



# Annual Report and Accounts

2009-10

Children and Family Court  
Advisory and Support Service  
An executive non-departmental public body

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Children and Family Court  
Advisory and Support Service

# Annual Report and Accounts 2009-10

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**Note:** We refer to the Department for Education at first mention in this Report, and thereafter as the Department. We also refer to the Secretary of State for Education at first mention and thereafter as the Secretary of State. The new Department for Education was announced on 11th May 2010 but prior to that and throughout the reporting period Cafcass' sponsorship department was the Department for Children, Schools and Families.

# overview by the chair



There is no doubt that the relentless surge of referrals to Cafcass has placed an unprecedented demand on our staff and our colleagues in the courts and children's social care services. Despite this we have made progress towards our goal of

providing a consistently excellent service to all the children and families who need it.

There is much talk of numbers both here in our Annual Report and throughout children's services, but we remind ourselves at every opportunity that each statistic represents an episode in a child's life and usually one that is difficult and sometimes traumatic. Each episode will involve an intervention and that will bring a range of responses from our Family Court Advisers who will be doing their best in extremely complex family circumstances and often with a real shortage of options and resources. I pay tribute to our staff and acknowledge that it becomes harder as the national picture of recession and family stress increases.

I also recognise the dedication and hard work of the Cafcass management team led so ably by Anthony Douglas as they take us through turbulent waters of change. These changes have focused on giving as much time and resources as possible to our frontline staff in order to do the very best for children and families. They have had to find new

ways of working to reach all children at greater speed, together with colleagues in the courts.

On that note, I must welcome and acknowledge the adjustments made by the judiciary this year. In particular, we were greatly supported by the outgoing President of the Family Division Sir Mark Potter and the development of his Interim Guidance put in place in 2009 and renewed until September 2010. We look forward to an equally successful relationship with his successor. We recognise that it is teamwork between all parties at the local level that makes the system work effectively.

Any organisation such as Cafcass depends on good governance and I would like to thank my fellow Board members and the Young People's Board for their ongoing hard work. The Young People's Board members make a very special contribution as they know personally what makes a difference to the service children receive. Members give feedback on policy and appoint two representatives to attend our full Board meetings, commenting on issues as they are debated.

For the Cafcass Board it has been a year of grappling with challenges and I am grateful that members have remained focused and supportive during testing times. Two members have moved on: Harry Marsh, who was our diversity champion; and Gillian Baranski who was a link with the Home Office and Wales. Erica De'Ath and Margo Boye-Anawoma will be moving on at the end of April 2010. Erica had connections with many community organisations and Margo was a link with the judiciary. They have all brought wisdom and a real concern for children. We

will miss them. We do however welcome two new members, Terry Connor and Kamaljit Singh, together with Jennifer Bernard whose appointment has been renewed, and look forward to working with all of them in the coming year.

We also owe particular thanks to those members who have undertaken leadership roles: Nick Stuart as Chair of the Cafcass Audit and Risk Assurance Committee and Jennifer Bernard as Chair of the Cafcass Safeguarding Board; Richard Sax, whose co-option has been extended, has chaired the group looking at our complaints' procedures and, along-with Margo Boye-Anawoma, has kept us informed about developments throughout the family courts. All Board members have specific responsibilities and we have been grateful to Ernie Finch and Mark Eldridge for their input into the business side of the organisation.

I know that they all share my belief in the continued resilience and capacity of Cafcass to meet the challenges that each one of us, wherever we are in the organisation, will continue to face in the coming year, together with all those in the family justice system. We believe that every child really does matter and we will continue, despite the constraints we face, to do all we can to meet their needs.



**Baroness Howarth of Breckland OBE**

# chief Executive's Report



Demand for our services has increased significantly this year with the total number of new cases rising by just over 16% compared to 2008-09. Public law care cases, which require more time and resources, have increased by 33.7%. This unprecedented increase

is partly linked to the rising numbers of child protection referrals to local authorities and the sharply increased numbers of children who are now the subject of child protection plans, compared to recent years. I am fully in support of the actions of local authorities in putting their concerns about children before the family courts.

Despite these massive increases in demand, we have been able to reduce our backlogs in private and public law case numbers and it is clear from our statistics that, quite properly, we are intervening early in the most serious cases. As this report goes to print, we have 38,668 allocated cases across all case types, of which 11,509 are public law care cases. The number of unallocated private law cases with less than 10 weeks to the date upon which our court report is due to be filed, has reduced from more than 2,000 in summer 2009 to 541 at the end of March 2010. Feedback from children and young people who have used our HearNow service this year found that 67% were generally happy with our work – and whilst we would like this to be higher, this is particularly pleasing given the difficult circumstances many children continue to live within.

While the increase in demand appears to be stabilising, case volumes have not returned to their traditional position. We are also facing funding pressures, as are all public sector organisations, and it is anticipated that our operating budget, already fully committed and fully stretched, will continue to be under great pressure in future years.

Steps taken during the year to address these continuing pressures include the implementation of the President's Interim Guidance from October 2009, now extended until September 2010. This Guidance has enabled local Designated Family Judges to deal with the continuing high levels of demand which have made traditional models of case work difficult to sustain in full. Given our remit to offer every child referred to us a service, without undue delay in providing that service, we have had to focus on what can be done positively with the level of available resources.

We work within a judicial system, so changes to our practices have needed to be developed in consultation with partners in the family justice system. Realistic solutions to problems are only ever developed through working in partnership. Our agreements with the judiciary on our new ways of working are a positive expression of this inter-dependency, in particular as reflected in the new Private Law Programme published by Sir Mark Potter, President of the Family Division, in March 2010.

Internally, our revised Operating Priorities have also given us the means to manage the highest priority cases referred to us within our available resources. Our focus must be on those children and young people whose needs are greatest. It is the individual

child's timetable for help that needs to be respected, irrespective of the type of court application. This approach represents a positive means of ensuring the timely allocation of work at the outset of cases, the time when children are potentially at their most vulnerable. Duty systems to assess and prioritise cases, providing every child with a safe minimum and proportionate service once they are referred, have been established in teams.

Changes to our organisational structure during the year have led to better alignment between our National Office and operational services. When these changes have been fully implemented, by the end of the 2010-11 financial year, they will be delivering £2.7 million in savings annually from national/corporate costs, so that the maximum possible funding is put into frontline service delivery to children and families. The restructure will allow us to provide stronger levels of support, supervision and oversight to practitioners. Key changes to the way we deliver business support internally have included setting up a National Shared Support Service Team to make sure that the right operational and business support can be given to service areas and national functions, when needed.

We are working on a programme to make sure we directly support delivery of a child-focused, efficient, and modern service that enables us to support every child referred to us through the family courts over the next five years and beyond. The Cafcass Transformation Programme seeks to develop a more agile organisation that will be responsive to changes in priorities, and to the changing needs of cases to ensure appropriate levels of support are available to our frontline staff. In this work, we will continue to be dependent upon the support of our partner organisations in the family justice system.

An example of our work under the Transformation Programme this year is the development of a National Business Centre to support the consistent processing of applications to court. As a step towards this we have piloted an 'intake team' in the Midlands to deal with all incoming Cafcass private law applications for the Central Operational Area. The pilot has allowed us to significantly reduce the backlog of data inputting and improve our turn-around times

when creating documentation for service users and undertaking initial safeguarding checks.

Our ambitions to provide a timely, efficient service within available resources can only be realised by those who deliver our services – our staff, encouraged by strong leadership. Our performance management system, Quality for Children, is already in place. Work has now begun on a strategy to make sure that career development plans are identified with learning and professional development encouraged, so potential can be realised. As a member of the national Social Work Reform Board, I want us to be the employer of choice for all the roles we need to fill, and for all our staff to feel part of our common purpose in making a contribution to improving the lives of the children referred to us.

The year has not been easy and the road ahead remains challenging. I pay tribute to our staff and the many contractors working for us for their continued resilience and commitment in the face of increasing pressure and change. We remain united by our values – of helping vulnerable children and their families at their time of greatest need.



**Anthony Douglas CBE**



section 1

# Management commentary

# About Cafcass

The Children and Family Court Advisory and Support Service (Cafcass) is an executive non-departmental public body established on 1st April 2001<sup>1</sup>. Cafcass' statutory responsibility in England is to safeguard and promote the welfare of children<sup>2</sup> who are involved in family court proceedings. We do this by ensuring children's wishes and feelings are made known to the courts to help make sure that the decisions made are in their best interests.

As a non-departmental public body we are accountable to the Secretary of State in the Department for Education (the Department). We work to support the delivery of the Department's strategic objectives and to contribute to wider Government objectives relating to children. Our primary duties as set out in the Act<sup>3</sup> in respect of family proceedings, where the welfare of children is or may be in question, are to:

- Safeguard and promote the welfare of children
- Give advice to the family courts
- Make provision for children to be represented
- Provide information, advice and support to children and their families.

Cafcass' professionally qualified social work staff, called Family Court Advisers (FCAs)<sup>4</sup>, work exclusively in the family courts. Examples of matters decided by family courts include:

- When children are subjects of an application for care or supervision proceedings by children's services departments in local authorities (public law). In these instances, our FCAs act as Children's Guardians. The local authority can apply to the court for various types of care and protection orders. The FCA's role is to safeguard and promote the child's welfare and to scrutinise and ensure that the local authority's plan is in the child's best interests.
- In cases where a proposed adoption has parental consent, our FCAs act as Reporting Officers. Their role, either at the request of the local authority or adoption agency, or alternatively if ordered by the court, is to ascertain whether the parent consents unconditionally to the adoption, with a full understanding of the implications. In cases where the adoption is without parental consent, an FCA may be appointed either as a Children and Family Reporter or as Guardian for the child.
- When parents who are separating or divorcing are unable to agree on arrangements, such as who the children will see (known as 'contact') or whom they will live with (known as 'residence'), applications can be made for court orders. These types of cases are called private law proceedings. In these instances our FCAs report to court in matters relating to the welfare of the child or act as Guardians ad Litem if the child becomes separately represented (Rule 9.5 cases).

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<sup>1</sup> Cafcass was established by the Criminal Justice and Court Services Act 2000 (the Act). Responsibility for Cafcass lies with the Department.

