

Child Support Agency
Operational Improvement Plan
2006-2009

child support agency

Part of the Department for Work and Pensions

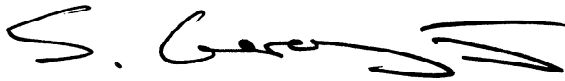
Foreword by the Chief Executive

The underlying causes of the problems with the Child Support Agency's (CSA) current performance are deep rooted and complex. They reflect not only the operational and IT system issues which have accumulated over the 13 years the Agency has existed, but also the complexity and instability of modern relationships. The conflicts and emotions generated when relationships break down add further difficulties.

This Operational Improvement Plan has been agreed with Ministers to improve the Agency's performance, while work to redesign future policy and delivery arrangements is undertaken.

The aim of this plan is to improve our service to clients, increase the amount of money we collect, achieve greater compliance from non-resident parents and provide a better platform from which to implement evolving policy in the future.

There are no quick fixes and this plan is designed to deliver improving performance over three years. The Agency will be publishing its new client service standards in April 2006, and real and lasting benefits from this action plan should be visible from April 2007 onwards.



Stephen Geraghty
February 2006

CSA OPERATIONAL IMPROVEMENT PLAN – THE WAY FORWARD

Our challenge

- 1 The Operational Improvement Plan is the culmination of the thorough review of the Child Support Agency's (CSA) operations undertaken over recent months. It will drive the much needed improvement to services that our clients deserve – **more responsibility from non-resident parents; more money for more children; less child poverty; delivery that is more efficient and effective.**
- 2 By changing the way the Agency delivers its services we will provide a much stronger focus on the things that matter to our clients:
 - Supporting and, where necessary, enforcing maintenance liabilities where non-resident parents fail to meet their responsibilities for their children
 - More money collected for more children – and as a result a reduction in child poverty and a better standard of living for many more children
 - Applications and changes of circumstances dealt with efficiently and effectively – and as a result reducing the volume of over quarter of a million new scheme applications that have yet to be cleared so that the Agency should not have a backlog by March 2009, and the time taken to clear an application should be, for around 80 per cent of cases, no more than 12 weeks
 - A supportive and responsive service – clients will be directed to the **right people** within the Agency, who will have the **right knowledge** and skills to tackle their issues swiftly in the **right way**
- 3 Making the changes will be a real challenge. The issues being tackled are complex and deeply embedded. As a result there is no quick fix to remove the problems that have accrued over the last 13 years, and it will therefore take time to improve the Agency's performance. This plan sets out the critical steps that must be taken to improve the level of service that too many of our clients currently experience.

Our purpose

- 4 The purpose of the Agency is clear – to ensure that parents who live apart from their children contribute financially to their upkeep.
- 5 Whilst relationships may break down parents cannot walk away from their responsibility to maintain their children. Many parents take financial responsibility for their children either with or without the support of the Agency, in the latter case through voluntary arrangements between one another. But too many do not. Around 30 per cent of non-resident parents who have been assessed and from whom the Agency has requested payment do not pay. We will take quicker and firmer action against those who do not fulfil their responsibilities towards their children.

Our clients

- 6 We recognise that the Agency enters people's lives at a time of great change – the birth of a child to a single mother; the break down of a relationship; or at a time of financial vulnerability. Around 70 per cent of our applications are made when the parent with care makes a claim for income-related benefits.
- 7 So, at the time of the application, there are often complicated emotional, financial and legal issues being experienced by both parents. Often things are difficult between parents; indeed it is the more difficult cases that tend to require our involvement. Our challenge is to work through this complex environment to bring some degree of financial stability for children. When successful, this action also brings some much needed certainty for parents as well.
- 8 The Agency has a series of tasks to carry out:
 - An assessment of each application which involves identifying and locating the non-resident parent
 - A calculation of maintenance which involves confirming paternity; establishing the non-resident parent's income or benefit status; determining the existence of children in the non-resident parent's current household and confirming levels of shared care. Once cases are live the Agency has to keep all these factors up to date, track changes and recalculate maintenance each time any of them changes
 - A collection and enforcement role which involves setting up payment schedules, chasing missed payments and debts which have built up, and pursuing non-compliant non-resident parents as far as necessary to achieve payment

