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The Rt Hon Andrea Leadsom MP  
Leader of the House of Commons

1st February 2018

Jim Andrea,

I am writing to inform the Parliamentary Business and Legislation Committee that the Government will oppose the above Private Members' Bill, which was introduced by Heidi Allen on 28 November 2017. The Bill is currently listed for second reading on 23 February 2018.

A full text of the Bill is not yet available, but is summarised on the Parliament website as follows:

*"A Bill to equalise the assessment and enforcement of child maintenance arrangements of children of self-employed parents with those of children of other employed parents; and for connected purposes."*

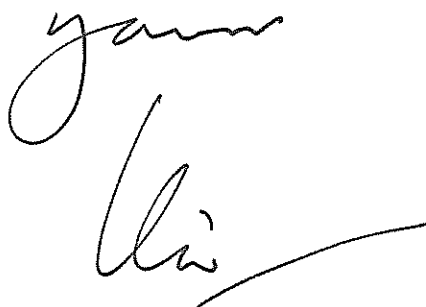
We have already recognised the need to improve how we calculate maintenance for clients with non-standard income. Our current Compliance and Arrears consultation, published on 14 December, includes proposed to address this. We propose to:

- Bring notional income from assets like coins and gold, income derived from capital and any foreign income into the scope of the maintenance calculation.
- Allow for the paying parents' unearned as well as earned income to be included in the initial calculation, when we are advised about possible unearned income at the point of application. Currently we make the initial calculation on earned income information only. This is because the system has been designed for the majority of people who only have one stream of income. We also propose to amend the information we give receiving parents when they make their application.
- Increase the number of staff in the Financial Investigations Unit (FIU) so we have increased capacity to look into complex cases and ensure that maintenance is not being evaded. The FIU has powers to ensure the maintenance calculation accurately reflects a parent's circumstances and ability to pay. Where it is clear that parents are deliberately hiding their income, we can use our existing powers to prosecute them.

As we are already proposing to tackle these issues, there is no need for the provisions in this Private Members' Bill.

The Bill is also likely to seek to reintroduce variations to the calculation because the lifestyle of the paying parent appears inconsistent with their earnings. We deliberately chose not to make this a feature of the Child Maintenance Service. This variation was part of the Child Support Agency scheme, and was found to be ineffective. In many cases the lifestyle of the paying parent was supported by debt rather than income and many other such applications were unsuccessful due to insufficient information. We have no plans to reintroduce this approach as it rarely led to an increase in the calculation, and was very resource intensive to administer.

I am copying this letter for information to other members of the PBL, the Prime Minister, First Parliamentary Counsel and Secretaries to the PBL Council.

A handwritten signature in black ink, appearing to read 'yann' over 'li', with a long horizontal stroke extending to the right.

**Kit Malthouse MP**

**Minister for Family Support, Housing and Child Maintenance**