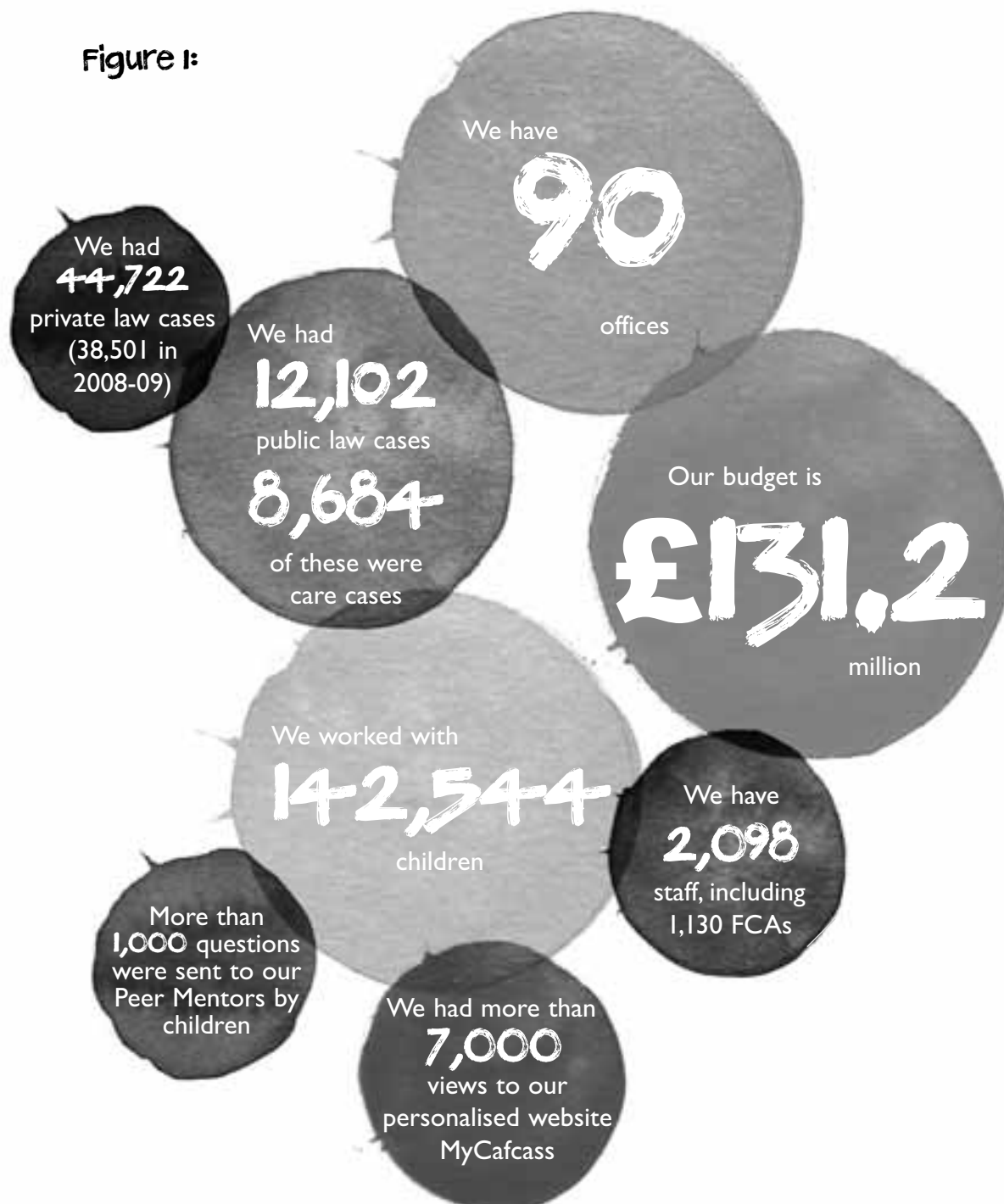
<sup>2</sup> The terms 'children' and 'child' are used in this Report to refer to children and young people under 18.

<sup>3</sup> Cafcass' specific powers can be found in sections 12, 13, 14, 15 and Schedule 2 of the Act. Paragraph 10 of Schedule 2 enables Cafcass, subject to directions given by the Secretary of State, to do anything that appears necessary or expedient for the purposes of, or in connection with, the exercise of its functions.

<sup>4</sup> FCA is used interchangeably throughout this Report with 'practitioner' to refer to Cafcass' social work staff.

# cafcass in numbers - an overview 2009-10

Figure 1:



# About our service

## A year of unprecedented challenges

Demand for Cafcass' services, particularly relating to local authority care applications, has remained at the record levels that started in December 2008 in the wake of the 'Baby Peter' case, and other high profile cases. During the year, we witnessed a 33.7% increase in public law care cases<sup>5</sup> when compared to 2008-09, and a concurrent 16.2% increase in private law cases. The increases, particularly in care cases which require roughly three times more work than other cases, have placed our resources under considerable pressure. Managing this increased demand and ensuring that we provide a safe service to all children referred to us has been at the forefront of our work this year and has required changes to our working practices.

## The President's Interim Guidance

Sir Mark Potter, President of the Family Division, issued Interim Guidance on 30th July 2009. This provided a framework within which the courts and

Cafcass have been able to address backlogs in service areas where they existed, and to deal as efficiently and effectively as possible with the higher rate of incoming new work. This Guidance was extended for a further six months

from 1st April 2010. Local arrangements, based on the Guidance, have been published by many Designated Family Judges following consultation with Cafcass, Her Majesty's Court Service (HMCS) and others. These have been helpful in enabling us to allocate<sup>6</sup> cases more quickly and have successfully reduced, and often eliminated, the backlog of cases that had built up in some areas. The agreements have provided clarity and focus about Cafcass' role, particularly with regard to safeguarding and the basis and timing of our direct work with children. We have also continued to work closely during the year with local authorities, one of our key partners, in safeguarding and promoting children's welfare.

**33.7%**  
increase in  
public law  
care cases

**16.2%**  
increase  
in private  
law cases

"The publication of the President's Interim Guidance provided the courts and Cafcass with the real impetus for change in what was, for an area the size of Greater Manchester with its volume of family work, a very tight timescale. The Cafcass Head of Service and the Service Managers played an active and constructive part in assisting me, the judiciary and the administration in being able to progress the frameworks for implementation of the Guidance. It was clear that much time and effort had been given to changing working practices to enable improvements to be made. Cafcass has, by and large, fulfilled its agreements and commitments upon which the public law and private law frameworks for the implementation of the Guidance within Greater Manchester were formulated. The backlogs have been significantly reduced within the last six months. Generally speaking Cafcass has done much in Manchester to restore the confidence of the judiciary in it as an organisation."

**His Honour Judge Iain Hamilton, Designated Family Judge, Greater Manchester**

<sup>5</sup> This is when children are subject to an application for care or supervision proceedings by children's services departments in local authorities. Our role in these cases is to promote the child's welfare and to scrutinise and ensure that the local authority's plan is in the child's best interests.

<sup>6</sup> Allocated defined as either case 'substantively' allocated to a named Cafcass practitioner or case allocated on a duty basis to a named Cafcass practitioner.

## Cafcass' new Operating Priorities

Alongside the President's Interim Guidance, we put in place new internal Operating Priorities, outlining the ways in which we would provide a 'proportionate' service to all children, within the constraints of our budget and resources, based upon prioritising those children most in need. Most cases we receive from the courts have safeguarding needs so the early identification and analysis of these is the primary concern in every case.

The key principles of the Operating Priorities are:

- 1 Every child deserves a service from us, with no delay.
- 2 An initial Safeguarding Analysis in each public law case and the 'work to first hearing' stage of each private law case – with work beyond that prioritised according to the needs of the child in the context of available resources and local arrangements.
- 3 Administration on cases reduced to the 'safe minimum'<sup>7</sup>.
- 4 Each case responded to according to the timetable for the child.

## Reducing the backlogs

The higher numbers of new cases we have received this year, particularly in public law, had led to us being unable to allocate some cases as quickly as usual. However, work was undertaken to ensure that we provide an adequate initial service to every child referred to us by the courts. At year end our unallocated care cases for example stood at 474, down from 979 in August 2009, a 51.6% decrease.

Whilst still working towards our six Operating Priorities, as outlined in our Corporate Business Plan for 2009-11<sup>8</sup>, we have focused our efforts on four key areas, which form the basis of this report:

- Safeguarding, including improvement work on safeguarding
- Balancing our budget
- Reducing delays and backlogs
- All other improvement work.

The continuing increase in workloads in both public and private law seems unlikely to abate. The Guidance, now in place until September 2010, provides us with a framework within which we can further refine and refocus our ways of working.

### Case Study

#### Reducing delays in the South West

In service area S1<sup>9</sup> (Avon, Wiltshire and Gloucestershire) we experienced more than a 40% increase in public law cases. Of this, we saw a 55% increase in care applications. There was also a rise of 13.8% in private law cases. In response to these challenges, we have developed 'intake' and 'case holding' teams across the area. Staff in our intake teams assess all incoming cases for risks to children and complete short-term pieces of work ordered by the court. The case holding team focuses on longer term work such as full welfare reports and public law cases. The changes have allowed us to reduce the private law backlog of cases with reports ordered from a high of 255 in September 2009, to 16 in March 2010.

<sup>7</sup> The 'safe minimum' is focused on immediately identifying any actual or likely significant harm and carrying out task-focused work, while still delivering Cafcass' core function of providing high quality advice to courts to safeguard children's rights and promote their welfare.

<sup>8</sup> 1; Deliver a safe, high quality service 2; Deliver services in a timely way 3; Listen to, learn from and involve our service users 4; Equality and diversity 5; Develop strong leadership which will achieve full staff engagement 6; Implement a performance management approach which leads to further service improvement.

<sup>9</sup> Cafcass has 21 service areas across England. Each service area has been assigned a code to indicate whether it is located in the North, South or Central Operational Area. To find out more see page 48.

