

7 Successful transition

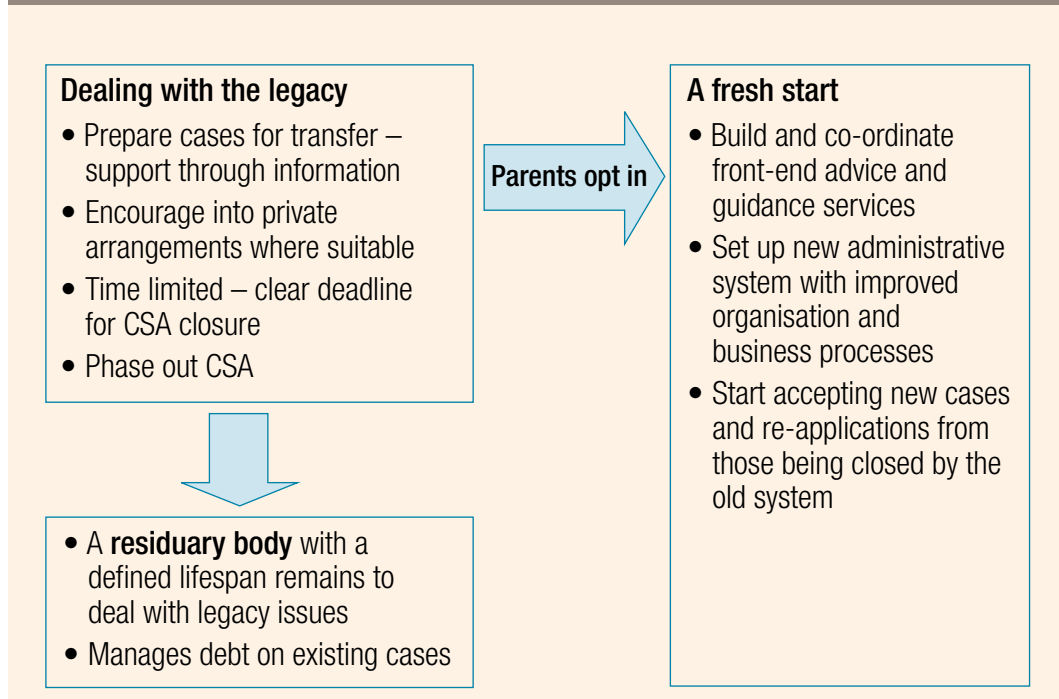
Delivering a new organisation

69. Redesigning the child support system will have a considerable effect on the CSA's remit, caseload and core business. Given this significant change in role, a key question is whether the current CSA can deliver or whether a new organisation is needed. While the Agency's performance is getting better and the new management team have made some progress in delivering improvement, further progress is not guaranteed and major challenges remain. These concern deep-rooted issues such as organisational culture and branding that will be very difficult to change. There will also be significant changes to the policy architecture, systems design and the way child support is delivered.
70. The legacy of past failure is significant and cannot be allowed to put new arrangements at risk. Responsibility for failings has often been unfairly placed upon staff who have done their best to deliver for children and parents while coping with, among other things, poor systems architecture and significant IT problems. The CSA brand is severely damaged and its credibility among clients is very low. Poor levels of customer service have affected parents' perceptions of the Agency's ability to deliver. Repeated efforts have been made to reform the Agency in the past, without success. Plans to convert old scheme cases to new scheme rules, along with the intended migration of cases from old to new IT systems, have highlighted the complexity of dealing with two systems at the same time and the problems this creates for the administration and for parents. Lessons must be learned to ensure that previous mistakes are not repeated and that the service is not contaminated by past failings. Creating a new organisation would allow a clean break with the past and would separate the delivery of child support from having to deal with old debt. A clean break maximises the chances of a new organisation being able to create a new culture and climate of expectation.
71. The proposed policy framework means that the business of delivering child support would be very different from the current task facing the CSA. The administrative service would be dealing with a much smaller caseload,⁵⁵ concentrated among those who find it most difficult to agree child support. However, parents with care would have stronger incentives to co-operate with the system. Ending compulsion means that clients would be choosing to use the administrative service, which would need to act much more as a service provider making available a range of services, including

information, advice and signposting to other sources of support. Making a success of this very different business would require changes to institutional structure and service delivery. Given the existing agency's operating model and organisational culture, it would, in my judgement, be impossible for it to morph successfully into this new way of working.