Our history

- 9 Until 1993, the Courts arranged child maintenance. The Department for Social Security could seek to recover maintenance from non-resident parents on behalf of lone parents claiming Income Support under the liable relatives scheme.
- 10 The Child Support Act 1991 introduced the concept of child support with a maintenance formula used to calculate the amount of maintenance, which should be paid. The Child Support scheme was introduced in April 1993. The Child Support Agency came into being to administer this work.
- 11 The Child Support, Pensions and Social Security Act 2000 introduced the new scheme that came into force primarily for new cases from 3rd March 2003, based on the Child Support White Paper – *A New Contract for Welfare: Children's Rights and Parents Responsibilities*. It also anticipated conversion of all old scheme cases onto the new scheme, which to date has not been achieved. Two-thirds of the current caseload therefore remains under the old scheme rules.

- 12 Well documented problems with computer systems and organisational issues have meant that the Agency and its clients have not been able to take full advantage of the improved legislative framework, and the Agency continues to under perform against its targets.
- 13 Ministers have consistently said that they would not undertake conversion of old scheme cases to the new scheme until the new computer system was stable and proper operational and organisational arrangements were in place. The Chief Executive's review has highlighted the scale of the challenge we face in achieving this. He has identified significant issues with the data held on the old computer system and made it clear that conversion would carry substantial risks and be costly and complex. Ministers have considered the review findings carefully and concluded that they should continue to keep under review the conversion decision. This will take into account any further implications arising from the work to re-design future policy and delivery arrangements, which are also being announced alongside this plan.
- 14 The CSA Operational Improvement Plan while not incorporating bulk migration and conversion will bring many improvements. It is flexible enough to facilitate the re-design of future child support arrangements. It will deliver a much better level of service for clients and provide a stable base from which to move forward in the future.

Our Current Position

- 15 The cumulative effects of the problems have been severe:
 - Maintenance debt accumulated since 1993 stood at over £3.3 billion at April 2005. This is owed by non-resident parents as a result of them failing to meet their responsibilities. Much of this is believed to be uncollectable, either because of the limitations of the Agency's powers of enforcement (e.g. debt over six years old, preclusion to recover from estates), or because of the circumstances of the non-resident parent (e.g. lack of financial means, now living abroad). As the Agency has no power to write off any of this debt, it is inevitable that this headline figure will continue to grow as compliance is unlikely to ever reach 100 per cent
 - Over a quarter of a million new scheme applications cases have not yet been cleared. We also have large volumes of outstanding changes of circumstances to process on new scheme cases. Just under 70,000 old scheme cases have not yet been assessed, largely because the non-resident parent cannot be traced
 - 30 per cent of non-resident parents who have been assessed and from whom the Agency has requested payment do not pay
- 16 The impact of these issues for the children concerned is significant. This Operational Improvement Plan sets out how we can improve their position.

In acknowledging and identifying the issues, it is equally important to recognise that the Agency has helped many people. Last year just over £600 million was collected. This does not include the maintenance generated from a further 100,000 cases where the Agency has made the assessment, but maintenance is paid directly between parents in the form of 'maintenance direct'. By the end of this year the Agency will have collected over £5 billion since it was formed. Clearly, the implementation of this plan must not jeopardise these payments.

- 17 Over the last year we have improved our ability to process cases quickly and reduced both our average time to answer the phone and the number of lost calls. Since April 2005 we have cleared more applications than we have received by reducing the volume of uncleared cases.
- 18 Between January and December 2005, the number of un-cleared applications across both schemes fell by 10 per cent, from over 360,000 to under 330,000. Volumes of outstanding new scheme applications have stabilised and fell by 2 per cent between April and December 2005.
- 19 Between April and December 2005 staff answered 90 per cent of the calls which came through to them, up from 73 per cent in the financial year 2003/04. In the same period, calls relating to the new scheme were answered within 1 minute 29 seconds, a significant improvement on 2 minutes 22 seconds in 2003/04; calls relating to the old scheme were answered within 32 seconds also a significant improvement on the 2003/04 figures of 2 minutes 12 seconds.
- 20 We have also started to increase our enforcement activity by taking more cases to court for action than ever before.