...continued from page 12

Key to this success has been our improved communication with the courts. In particular, we've worked jointly to reduce the number of full welfare reports ordered by nearly a third, because these take longer to complete and can lead to delay in a child's case. These have largely been replaced by single issue reports about specific issues that need addressing within the case and mean that our intervention is timelier and more focused. Together with the courts we have also offered a more holistic approach to private law cases by referring appropriate cases to mediation, the Separated Parents Information Programme and other contact activities (see page 21 for further details).

**Kevin Gibbs, Head of Service, SI (Avon, Wiltshire, Gloucestershire)**

**"As a result of our agreed protocol in Avon and Gloucester the backlog in private law reports is gradually reducing, we are confident that, with continuing constructive dialogue and effort by all involved in this process, the welfare of the children under our care will not only be safeguarded but enhanced under the new arrangements."**

**His Honour Judge Barclay,  
Designated Family Judge,  
Avon and Gloucester**

## Early intervention

Safeguarding children by intervening early in all cases is our key priority. Early intervention teams have been established in many areas, primarily with the purpose of ensuring prompt screening and initial identification of any risk or harm issues that might impact on children involved in private law cases. In public law cases, our early intervention work involves reviewing and quality-assuring the assessments undertaken and commissioned, and the care plan proposed by a local authority, highlighting the additional steps or action needed.

### Case Study

#### Early intervention in public law

"The Public Law Early Intervention Team in South Yorkshire has nine team members and allocates a 'duty FCA' to each care and adoption case issued by the four local authorities we cover. The worker is allocated as soon as the application is received and will complete the work needed in the first six weeks of the case. A 'locality worker' is also identified who will take over the case at the six week mark and complete the work. The family is informed of these allocations and the handover date. This system enables Cafcass to ensure the child's safety and welfare is assured right from the beginning of the case through to its end, without gaps.

In a recent case, for example, the parents of a newborn baby had both experienced violent and chaotic early lives and there were concerns about domestic abuse and drug use. The local authority was seeking an interim care order to place the baby

in foster care and to assess the parents' ability to care and protect their child through gradually increasing contact sessions. These risk factors were balanced by the FCA against the potential damage that separating a baby and parent can do, in respect of attachments, and what that means for the future.

The FCA made a recommendation that the mother and child be placed together under an interim care order in a parent and baby unit where the mother's standard of care could be assessed and the father could join them, subject to several clear drug tests, at a later date.

In this way, the potential for positive outcomes for the child was maximised as the attachment between mother and baby was maintained. Without the recommendation of the FCA at this early stage, the court would have had little option but to make an order separating parent and child."

**Pat Armitage, Service Manager, N6 (South Yorkshire)**

# Spotlight on public law

## Responding to the most vulnerable children

During 2009-10 we received 12,102 public law cases compared to 10,430 in 2008-09. The biggest area in growth compared to the previous year related to new applications for care cases, of which we received 8,684 cases. March 2010 saw the highest ever number of care applications recorded in a month since Cafcass began recording these figures, with 832 cases. The rate of increase in care cases initially seen following publicity surrounding the 'Baby Peter' case has stabilised but at a much higher level than in previous years, as demonstrated in Figure 2, on the page opposite.

Other types of public law applications reduced in number from 3,934 cases in 2008-9 to 3,418 cases in 2009-10.

Cafcass undertook research to identify the reasons for the higher level of court applications, by scrutinising the cases received during the first three weeks after the Baby Peter Serious Case Review executive summary was made public. The aim was to ascertain whether the increase in cases was from an immediate response

to the 'Baby Peter' case, whether the increase was to be found only in a particular type of case, and whether (in the view of the individual FCAs surveyed) the case had appropriately been brought before the court and within the correct timescales.

The research found that, in almost all cases referred to in the survey responses (98%), the FCAs believed that the cases were either appropriately timed, or should have been brought to court by the local authority earlier than they were.

The study concluded that although the increase in care applications could be attributed to the so-called 'Baby Peter effect', local authorities had taken the appropriate safeguarding action in making these applications.

The graph in Figure 3 opposite shows the percentage increase in public law care demand from 2008-09 to 2009-10 across Cafcass' three operational Areas.

March 2010 saw the highest ever number of care applications recorded for a month since Cafcass began recording these figures, with 832 cases.

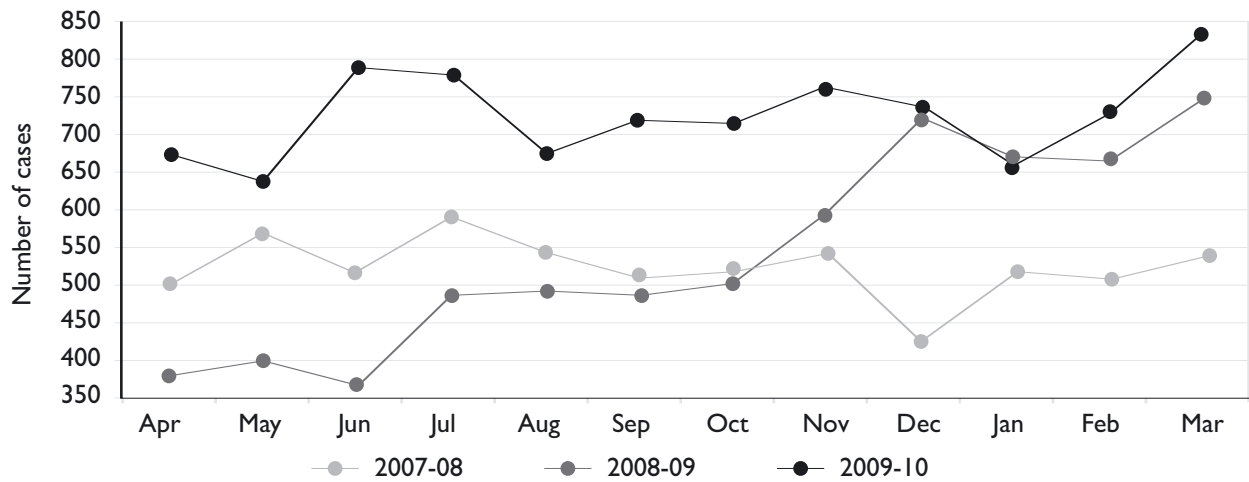
## Case Study

### Elizabeth Hall, Cafcass Head of Safeguarding, outlines an example of our work in complex public law cases

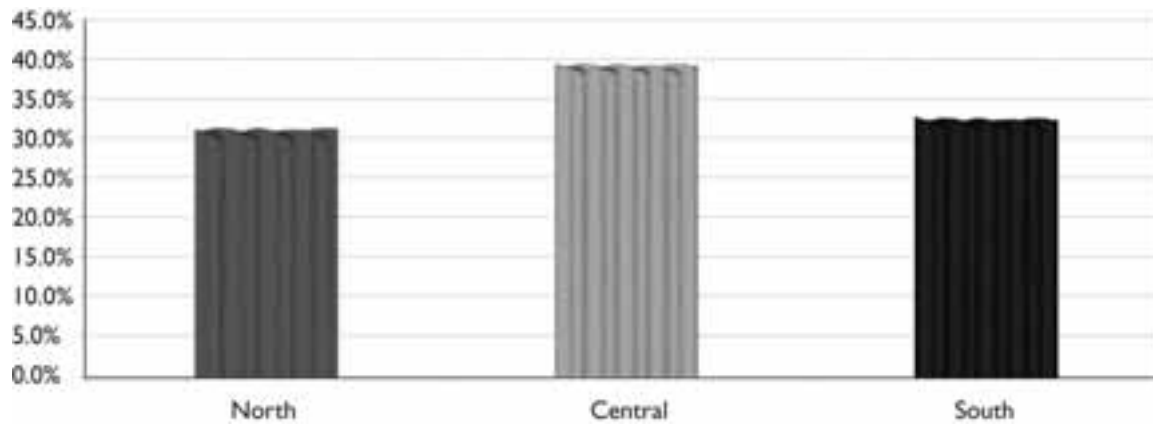
"A teenage girl approached her teacher for help before the school holidays at Christmas. She was worried that the family holiday planned to relatives in Turkey may lead to a forced marriage with a distant relative. She was also worried that her younger sister may face the same pressure. Children's services investigated in line with the new Government guidance 'Handling Cases of Forced Marriage' and applied for emergency protection orders on both girls. The girls are now placed with foster carers in a different part of the country, and subject to interim care orders.

This year, Cafcass has appointed a part-time specialist practitioner to support staff working in complex safeguarding issues where nationality and culture play a part. Working together, they were able to provide the court with detailed information about the cultural issues for the family, as well as some of the challenges in trying to protect them. As with the majority of our cases, there is no simple answer: both girls miss their family and school friends, but remain scared about going home."

**Figure 2:** Public law care demand



**Figure 3:** Percentage increase in public law care demand from 2008-09 by Operational Area



## Case Study

### Intervening early in public law

“A mother was arrested by police whilst under the influence of alcohol with her young children in a town centre. Whilst protesting against her arrest she injured the children.

The local authority made an application for an emergency protection order and an interim care order and a Cafcass FCA was assigned to the case. In conducting a review of the file and undertaking further checks, the practitioner found that, in addition to her alcohol problem, the mother was anorexic and suffered from depression. She also noted that the irregular

contact with the father caused uncertainty for the children and that the youngest child was increasingly upset with having to leave his mother at the supervised contact session.

In conducting this early, detailed work, the FCA was able to provide an initial analysis of the case and make robust safeguarding recommendations which led to a structured contact plan between the children and both parents. The analyses also guided the magistrates’ bench, helped support and strengthen the local authority’s care plan for the children and prevented an elongated case hearing.”

