes in the assessment and collection of maintenance liability, the primary objective of reform was the moral one of re-establishing traditional family values and the fundamental structure of family life. The action taken within the present framework was a welcome start in changing public expectations. The group endorsed the six measures set out in paragraph 5 of the Secretary of State for Social Security's minute of 16 February and wished them to be pushed forward with all due speed. The Prime Minister stressed that the details of the extra resources mentioned in subparagraph (vi) should be sorted out with the Treasury urgently: the savings would only be made if the staff were available.

For the future, it was crucial to keep up the momentum. Reforms in this area could have more effect on the quality of life than many of the Government's economic measures. The Group had agreed on a number of areas where further proposals should be worked up as a matter of high priority. There was no doubt that lone parents should be required to name the father as a condition of receiving benefit, subject to necessary exceptions. The possibility of introducing some incentive for the payment of maintenance should be considered. It was highly desirable to find an effective formula for the assessment of maintenance payments. And every effort should be made to improve the collection of maintenance. Your Secretary of State would consider the possibilities for speeding up the survey of courts and DSS offices on which future policy decisions are to be based. The aim should be to complete the inter-departmental work on the assessment and collection of maintenance in time to finalise policy proposals by the summer, so that proposals for legislation could, subject to other pressures on the programme, be brought forward in the 1990/91 session.

I am sending copies of this letter to the Private Secretaries to the Ministers at the meeting, to the Secretary of State for Health, and to the others present.

CAROLINE SLOCOCK

Stuart Lord, Esq.,  
Department of Social Security.