Meeting our challenge

- 21 Although recent improvements are welcome, they are clearly not enough. That is why we are fundamentally changing the way we work to bring quicker and greater gains for our clients. This Operational Improvement Plan makes clear our drive for change. It sets out our programme for the next three years in order to deliver more money for more children.
- 22 It focuses on four key elements:
 - **Getting it right: gathering information and assessing applications**
 - **Keeping it right: active case management**
 - **Putting it right: enforcing responsibilities**
 - **Getting the best from the organisation**

In each of the elements we have set out the current issues, how we are addressing them, and the results our clients can expect.

GETTING IT RIGHT: GATHERING INFORMATION AND ASSESSING APPLICATIONS

THE ISSUES

- Over a quarter of a million new scheme cases have not yet been assessed
- Just under 70,000 cases not yet assessed on the old scheme (pre-2003) – largely because the non-resident parent cannot be traced
- Too many clients faced delays in making an assessment. For the new scheme the average age of applications at clearance was just under a year in December 2005 (although, it should be noted that of cases cleared, 25 per cent did so in less than 6 weeks, and just over half in 6 months). The average age of those applications not yet cleared stood at 67 weeks in December 2005
- The level of accuracy of new scheme assessments, while having improved in recent months, currently stands at 83 per cent, against a target of 90 per cent

THE ACTION

Increasing staff and productivity

As a result of the changes to the Agency structure more staff will be responsible for clearing new applications.

Streamlined processes will enable a significant improvement in productivity over the next three years.

Improving the ability to trace non-resident parents

We will work more closely with Her Majesty's Revenue & Customs (HMRC) to trace non-resident parents who avoid their responsibilities. Details of addresses and employers will be made available to ensure the Agency has the best chance of success.

In order to improve our ability to trace non-resident parents, we intend to extend the range of information available to us including that held by Credit Reference Agencies, and use private sector tracing agencies where our own teams are unsuccessful.

Improving the accuracy of assessments

The introduction of senior caseworkers to deal with more complex cases will assist in reducing error. In addition, focussed training will be provided to increase the skills and knowledge of all staff involved in assessments. This combined with standardised processes will drive up accuracy.

Improving communications with our clients

Our standard letters and communications are being improved to help our clients understand what is happening on their case and what more they can do to support the assessment process.

THE IMPROVEMENT

More money for more children

With volumes of uncleared new scheme applications reduced from current levels of just over a quarter of a million so that by March 2008 the time taken to clear an application should be in around 80 per cent of cases no more than 18 weeks, and by March 2009 no more than 12 weeks.

More efficient and effective delivery

We will almost double productivity by our new scheme staff during this three year period. Additional staff will be re-deployed on active case progression work, with people transferred from posts in Head Office, operational support and supervisory roles.

KEEPING IT RIGHT: ACTIVE CASE MANAGEMENT

THE ISSUES

- Almost a third of non-resident parents due to pay through the Agency fail to do so
- The Agency fails to deliver a supportive and responsive service to those whose circumstances change
- Too many clients have difficulty accessing the service, with average times to answer telephone calls above one minute
- There is no separate provision for handling clients with more complex circumstances
- Clients have difficulty understanding letters and communications sent by the Agency

THE ACTION

Making collection and payment more effective

We intend to increase the use and effectiveness of Deduction from Earnings Orders – taking money direct from the source of earnings. This method is currently used for around 1 in 5 maintenance collections. We will use this method of payment earlier, and more frequently, for those who either default on other payment arrangements or indicate that they are unlikely to pay. We will also explore the potential of routinely offering this method of payment to clients should it suit their personal circumstances.

We will also extend the range of payment options to include payment by credit and debit cards. Modernising the payment options in this way makes it easier and more convenient for non-resident parents.