### South Operational Area

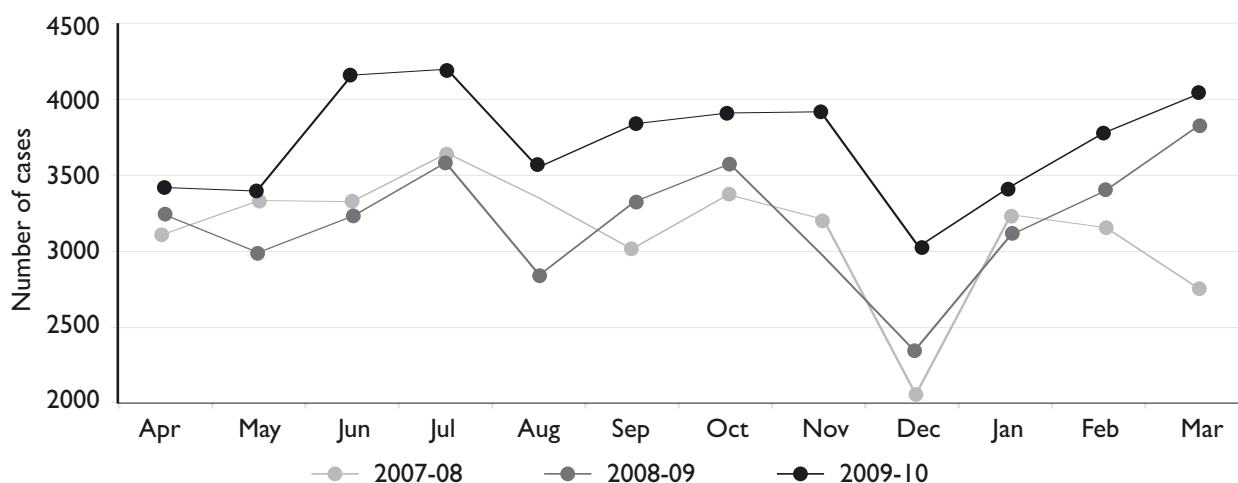


# Spotlight on private law

During 2009-10, we received 44,722 private law case requests from the court compared to 38,501 in 2008-09, totalling a 16.2% increase in demand on the previous year.

Cafcass' goal in private law cases is to provide soundly-based information to the court in time for the first hearing in each case and to support the court in enabling families, where possible, to reach agreements that are in the best interests of their children. All cases are screened for risk and harm issues on receipt.

**Figure 4:** Private law case demand



## Case Study

In N6 (South Yorkshire), one of the areas which trialled the revised Private Law Programme in summer 2009, an early intervention team was set up. The team attends, on average, ten court sessions a week in Sheffield, Doncaster, Rotherham and Barnsley and covers Family Proceedings and County Courts.

“Our early intervention work involves carrying out a phone interview with each of the adult parties which, in line with the Guidance<sup>10</sup>, focuses on any safeguarding issues. This, along with the results from our checks and calls, is provided in a letter to court before the first hearing. If there are no safeguarding concerns we may recommend a

referral to our commissioned services for advice on supported contact<sup>11</sup> or we'll discuss mediation as an option if appropriate. This early work also means that at the first hearing a safe decision or agreement, endorsed by the court, can sometimes be made that day, which is good for children and a much better use of court time. This negates the need for a full welfare report which, a year ago, may automatically have been ordered. Being able to intervene and resolve cases at an earlier stage rather than going down the full report route means that children can benefit from a quicker resolution. It also means that we are able to concentrate more of our resources and skills on the more complex cases where a full welfare report is appropriate.”

**Catherine Cooke, Service Manager,  
N6 (South Yorkshire)**

<sup>10</sup> The President's Interim Guidance.

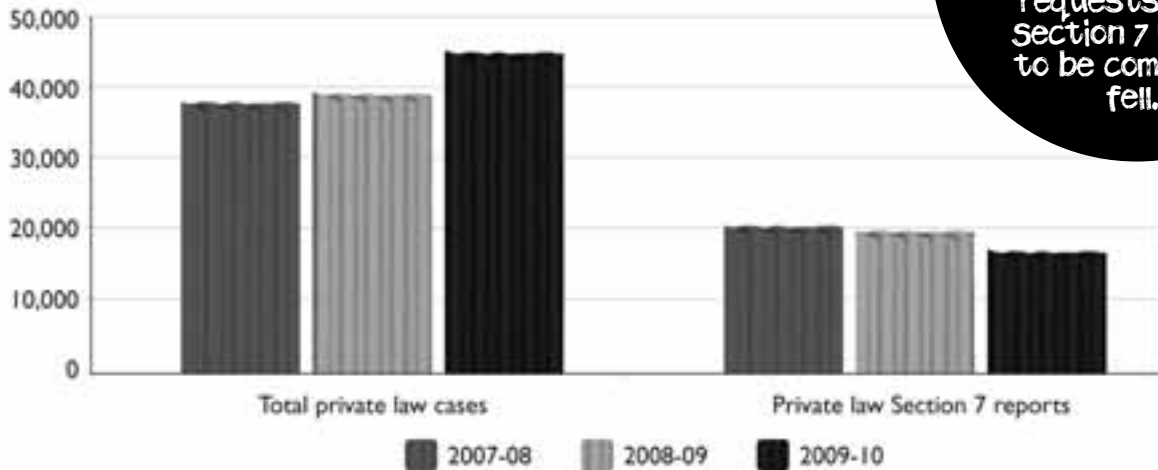
<sup>11</sup> Programmes with external providers that help families try and improve their relationships with their children, and each other.

# The revised Private Law Programme

During 2009-10 we supported work to develop the revised Private Law Programme (PLP), first published in 2005, which provides guidance on the management of private law cases. We trialled the new ways of working, involving more timely first hearings and direct phone contact with the adult parties, in six court areas<sup>12</sup>. The success of these led to the revised PLP being rolled out from 1st April 2010.

Despite an increase this year in private law case requests from the courts, the overall requests for a Section 7 report to be completed fell.

**Figure 5:** Private law demand



## Intervening early in private law

“We have introduced mediators to one of our County Courts who are on hand to deal with appropriate cases. The result is that the court is ordering Separated Parents Information Programmes (PIPs) in almost half of all cases, when safe to do so.

Our work with the courts and mediation and PIPs providers is helping us make sure we intervene early in all appropriate cases. We are committed to the view that our involvement at pre-hearings and first hearings is crucial to ensure the safest arrangements are made for children.”

**Issy Atkinson, Service Manager, C2 (Cambridgeshire)**

## Case Study

### Work to first hearing

“In a recent case we provided advice to the court before the first hearing. Through our phone calls to both parents we became aware that logistical problems had become a major issue. But it was also clear that both parents wanted the other to be involved in their daughter’s life and would be willing to attend mediation to help resolve any contact issues. Our safeguarding work indicated that there were no risks in the case and the FCA felt that mediation was the appropriate way forward. This helped both parties to reach an agreement whereby they prioritised the emotional needs of their daughter, enabling her to enjoy a relationship with her parents. The practitioner’s quick analysis of the issues in the case meant that the child benefitted from a speedy resolution and the parties were supported in making a ‘built to last’ agreement without further recourse to the courts. There was no further role for Cafcass.”

**Beverley Barnett, FCA, C5 (Wolverhampton)**

<sup>12</sup> Newcastle, Sheffield, Birmingham, Milton Keynes, Reading and Plymouth.

# Other types of cases

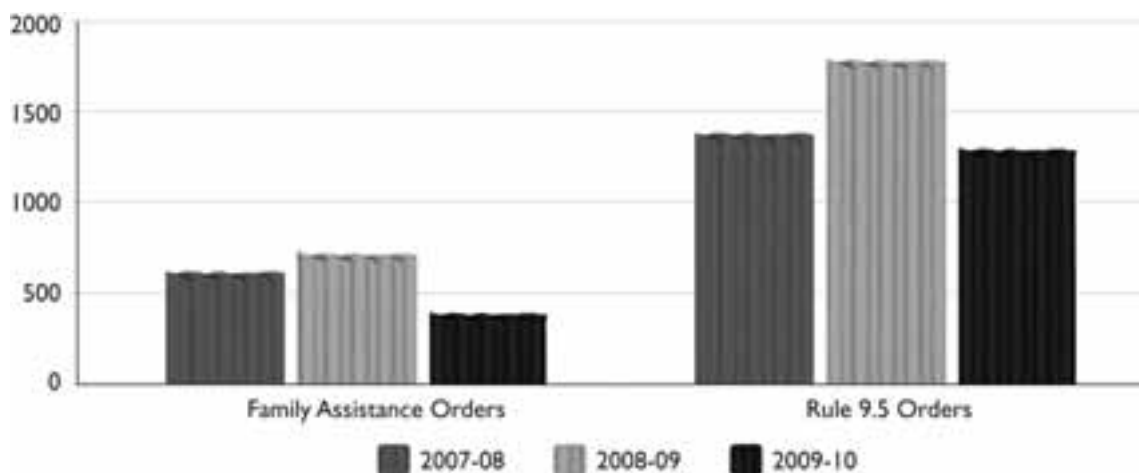
## Rule 9.5 cases

In particularly complex or protracted private law cases, the court can decide to allow the child to be separately represented by a solicitor and an FCA, by making them a party to the case under Rule 9.5 of the Family Proceedings Rules (1991). The demand for this type of case has decreased by 28.3% compared to last year, with 1,293 cases compared to 1,803 in 2008-09. All Operational Areas are reporting a decrease in comparison to 2008-09.

## Family Assistance orders

Cafcass is also involved in Family Assistance Orders either during or at the end of proceedings, which provide social work support to families experiencing ongoing difficulties following divorce or separation. In 2009-10 we received 394 orders, a 44.1% decrease on 2008-09, with all Operational Areas reporting a decrease on 2008-09 figures.

**Figure 6:** Other types of cases



## Adoption and placement related proceedings

In comparison to 2008-09, adoption applications involving Cafcass were down by 16%. There was also a 36% fall in Placement Order applications. A 33.3% decrease was also seen in the number of Special Guardianship applications in which Cafcass was involved, which numbered 54 in 2009-10. There were 152 instances of Cafcass witnessing consent in respect of relinquished babies and children, pre-court, for adoption or placement, representing a 22.4% decrease from 2008-09.

# Ofsted inspections

There have been seven Ofsted inspections of Cafcass service areas in 2009-10. The outcomes<sup>13</sup> of these inspections are provided in reports that give an overall effectiveness judgement of the service area, together with 14 other judgements. There are three limiting judgements; Equality and Diversity, Capacity to Improve, and Safeguarding. If a service area is judged as inadequate in any of the three limiting judgements, then the overall effectiveness judgement must also be inadequate.