72. There are examples and business models for making a success of a clean break approach. The most direct parallels are in the private sector, where banks and insurance companies have created separate 'good book/bad book' organisations, one to make a fresh start and one as a time-limited operation to manage down a set of bad assets. The lesson from successful operations of this type is that the two activities require different skills, organisational cultures and performance management. Previous attempts to reform the CSA have resulted in the operation of two parallel systems which have contributed to performance problems. This creates a strong argument against introducing another scheme within the existing agency.
73. I believe there are strong reasons to justify making a clean break with the current Agency and creating a new body with a mandate to deliver a 'fresh start' for child support. This body should be separate from the task of dealing with legacy issues from the current system, including the management of existing debt. I recommend that a new body be established to deliver child support with a residuary body responsible for pursuing the old debt. Existing staff will be involved in the work of the residuary body and be given the opportunity to join the new administrative organisation. The CSA leadership team will also have a role in creating the new organisation. The new body's name should reflect its core objective of reinforcing parental responsibilities.

Figure 7. A new organisation is established leaving a residuary body to deal with legacy issues



Recommendation:

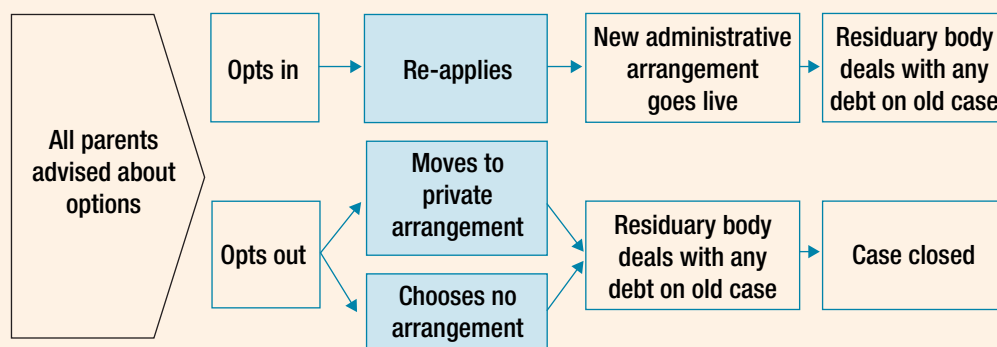
- a) **Create a new organisation to administer child support.**
- b) **Create a time-limited residuary body to manage down and enforce old debt.**

What this means for clients

74. Parents moving between existing arrangements and the redesigned system would have to make a clear choice between the future options for settling child support. Clients would not have the option of remaining with the existing CSA. They would have to decide on the most appropriate route to settle child support.
75. Those who wish to make arrangements through the administrative route would have to re-apply to the new organisation. This would help encourage them to consider actively the best route to make arrangements, rather than accepting a default option of remaining with the status quo. It would allow a 'fresh start' for parents and the new administrative body.
76. Parents who choose to opt in to the new system would have their cases re-assessed. This would mean that child support arrangements would be made under the redesigned policy

framework. It would also allow cases to reflect up-to-date information and remove the need for conversion. To ensure that maintenance continues to flow, existing arrangements would not be ended until a new one is in place.

Figure 8. The transition process



Recommendation:

- a) There should be no conversion of cases from the existing to the redesigned system.
- b) Parents wishing to use the new administrative system will be supported to re-apply.