We will develop risk profiles, to enable the Agency to focus its efforts on those who are unlikely to pay. Cases identified as being higher risk will be more actively managed to ensure payments are made. Where it is clear that non-resident parents are fully meeting their responsibility the level of intervention can be reduced. Profiles will be developed using information held by the Department and supplemented by that held by credit reference agencies.

Responding to change

Some of our clients have complex lives and we therefore need a service that will be more focussed on their needs. Our senior caseworkers will handle the more complex changes in circumstances ensuring that clients receive the right advice and support. We will also improve our telephony systems to ensure that clients are directed to the right part of the organisation to deliver the right support. We will further build on recent improvements in answering telephone calls so clients can be confident they can contact us more easily.

Increased effectiveness and productivity

Changes to our organisational structure and increasing the number of staff dealing directly with clients and standardised business processes will allow us to deal with changes far more quickly and as a result keep the money flowing.

Letting clients know what is happening

Communication with our clients is key. We will do more to keep clients informed of progress on their case. We are also reviewing and revising the letters sent to clients so they have a better understanding of what is happening with their case.

THE IMPROVEMENT

More money for more children

Helping 200,000 more children to benefit from maintenance payments, equating to an additional £140m in maintenance collected, by March 2008, growing to £250m by March 2009.

Reduction in child poverty

Around 40,000 more children lifted out of poverty by August 2010. We also estimate that an additional 60,000 parents with care will be in receipt of Child Maintenance Premium by 2008, growing to 80,000 by March 2009.

More responsibility from non-resident parents

With fewer able to avoid their responsibilities as a result of the increased Agency tracing capability and enforcement activity improving case compliance from current level of 65 per cent on new scheme, to 75 per cent by March 2008 and up to 80 per cent by March 2009.

More efficient and effective delivery

Improving our performance in answering the telephone so that by March 2009 90 per cent of calls are answered within 30 seconds.

Providing senior case workers to handle the more complex cases and ensuring that around 80 per cent of applications are cleared in 18 weeks by March 2008 and in 12 weeks by March 2009; therefore, delivering a more supportive and responsive service to meet our clients needs.

PUTTING IT RIGHT: ENFORCING RESPONSIBILITIES

THE ISSUES

- Nearly one in three non-resident parents who have been assessed and are due to make a payment fail to pay
- Debt accrued since 1993 as a result of non-resident parents' failure to pay exceeds £3.3bn, some of which is considered uncollectable
- The Agency does not respond quickly or firmly enough when non-resident parents start to default
- Non-resident parents and the general public need greater awareness of the impact on children of the failure to pay child support

THE ACTION

Managing non-resident parents with child support debt more effectively

Child support debt is created by parents failing to fulfil their responsibility for their children. We will take quicker and firmer action against those who default on payment. We will employ external debt collection agencies to recover outstanding debt.

We will also improve our own debt collection and enforcement activity to ensure greater returns by using best practice from the private sector. Over 600 more staff trained and effective within the next year and staffing dedicated to enforcement activity quadrupled over the period of the plan through redeployment and restructuring.

There are many non-resident parents who seek to avoid payment of debt by evading the attempts of the Agency to contact them. We will make more use of information held by HMRC and credit reference agencies to track down those who owe money for their children.

Court action for those who won't pay

We will significantly increase the number of non-resident parents brought before the courts through our increased focus on compliance and enforcement, utilising the existing range of sanctions available such as driving licence removal and imprisonment.

We have been increasing the number of cases where debt is secured through Liability Orders in the courts. We will continue to increase our efforts here, enabling us to seek the seizure of assets where appropriate.

Understanding the impact for children

Failure to pay child support causes real hardship for children. We will increase the awareness of this hardship among non-resident parents and the general public. We will work with the media and stakeholders to develop a campaign to make clear that failing to pay has real and lasting consequences for children.

THE IMPROVEMENT

More responsibility from non-resident parents

Increased enforcement action and action in the courts.