This has been a difficult year for Cafcass with all but one inspection, N7 (Greater Manchester), being judged as inadequate in overall effectiveness. However, Ofsted has also undertaken four Post Inspection Monitoring visits in service areas which were inspected in 2008-09 and all were found to have made satisfactory progress against the recommendations made.

Although the burden of inspections is considerable, service areas have used the run-up to accelerate the

pace of improvements. Each area has a service improvement plan that focuses on coaching and training of staff and robust auditing to improve safeguarding practice. In all but one service area, the Capacity to Improve was judged to be satisfactory. However, the inspections demonstrate that we have more to do to ensure that Equality and Diversity is improved strategically and that more consistent evidence on this is shown within case work. These issues are being addressed by the implementation of Equality Impact Assessments and by a specific focus on equality and diversity practice through auditing and coaching work.

Throughout the year we have been working at a strategic level with Ofsted to improve the way we are inspected. This is to ensure that the most important aspects of our service are evaluated and reported on, to better reflect our potential for improvement and the changing external demands on our service.

## Safeguarding

### The Safeguarding Framework

Our primary purpose as set out in legislation is to safeguard and promote the welfare of each child referred to us. During 2009-10 we updated our Safeguarding Framework<sup>14</sup> to reflect new legislation and provide staff with clearer guidance on their safeguarding work with children.

We also issued new practice resources for FCAs in October 2009 to accompany the framework, to help teams implement the President's Interim Guidance and the revised Operating Priorities.

These are designed to keep bureaucracy and paperwork to a minimum by using fewer forms and simplifying those that still have to be used. Every Child Matters<sup>15</sup> outcomes are appropriately referenced in these new resources, including in the assessment workbook<sup>16</sup> and case planning formats.

### Serious Case Reviews

Cafcass has provided Individual Management Reviews (known as IMRs) in 20 Serious Case Reviews (SCRs) this year. The reviews take place whenever a child has died or been seriously injured

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<sup>13</sup> C7 service area (Cheshire and Merseyside) was inspected in March 2010 however the results were not received during the reporting period.

<sup>14</sup> The Safeguarding Framework was introduced in 2007.

<sup>15</sup> Every Child Matters sets out five key outcomes for children, young people and families: being healthy; staying safe; enjoying and achieving; making a positive contribution and experiencing economic well-being.

<sup>16</sup> Cafcass' assessment workbook provides guidance to staff in undertaking assessments in private law cases following the first hearing.

in circumstances prompting a high level of concern. Our national Learning Action Panel<sup>17</sup> considers how to apply the most important learning arising from these cases throughout the organisation. Learning points have been made available to staff through monthly articles in the internal staff newsletter, Channel C.

Areas highlighted include:

- Clear reporting to court about risk issues that we have identified and assessed.
- Ensuring that in private law the focus is on 'safety first' before exploring the possibility of agreement or dispute resolution.
- Being aware of the vulnerability of other children in the household who are not subjects of the court proceedings.
- Careful risk assessment across public and private law, based on the widest possible information and a willingness to re-evaluate each case as new information is received.
- The need to approach all of our work on the basis of 'respectful uncertainty', a concept

described by Lord Laming in the report of the Victoria Climbié Inquiry.

## ContactPoint

As a first step towards implementing ContactPoint we trained 45 of our Business Support staff as accredited user administrators, so we could set up practitioners as internal users of the system. We also rolled out national training to our FCAs on information sharing protocols, a mandatory precursor to joining ContactPoint. Any further work remains contingent on future Government plans and priorities.

## consultations

Cafcass is active in policy development within the social care and family justice arenas. This year our work included:

- Contributing to the Children, Schools and Families Select Committee report on the 'Training of Children and Families Social Workers'. In particular, we gave our views on training social workers and their practice placements.

### Safeguarding checks processed faster under new team

A Central Intake Team (CIT) has been piloted this year in Birmingham to process all Cafcass private law applications for the Central area. It has allowed us to significantly improve our turnaround times in undertaking initial safeguarding checks. In urgent cases, where the harm box has been ticked, the files are transferred to the relevant local team within 24 hours which has strengthened our safeguarding work. The team's success is leading to the development of a National Business Centre - see page 37 for more information.

### Case Study

#### CIT Office Manager Julia Dark explains how the quicker processing has led to improved outcomes for children

"In one case a mother made an application for the father to have residence of their two-year-old child who lived with her at the time, stating that she didn't want to have the child any longer. By screening the case as soon as it came in, we realised there was a significant risk to the child living in the mother's care. We made an immediate referral, within four hours receipt of the case, to children's services. It transpired that the local authority was not aware of the case. As a result of our intervention and referral, they took immediate action to make sure the child was being cared for and was at no risk of harm."

<sup>17</sup> Cafcass' Learning Action Panel considers key learning points gathered from customer services work and Serious Case Reviews.

- Responding to the Government's 'Support for All: The Families and Relationships Green Paper'. Cafcass has a particular interest in compulsory mediation assessments, and the removal of the need for grandparents to seek leave of court in applications for contact.
- Providing a detailed response to the revised draft of Working Together, the Government's inter-agency child protection guidance, and to the separate consultation on the revised Chapter 8 of Working Together, drafted in response to recommendations made by Lord Laming about strengthening the Serious Case Review process.
- Working with the Department to produce new guidance for Independent Reviewing Officers<sup>18</sup>, especially around referring cases to Cafcass. Cafcass helped to deliver four conferences as part of the consultation.
- Taking part in the End Violence Against Women and Girls consultation. We emphasised that the needs of all children need to be considered, not just girls. Also, that children in domestic violence situations and those in family court proceedings are also at risk.

Cafcass' Chief Executive, Anthony Douglas, is a member of the Chief Safeguarding Adviser's Expert Group and the Social Work Reform Board. The former was set up in 2009 to perform an advisory role on emerging ideas and initiatives in the field. The Social Work Reform Board is tasked with taking forward the recommendations of the Social Work Task Force. The Board works with frontline practitioners and service users to ensure that their views are taken into account when considering reforms to the social work profession.

## Working with partners to protect children

Cafcass currently commissions £2.836 million worth of programmes through contracts with, and grants to, external partnership providers that help families, where appropriate, to improve their relationships with their children and each other.

We have worked with these partners and the Department to promote programmes and activities which are provided for under the Children and Adoption Act 2006. These include Separated Parents Information Programmes (PIPs), Mediation Information Assessment Meetings and Domestic Violence Perpetrator Programmes.

Separated Parents Information Programme attendees

"I found it useful especially concentrating on what I can do right, rather than what others do wrong."

"I never looked at things from the children's way - now I do and it's better for them and me."

The number of parents directed by the courts to participate in PIPs has increased rapidly in some areas throughout the year, with more than 945 individuals having attended nationally. A survey<sup>19</sup> found that those who have taken part are more likely to benefit from further mediation having first attended the programme. More than half of the survey respondents also said they had identified changes that they wanted to make for their children's benefit. Other feedback reinforced that the programme should indeed be offered at an early stage.

<sup>18</sup> IROs monitor the implementation of plans for children who are looked after by a local authority. Because IROs work with all looked-after children, some of their work will be with children who are the subject of current care proceedings or placement proceedings. These children will also have a Cafcass practitioner appointed to act as a FCA.

<sup>19</sup> The survey contacted almost 200 recent participants in the Separated Parents Information Programme from across England. Eighty responses were received.

## Diverting cases from court

“A new initiative in S7 has been the area's contract with Relate<sup>20</sup>. Once Cafcass receives a ‘low risk’ and ‘low welfare’ private law case, we can recommend at the first hearing that the court considers directing the parents to mediation or co-parenting programmes with Relate, in the first instance. Although in its infancy, we are finding that this can actually help parents focus on what’s in the children’s best interests. This may result in the case not continuing any further in the court, with the eventual aim of quicker and more effective outcomes for children.”

**Mark Saunders, Service Manager, S7 (Cornwall, Devon, Somerset).**

Referrals to Domestic Violence Perpetrator Programmes have also grown. These programmes are either approved or accredited by Respect<sup>21</sup> and, in most cases, participants’ attendance has been funded by the Department rather than having to pay the £2,500 cost themselves. From 1st April 2010, all contact activities will be free of charge, which is expected to further increase their use.

## Case Study

### Supervised contact – reuniting children and families

“In a dispute with his ex-partner, a father had not been able to see his two-year-old daughter for a prolonged period. Cafcass’ analysis of the case showed that there were no reasons why safe and beneficial contact should not be the aim. The FCA recommended supervised contact as a practical way of restarting and stabilising contact. Cafcass found a commissioned contact service who could provide a controlled and supportive environment for contact to restart. Our staff helped the parents to

understand how they could work together in the interests of their child. The process enabled the father to show that he could be consistent and could increase his confidence and skills with his child. Our work also allowed the mother to see this process and to gain reassurance. As the child's confidence grew, her paternal grandparents were also re-introduced to her. The family has since agreed to move on from the centre and the father and child are now enjoying quality contact time together on a regular basis at the paternal grandparents’ home, without any court intervention.”

**Contact Centre in South London**

<sup>20</sup> Relate offers advice, relationship counselling, sex therapy, workshops, mediation, consultations and support face-to-face, by phone and through its website [www.relate.org.uk](http://www.relate.org.uk).

<sup>21</sup> Respect is the national association for professionals working with people to end their abusive behaviour.

## Commissioned services

We offer further support to families and children through commissioned services that promote and support supervised contact between children and their families. There is now a network of these providers across the country working with local teams to provide the required services.

Cafcass also works with the supported contact sector, in part through the National Association of Child Contact Centres. We provided financial support to 222 centres during the year. We also maintained links with services that assist separated parents and their children, including: Parentline Plus (a telephone counselling service), Kids in the Middle<sup>22</sup> (a pilot early intervention scheme) and Dad's Space (a web-based indirect contact).

### Case Study

#### Timetable for the child

"A father was seeking to re-establish contact with his one-year-old child who he had not seen for some time. When we screened the application there were no safeguarding concerns, although the mother was worried about how the father would cope. Where previously we may well have been ordered to prepare a report, the family was instead referred to one of our commissioned services' partners, who provided supervised

contact with the family over ten sessions. The focus was on helping the father be re-introduced to the child, and allaying the mother's fears about how he would manage contact. This child-centred approach meant a better outcome for the child, who is being supported in having a positive relationship with his father.