Informing parents of their choices

77. Targeted information would need to be provided to clients to ensure they understand their options. Those who are able to make private arrangements would be encouraged to do so while being made aware of the ability to opt in to the administrative body should arrangements break down. Analysis suggests there will be a significant reduction in caseload as parents decide to make other arrangements.⁵⁶
78. There are three main groups affected by transition: benefit cases; those leaving the system to no arrangement or private arrangements (which may be supported through legal arrangements, that is consent orders); and those re-applying to the new administrative system.

Supporting benefit clients

79. Removing compulsion gives parents with care on benefit a choice as to how best to arrange maintenance. This change must be clearly communicated along with advice on alternative ways to make child support arrangements. Changes to disregards would have a different

impact on old and new scheme cases receiving maintenance. Clients receiving Child Maintenance Premium are already receiving partial disregards and so would experience a less significant change than old scheme clients.

Clients moving to private arrangements

80. Clients who have gained confidence through using Maintenance Direct should be encouraged to move into entirely private arrangements.⁵⁷ Those with a history of good compliance could be supported to make private arrangements, for example by allowing a trial period in which their case could be re-activated if their private arrangement broke down. Other clients may want to ratify their private arrangements through a consent order.

Clients who opt in to the new administrative system

81. Where parents cannot agree child support privately they would be able to opt into the new administrative route, over a period of time. Further work is needed to establish a fair way of staggering applications. The re-application process will be designed to be as simple as possible but will take advantage of the opportunity to collect up-to-date information. Existing maintenance payments would not cease until new arrangements have been established.
82. In the current system, clients whose cases are converted from old to new scheme rules undergo fixed annual changes to their maintenance, to allow them to gradually adjust to the change in payments. This phasing is based on bands of non-resident parents' net weekly income. There is a strong case for not applying phasing rules to the transition process. They are extremely difficult to administer and can be difficult to explain to parents. Clients will be given ample warning of the changes, giving them time to adjust to any changes in payment. Phasing maintenance could also obstruct a clean start-up of the new administrative system.

Managing the transition

83. Transition should be managed as a distinct organisational function, bringing in skills and experience from public and private sectors, with a Programme Board supported by a Programme Office that includes the Department for Work and Pensions, CSA and external expertise where necessary. Under this board there should be two discrete but linked projects, with strict targets, timelines and terms of reference. One project would focus on establishing the new organisation while the other (a residuary body function) would cover the winding down of existing systems and management of old debt.

Addressing the risks around transition

84. Moving to the redesigned system through a clean break approach is not without risks, but these can be mitigated by undertaking further research, thorough testing of systems and processes and providing relevant information to all parents. There will always be an element of unpredictability about transitional flows and the number of parents who will re-apply to the new system. Working assumptions can be improved by further research before the transition period and by a slow start-up of the new administrative service.
85. Some specific questions need to be resolved through a thorough business design and piloting process. This is a chance to design the service from the bottom up, specifically for the new caseload, making sure that its core services are centred on the client and that it can call on specialised agencies where necessary. Special attention should be paid to maintaining the flow of payments during the transition, how to move linked cases, and the ability to refer to data from the previous system. There is a risk that the vulnerable clients previously mentioned might drop out of the system during transition, but the new information services should help address this. Research on communication methods should help identify the best way to target information at vulnerable clients.
86. Making a clean break with past arrangements would not change the responsibility that parents with existing child support arrangements have to their children. Parents would be expected to continue to pay maintenance, only making changes when the redesigned framework became operational. Responsibilities would continue to be enforced in the interim where parents fail to pay maintenance.
87. The alternative to a clean break approach to transition would involve the existing agency converting cases to the redesigned system. This would involve cases on the existing old and new schemes being converted to the redesigned policy framework. This would be very challenging to administer, and past experience does not support the case for taking this approach. The migration of cases from the old to the new IT systems and bulk conversion of cases from the old to the new scheme rules have yet to be attempted. Given the existing operational problems facing the CSA, the task of moving cases under two parallel schemes to a third would be extremely difficult. This approach would involve considerable risks to clients, many of whom are already frustrated at the lack of progress in converting cases on the existing old scheme.