More money for more children

Using debt collection agencies to recover more debt more quickly. Over £100m more historic debt collected over the three years, although it should be noted that new debt will continue to accrue over this period.

Delivery that is more efficient and effective

Four times as many designated enforcement staff generating increased levels of case compliance from 65 per cent currently, to 75 per cent by March 2008 and 80 per cent in March 2009.

GETTING THE BEST FROM THE ORGANISATION

THE ISSUES

- The current personal caseworker model means that an individual caseworker has responsibility for a set of individual cases. Consequently, clients are passed around the system to find “their” caseworker - rather than focus on resolving the clients issues at the first point of contact
- This also means that it takes too long to train caseworkers to support end-to-end casework for the full range of case complexity
- Currently only half the staff in the Agency are deployed on direct case progression work, with many involved in the administration of complaints, checking accuracy, consolidating training, and gathering clerical management information - more staff need to be deployed in meeting clients needs
- Some areas, such as clerical case handling, take up significant resources that would be better deployed reducing the backlog
- The new scheme computer system needs further development to resolve issues that result in slow processing
- Many processes used are cumbersome and not standardised – significantly reducing productivity
- Current caseworker targets focus on clearing work for their own limited number of cases, rather than focussing on what’s important for our clients which is delivering more money for children

THE ACTION

Changing the way we work to meet our clients needs

A number of improvements will allow the Agency to focus on the lifecycle of child support cases:

- New Client teams will support new applications
- Client Service teams will manage ongoing case maintenance, the implementation of changes of circumstance and deal with enquiries
- Debt Management teams will take immediate action when a payment is missed
- Legal Enforcement teams will make those who seek to avoid their responsibilities pay

We will ensure clients will be directed to the right people with the right skills and knowledge to support their needs. Different Client Teams will manage different specialisms typically determined by the employment status of the non-resident parent. Therefore they will develop specialist knowledge for benefit recipients, employed and self-employed clients. We will also use enhanced telephony to support clients.

Structuring the Agency in this way enables staff to quickly become expert at one part of the child support process and support our clients accordingly. Additional training will be provided to hone the skills and knowledge of staff in their new roles.

Making more people and resources available to meet the challenge

Restructuring will enable us to use more of our staff in roles that directly meet our clients needs, actively redeploying 1,700 staff over the period of this plan into case progression work.

In the short-term, we will further increase the number of staff within the Agency to meet the current levels of demand, whilst overall service levels are improved. The CSA's staffing levels will rise by around 1000 over the next year.

We will introduce a new senior caseworker role to focus on resolving the more complex cases. This role is pivotal in meeting the needs of clients whose circumstances deserve more specialist attention.

We estimate that almost 700 staff will be needed to support the management of clerical casework by June 2006. These are cases that cannot be progressed on the new scheme computer system. We therefore intend to seek additional support from the private sector in maintaining these cases until they can be re-established on the new computer system. This will allow us to free up staff currently working on these cases to focus on new scheme, new system casework.

Resolving the IT problems

We have agreed a prioritised programme of work with our IT supplier EDS to rectify some of the remaining problems with the IT systems and to support other changes throughout this period.

Standardising our processes

We will map and redesign our processes to set out exactly what should happen, in each case. This will enable the Agency to maximise efficiency and effectiveness – providing clients with a standard service and consistency in the way we work.

Managing our performance

As part of our annual Business Plan we will commit to a range of service standards – setting out clearly what our clients can expect. We are also introducing a greater focus on the range of management information available within the business – enabling managers and staff to tackle the right issues in the right way.

THE IMPROVEMENT

A more effective and efficient service

We will deploy more staff directly to help clients. They will be better trained, with a renewed focus on customer service, supported by improved IT, standardised business processes and enhanced management information. As a result we will increase overall productivity across the Agency.

We will end up with a service that is more accessible and available for clients – directed to the right people with the right skills and knowledge to deal with their issues in the right way.

Senior caseworkers will support those cases with more complex circumstances and external contractors will deal with clerical cases – delivering a supportive and responsive service to meet our clients needs.

Produced by Child Support Agency
Communications Team

CSA IMP

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