By signposting the family early on to one of our commissioned services we were able to ensure there was no delay to work being undertaken with the family."

**N6 service area (South Yorkshire)**

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<sup>22</sup>Kids in the Middle is a coalition of 29 family and children's organisations. Its aim is "helping children whose parents are fighting a lot, and helping parents to avoid getting into this situation in the first place."



# How we met our Key Performance Indicators 2009-10

This section charts the progress we have made against our Key Performance Indicators (KPIs). As per the Government Financial Reporting Manual (FRM) it defines the KPI, its purpose, the source of the underlying data, quantification or commentary on future targets and any changes to the calculation of the KPIs to previous years.

## Key

**GREEN:** Meets Target (Good)

**AMBER:** On-Target to meet (Satisfactory)

**RED:** Does not meet Target (Inadequate)

## Key Performance Indicator 1: Public law

97% of the public law workload should be allocated when taken as a snapshot.

To avoid delay in public law proceedings of all types, we have set a standard that 97% of our workload should be allocated when taken as a snapshot.

### Targets

>=97%      **GREEN**  
 90% - 96%   **AMBER**  
 <=89%      **RED**

2009-10  
 Performance  
 93.1% **AMBER**

Performance this year has decreased compared to last year (97.3%).

Performance began to drop below target in December 2008 and this correlates with the sharp increase in public law care demand which began at the same time. This decreased level of performance has continued into the current year, as care demand has continued at a new threshold of an average of 724 cases per month.

Nationally, however, we have been able to maintain performance at the amber level with improved performance from August 2009. All three Operational Areas are amber this year to date: North with 91.3%, Central with 94.8% and South with 93.1%. Of the 21 service areas, six were green, ten were amber and five were red.

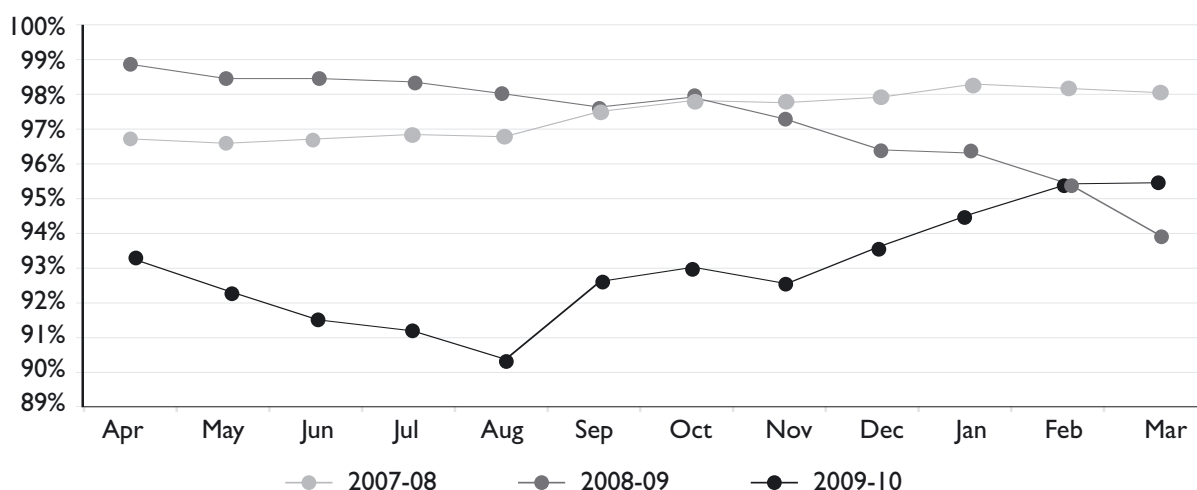
**Source:** All data is taken from the Cafcass Case Management System (CMS) which is a live national database.

**Calculation method:** Snapshot of total allocated public law cases divided by snapshot of total public law workload (open and ongoing cases not concluded). For monthly reporting the snapshot is taken once a month at month end. Annual figures are an average of the 12 months.

**Assumptions:** Workload cases can have only two statuses within our CMS: allocated or unallocated. Allocated includes cases allocated on a duty or substantive basis to a named practitioner.

**Changes:** Re-named from KPI 2 in 2008-09 to KPI 1 in 2009-10.

**Figure 7:** KPI1 Public law allocated workload



## Key Performance Indicator 2: Private law **New**

**97% of the private law workload should be allocated when taken as a snapshot.**

To avoid delay in private law proceedings of all types, we have set a standard that 97% of our workload should be allocated when taken as a snapshot.

**Targets**

>=97% **GREEN**

90% - 96% **AMBER**

<=89% **RED**

\*Target to be achieved by end of 2009-10 reporting period.

**2009-10 Performance\***  
91.9% **AMBER**

This new KPI was set this year with a target of 97% to be achieved by year end, and performance has steadily improved over the year.

A system change was required to robustly report the practice changes initiated to support this KPI. The changes were initially scheduled for the beginning of the year but were not rolled-out until mid-March 2010. This change now allows for accurate reporting of current practice and accounts for the significant increase in performance in March 2010.

Nationally we achieved performance at the amber level in March with 91.9% of the workload allocated. One Operational Area is green, one is amber and one is red for March 2010: Central (97.9%), South (90.6%) and North (87.2%). Of the 21 service areas, ten were green, three were amber and eight were red.

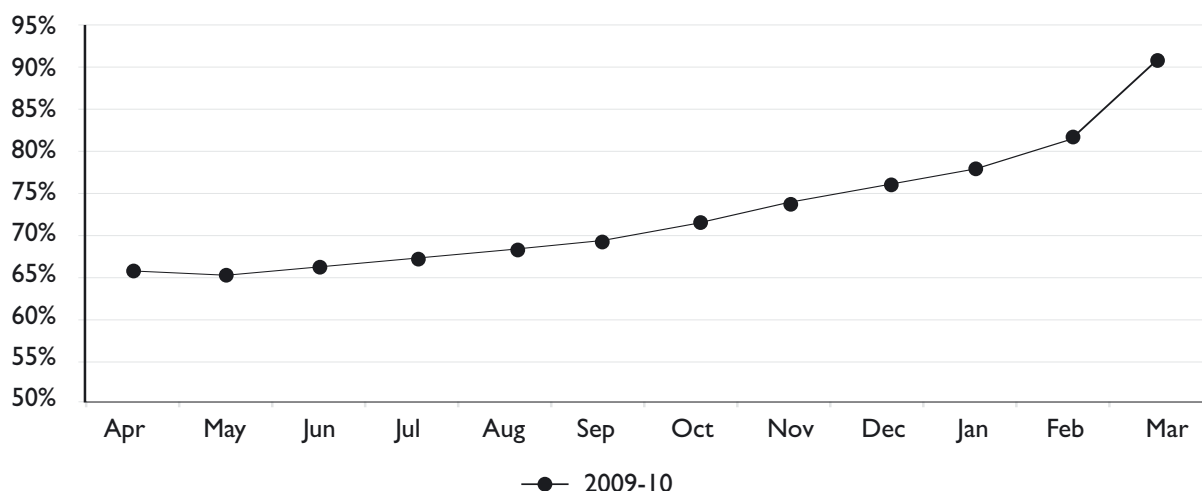
**Source:** All data is taken from the Cafcass Case Management System (CMS), which is a live national database.

**Calculation method:** Snapshot of total allocated private law cases divided by snapshot of total private workload (open and ongoing cases not concluded). For monthly reporting the snapshot is taken once a month at month end. Annual figures are an average of the 12 months.

**Assumptions:** Workload cases can have only two statuses within our CMS: allocated or unallocated. Allocated includes cases allocated on a duty or substantive basis to a named practitioner.

**Changes:** This is a new KPI for 2009-10.

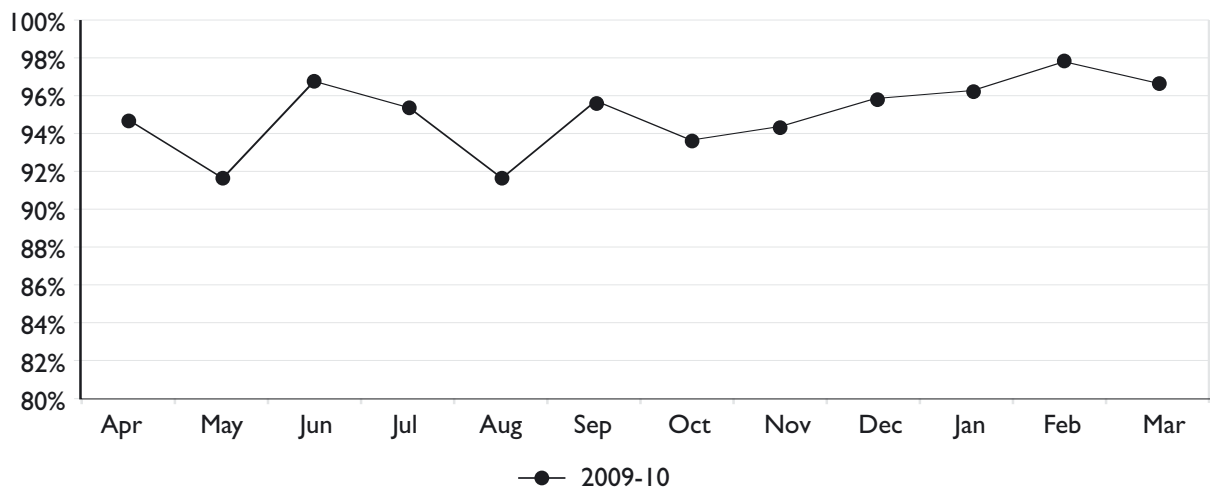
**Figure 8: KPI 2 Private law allocated workload**



