

[Debt Steer: Decision Making Guidance](#)

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[Policy Background](#)

The Debt Steer has been developed to provide a policy based framework for arrears negotiation. Its purpose is to ensure arrears are collected as promptly as possible taking into account all relevant circumstances.

The Debt Steer reflects legislation, in that we will always seek to collect on-going maintenance and arrears payments. This helps ensure the parent with care receives the money they are due and prevents the non-resident parent getting into more debt.

There are some cases where the arrears are no longer wanted by the person with care or where they are very unlikely to ever be collected. The power to write off arrears has been introduced in order to address this minority of cases. Please refer to the [Write off and Case Closure Guidance](#).

When you are negotiating the payment of child maintenance arrears, it is important to understand the difference between an arrears agreement and an arrears arrangement.

The difference between arrears agreements and arrears arrangements

- an **“agreement”** is where a payment pattern is established that will recover the arrears within two years and ensure any regular maintenance due is also paid
- an **“arrangement”** is where a discretionary decision is made to accept a payment pattern that takes more than two years to recover arrears

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[Using the Debt Steer](#)

There are different trigger points in the Debt Steer that you should use when negotiating with a non-resident parent. You should start from the initial trigger point of requesting full payment. Where this cannot be agreed you should follow the trigger points in order until an outcome has been reached.

REMEMBER: When you are negotiating arrears agreements and arrangements, you must consider all the circumstances. The main consideration is to get on-going maintenance payments flowing (if due) and to recover arrears as quickly as possible. However, there may be other considerations such as:

- the non-resident parent and the parent with care may have reconciled
- the parents may have reversed roles
- the non-resident parent may not be in a financial position to commit to an arrears agreement

What are the debt steer trigger points?

1. Request full arrears payment by one lump sum.

Agreement

2. Request a partial lump sum payment and a schedule of on-going payments to recover the full arrears within a maximum of two years.

3. If a lump sum payment cannot be made, agree a schedule of on-going payments to recover the full arrears within two years.

Arrangement

4. If an agreement allowing full collection within two years cannot be reached, consider making an acceptable arrangement extending beyond two years. Refer to the guidance below on Accepting an Arrears Arrangement for further advice.

Agreement / Arrangement cannot be reached

5. If it is not appropriate to agree an arrangement extending beyond two years or if the non-resident parent will not engage in negotiation you should consider a Deductions from Earnings Order / Deduction Order or other enforcement action.

NOTE: These trigger points are intended to be a guide. Depending on the non-resident parent's financial circumstances it may be appropriate to accept flexible payments within an agreement. For example, a specific number of quarterly lump sums. However, you must ensure any agreement can be monitored so that if the non-resident parent defaults, appropriate action is taken.

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[Accepting an arrears arrangement that extends beyond two years](#)

It may be appropriate to accept an arrangement that extends beyond a two year period in the following circumstances:

- all the debt is owed to the Secretary of State;
- the parent with care and the non-resident parent have reconciled;
- the parent with care and the non-resident parent's roles have reversed;
- each parent is both a non-resident parent and parent with care;
- the non-resident parent has ceased claiming benefit and has begun new employment/self employment. In these circumstances it may be appropriate to allow an extended payment arrangement to ensure the non-resident parent is not disadvantaged by starting employment.

NOTE: The above list indicates circumstances where it may be appropriate to accept an extended payment period. However, this does not mean it will always be appropriate to do this. You must take into account all the circumstances of the case, particularly:

- the welfare of any child/ren that will be affected by your decision, see [Evidence and Decision Making](#); and
- the non-resident parent's financial circumstances.

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[Parallel action](#)

In some cases it may be appropriate to take parallel enforcement action to a negotiated arrangement (Enforcement action is legal action to collect payments). This will depend on the circumstances of the case.

Example of parallel DEO action:

If a non-resident parent has agreed to pay a scheduled amount towards the arrears, but it has been decided that this is not acceptable, you can accept the amount offered without prejudice, but can also consider imposing a DEO in parallel to try and recover the outstanding arrears more quickly. Similarly where a DEO is in place but the NRPs earnings are low, so 40% of the NRPs net income does not cover payments towards OGM and arrears, it may be appropriate to accept a payment arrangement in addition to reduce recovery time for the arrears.

Example of parallel enforcement action:

An acceptable arrangement may have been reached, where you have decided it is appropriate to allow payments to extend beyond two years. However, the non-resident parent's payment history may be such that you decide to take parallel action to secure the debt in case the non-resident parent stops paying.

For example, if a non-resident parent owed several thousand pounds, and had a history of breaking agreements, it may be appropriate to obtain a liability order, as this action would not interrupt the payments the non-resident parent is making, and would mean that the debt is secured.

NOTE: because of the possibility of parallel action, it is essential that if an arrangement is entered into, you make it clear to the non-resident parent that you may take parallel action to secure / collect the debt.

You can find more information and guidance around the debt steer here <http://intranet/1/csa/operational-resources/debt-steer/index.asp> (This guidance applies to all three child maintenance schemes so please be aware that some links may take you to legacy procedures.)

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