## Key Performance Indicator 3: Safeguarding **New**

<p>Quality of practice in safeguarding rated overall as Satisfactory or above.</p> <p>Our practitioners' safeguarding work should be rated as Satisfactory, or above, by their Service Manager, on our Q4C performance management system.</p> <p><b>Targets</b></p> <p>&gt;=97%      <b>GREEN</b></p> <p>90% - 96%    <b>AMBER</b></p> <p>&lt;=89%      <b>RED</b></p>	<p><b>2009-10 Performance</b></p> <p>95.3% <b>AMBER</b></p>	<p>This new KPI was set with a target of 97% to be achieved for the year.</p> <p>Nationally we achieved performance at the amber level. For the 2009-10 year, one Operational Area, the North, was green with 97.7% and two were amber: Central with 93.1% and South with 95.2%. Of the 21 service areas, nine were green, nine were amber and three were red.</p>
<p><b>Source:</b> All data is taken from the Cafcass Quality for Children (Q4C) performance management system, which is a national database. As part of Q4C our FCAs' safeguarding work is checked by Service Managers and given a rating of Inadequate, Satisfactory, Good or Outstanding.</p> <p><b>Calculation method:</b> Measures all safeguarding supervision sessions as logged in Q4C for all employed practitioners.</p> <p><b>Changes:</b> This is a new KPI for 2009-10.</p>		

**Figure 9: KPI 3 Safeguarding**



### Key Performance Indicator 4: Service user satisfaction

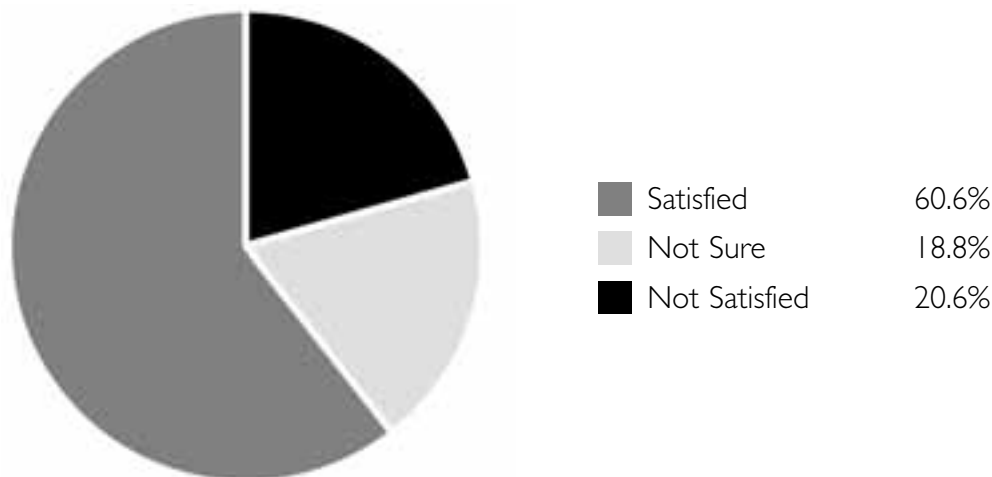
<p>Percentage of service users giving feedback on HearNow, or paper-based equivalent, express overall satisfaction with the service they have received from Cafcass.</p>	<p>2009-10 Performance 60.6% AMBER</p>	<p>Performance this year has decreased slightly compared to last year (63.6%). Younger children (aged five to eight) who responded to the survey were most satisfied with Cafcass' work, with 82.6% reporting that their Cafcass workers were 'great' or 'ok'. Among older children (aged nine to 17) 66.4% reported being either 'very satisfied' or 'fairly satisfied' with the service Cafcass provided. Among adults, 52.1% reported being either 'very satisfied' or 'fairly satisfied' with the service.</p>
<p>This KPI is aimed at understanding our service users' experience and using this to inform policy and practice developments.</p>		
<p><b>Targets</b>                  &gt;=65% GREEN                  55% - 64% AMBER                  &lt;=54% RED</p>		

**Source:** HearNow feedback survey results via Cafcass' Case Management System (CMS).

**Calculation method:** Assessed within a rolling period to a desired confidence interval of +/- 5.0%. Due to the decline in HearNow's response rate, it has been necessary to measure responses from July 2008 to satisfy this requirement of the KPI. This is the latest point at which the HearNow results for service user satisfaction return a confidence interval of +/- 5.0%.

**Changes:** Targets were set this year based on performance data from 2008-09.

**Figure 10:** KPI 4 Service users expressing overall satisfaction



### Key Performance Indicator 5: Every Child Matters

<p>Every Child Matters' outcomes                  Cafcass will address the Every Child Matters' outcomes to support change for children.</p>	<p>N/A</p>	
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**Explanation:** During 2009-10 Ministerial approval was sought to replace this Indicator with one focused on the fulfilment of Cafcass' statutory risk assessment duty under section 16A of the Children Act 1989. Ministerial approval was provided on the basis that the new KPI (KPI 5 detailed on page 29) would come into effect for the 2010-11 year.

# NEW KPIS FOR 2010-11

We have agreed a new set of Key Performance Indicators with the Secretary of State.

(G) **GREEN:** Meets Target (Good)

(A) **AMBER:** On-Target to meet (Satisfactory)

(R) **RED:** Does not meet Target (Inadequate)

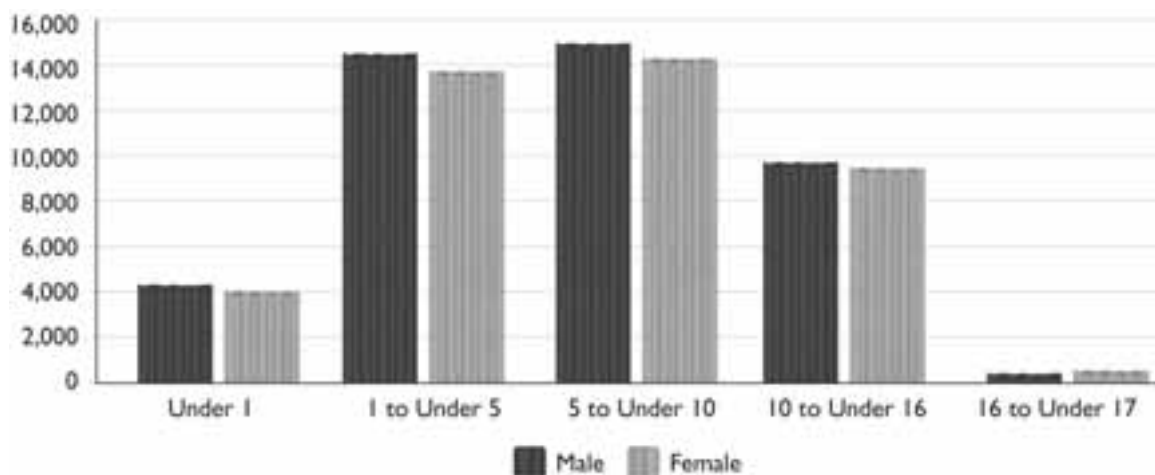
Key Performance Indicator	Definition	Measures
KPI 1	<b>Public law</b> 97% of the public law workload should be allocated when taken as a snapshot.	>=97%    G 90% - 96%    A <=89%    R
KPI 2	<b>Private law</b> 97% of the private law workload should be allocated when taken as a snapshot.	>=97%    G 90% - 96%    A <=89%    R
KPI 3	<b>Safeguarding</b> Quality of practice in safeguarding rated overall as Satisfactory or above.	>=97%    G 90% - 96%    A <=89%    R
KPI 4	<b>Service user engagement</b> Feedback from service users via HearNow to express an overall satisfaction with the service they receive from Cafcass.	>=65%    G 55% - 64%    A <=54%    R
KPI 5 <b>NEW</b>	<b>Safeguarding</b> Quality of practice in risk assessment rated overall as Satisfactory or above.	>=97%    G 90% - 96%    A <=89%    R
KPI 6 <b>NEW</b>	<b>Public law</b> Cafcass will allocate (on an ongoing, not a duty basis) all care cases by the Case Management Conference (CMC) hearing, measured as 45 calendar days from application date.	>=97%    G 90% - 96%    A <=89%    R
KPI 7 <b>NEW</b>	<b>Private law</b> Cafcass will measure the percentage of Section 7 reports that meet their agreed filing times, for each of the four new types of report.	Baseline by Quarter 2 2010-11

# our service users

## overview of the children and families accessing cafcass' services

In 2009-10, we worked with 142,544 children and young people across England. Of these, 85,720 were referred to us as new cases. The remainder comprised children whose cases were referred to us prior to the reporting period and on whose cases we continued to work during part (or occasionally all) of 2009-10, and those whose cases were closed during the year. Of the children referred to us in new cases, 43,704 were males (51%) and 42,016 females (49%). As the Figure below shows, and in keeping with trends from previous years, most of the children we work with are under ten years of age.

**Figure II:** Children in cases; age and gender profile 2009-10



## The cafcass young People's Board

We are committed to ensuring children and young people have the opportunity to contribute to the development of our services. During the year we held a number of consultations and continued to work closely with our Young People's Board (YPB). The Board has 14 members, appointed for two years, ranging in age from nine to 18. There are also 15 affiliated Board members, with experience of parental separation, who contribute to our understanding of service development. Members have shared their skills in the foundation training for new Cafcass practitioners and contributed to selection panels and recruitment. Some have trained as peer mentors for our Hear4U Peer Mentoring service. Others have contributed to our service improvement programme through their training as 'service user inspectors'. The inspectors have inspected and reported on 60 Cafcass offices this year.

Two YPB members outline what they have been involved with during the year:

"The Board helps to improve the way Cafcass delivers its service to children and young people by sitting on interview panels for practitioners and Service Managers, attending main Cafcass Board meetings, our own meetings, staff training, media events and national and local conferences. We also have the opportunity to see Cafcass through the eyes of a young service user; via the Young Inspectors Programme and Hear4U!" **YPB member Laura Healy, 17.**

"I think the YPB gives a different and important view that helps a service like Cafcass work to its full potential. I have been through Cafcass as a service user myself and it's given me strong views about the sort of changes I would like to see made and the positives that should be available for others." **YPB member Alexandra Hall, 15.**

During the year, the Board contributed to the “How it Looks To Me” report, outlined below.

### **‘How it Looks To Me’ – views of children affected by divorce and separation**

“The ‘How it Looks To Me’ report is based on the views of more than 130 young people who attended a consultation event in 2009. The event focused on the experiences of young people who had been through divorce or separation. The aim was to find out what else we could do to ensure that young people get the best out of our services. Key findings showed that the majority were happy with the service they received from Cafcass. A key issue of concern however, for almost half of young people, was a worsening financial situation for them and the parent they resided with after a divorce or separation. We will use the findings to identify ways in which Cafcass can improve support services for children going through private law cases.”

**Christine Smart,**  
Cafcass Children’s Rights Director

**“Almost half of the young people who attended the How it Looks To Me consultation were concerned about a worsening financial situation after a divorce or separation.”**

## **Direct work with children**

In cases where Cafcass has been requested by the court to undertake more detailed work with a child and their family, FCAs have access to tools which are designed to help children, including those with learning difficulties, to convey their wishes and feelings.

### **Case Study**

**Bob McGavin, Cafcass FCA in the High Court Team, has used our emoticon and activity stickers in his work with children.**

“I’ve used the activity stickers to engage with children in a number of cases including one with a 15-year-old girl who was undergoing chemotherapy and who had learning difficulties. She was resistant at first to talking to me but using the stickers took the pressure off her because the focus was on something else. Using the stickers she was able to express how she was feeling and what she wanted to happen.

The second case involved a young, non-English speaking girl who was the subject of an interim care order and whose immigration status was uncertain. This was a complex case as she had already spoken to many people regarding her circumstances and was initially very reluctant to talk to me. The difference once I brought out the stickers was striking. They immediately made her more relaxed, her whole demeanour changed as she was captivated by them. They proved a powerful tool in continuing a conversation and overcoming language barriers, which resulted in her revealing information that had not previously come to light.”



More than 1,000 questions were sent to our peer mentors by children during the year.

## Delivering services online mycafcass

Cafcass launched a secure, personalised website called MyCafcass in April 2009, where children and families can log in to find out more about our services. Information is tailored to the individual, according to their age, gender and case type. Since its launch, MyCafcass has received more than 7,000 visits.

Further development work in 2010-11 will include a module allowing Heads of Service to run their own online surveys tailored to their locality and the individual case factors of service users. This will help us achieve a better understanding of the views of children and families on our service delivery.

## hear4u Peer Mentoring

Our Hear4U Peer Mentoring service is available to children and young service users through MyCafcass. Here, young people can ask our specially-trained young Peer Mentors questions and receive advice on how to cope when their families are going

through the court process. Since its launch, the Hear4U service has received more than 1,000 questions from young people aged five to 17 years.

commenting on MyCafcass, 18-year-old Benjamin Hitch said, "The Portal is a child-centred approach to helping children through difficult and sensitive issues that arise. The format is easy to use, colourful and overall a vital source of help and information."

"The idea of our Peer Mentoring service is to allow children whose cases are going through the family courts, to put questions to someone who really understands how they feel and who may well have been through the same sort of thing."

Lynda Bevan, Peer Mentoring Support Worker.

The majority of questions received are from children wanting to find out more about the court process and Cafcass' role but it can also be a key safeguarding tool and we have received a number of questions where children have raised serious issues:

"Some young people have told us they are fearful of one parent or have referred to domestic violence. In doing so, they have revealed important information which, in some cases, we did not previously know. This means that we can pass valuable information onto the team to further inform their initial safeguarding assessments," said Lynda Bevan, Cafcass Peer Mentoring Support Worker.

The feedback from children has also been very positive:

"I am so grateful that you are helping me and that you are trying to solve my problem as I asked. I really appreciate it. Thank you so much for this..."

"Thank you - that helped. I spoke to my step-mum, she said it won't be a problem - thanks for your advice."

## Feedback from service users

### Online feedback – HearNow

HearNow is our online, multiple-choice questionnaire on the MyCafcass site that allows children over five, and adults, to give feedback on the kind of service they have received from Cafcass. It allows us to analyse and report on this feedback and helps us understand how demographic and case-related factors interact with service user satisfaction.

The number of responses received by HearNow in 2009-10 is substantially lower than in 2008-09, falling from 793 to 382. This is primarily because of its move during the year from its own 'stand-alone' website to become part of the larger MyCafcass Portal. Despite this initial drop in feedback, we believe that the move has long term benefits because it allows people who use our services to access all relevant information about Cafcass through a single source. We hope to increase the level of use in 2010-11 through the introduction of a text message and email reminder system to encourage service users to provide us with feedback during their case.

Key Performance Indicator (KPI) 4, as outlined on page 28, measures the rate at which “feedback from service users via HearNow expresses an overall satisfaction with the service they receive from Cafcass, assessed within a rolling period to a desired confidence interval of +/- 5.0%.” Due to the decline in HearNow’s response rate, it has been necessary to measure responses from July 2008 to satisfy this requirement of the KPI. This is the latest point at which the HearNow results for service user satisfaction return a confidence interval of +/- 5.0%.

For the period 1st July 2008 to 31st March 2010, we received 996 valid responses to HearNow. Of these:

- 144 (14.5%) were from children aged 5-8
- 280 (28.1%) were from young people aged 9-17
- 572 (57.4%) were from adults
- 82.6% of children (aged 5-8) reported that their Cafcass workers were either “great” (60.4%) or “ok” (22.2%)
- 66.4% of young people (aged 9-17 years) reported being either “very satisfied” (38.6 %) or “fairly satisfied” (27.8%) with Cafcass’ service
- 52.1% of adults expressed satisfaction with Cafcass’ service, with 31.3% stating that they were “very satisfied” with our work and 20.8% being “fairly satisfied”.

The overall rate of satisfaction with Cafcass’ service amongst all age groups for 2009-10 is 60.6%.

## service user diversity

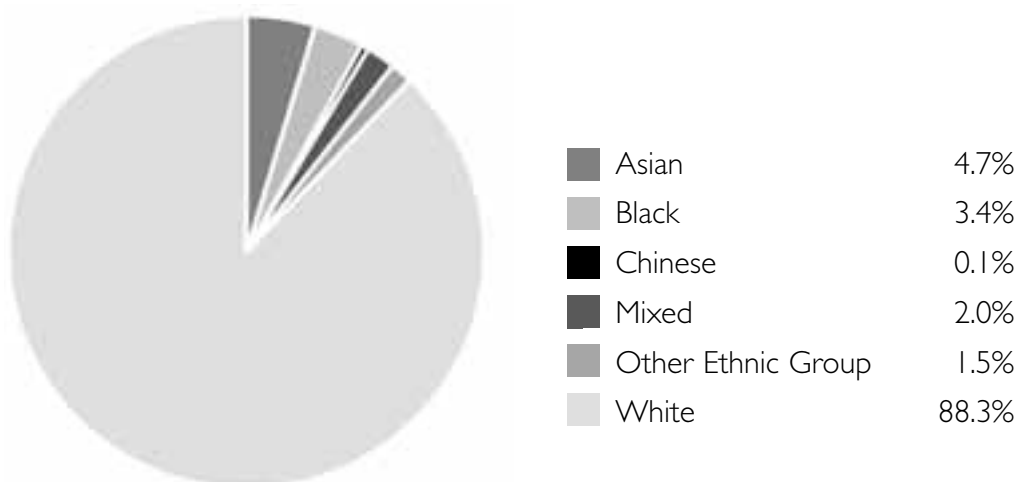
We collect information on the diversity<sup>23</sup> of our service users so we can provide a more responsive service, based on their specific needs, and plan our future service provision.

Mandatory diversity monitoring of service users was temporarily suspended in the second half of 2009-10 to alleviate increased pressures on our Business Support staff, caused by the large increase in demand for our services. Diversity monitoring was therefore allowed to be prioritised according to local needs.

Cafcass undertook a policy review during the year to devise new, clearer guidelines for staff on when and how to complete diversity monitoring and standardise the way data is collected. Greater emphasis is now on the consistent use of diversity monitoring forms, designed in line with the requirements of the 2001 census, and on supporting individual service users in their completion.

Initiatives to meet the needs of service users have included producing new information leaflets. Through information gathered from diversity monitoring we translated the three main leaflets, ‘About Cafcass’, ‘Putting your children first’, and ‘Keeping children safe’ into the ten languages most commonly spoken by our service users.

**Figure 12: Service user diversity**



<sup>23</sup> To help us gain a better understanding of our service users we collect diversity information on, for example, ethnic and cultural heritage, disability and access requirements, sexual identity and religious beliefs.

## Engaging with our service users

Our Customer Services and Quality Team has worked to support our engagement with service users and to make sure we learn from their experiences.

Service user feedback was a key influence on the introduction of our new Welcome Packs<sup>24</sup> from April 2009. The packs were a response to concerns from service users about the quality of our written information. We now provide customised information to adults and children involved in public and private law cases within two days of receiving applications from the courts. This means they can quickly become aware of our role and learn more about the court processes in which they are involved. A survey<sup>25</sup> seeking feedback on the Welcome Packs found that almost 85% of adult service users found them useful. The packs have been further improved by the recent launch of new and more accessible adults' leaflets.



## Our complaints procedure

We have supported the operation of the Cafcass complaints procedure which strives to provide an open, accountable and independent approach to handling complaints.

During the year we received:

**287 comments**

**380 compliments**

**1,258 new complaints.**

Complaints were received in 2% of all new cases that Cafcass began work on in 2009-10; 1,228 of these were directly related to cases and 30 were not. Complaints made about our private law work accounted for 1,137 (92.6%) of complaints. Complaints made about our public law work accounted for 91 (7.4%) of complaints.

We received more complaints from fathers than mothers, with fathers accounting for 50%, mothers 39%, grandparents, solicitors and others 9%, and children and young people 2%.

Of the complaints received during 2009-10, the largest proportion of complainants (48%) were white (of which 573 were white British, 20 white other and 7 white Irish), while 8% of complainants were from black and minority ethnic communities. However, we do not know the ethnicity of 44% of complainants. Of the 44% where the ethnicity was unknown, in 59 cases (11%), the complainant was unavailable; 18 complainants (3%) refused to provide any information on ethnic origin and, in 478 cases (86%), the information was not returned to us. This highlights an area which we need to address so that we are better able to plan our services and ensure that they meet the needs of all users.

<sup>24</sup> Welcome Packs also provide information on MyCafcass and how to access other resources such as HearNow, Hear4U and video resources.

<sup>25</sup> The postal survey was sent to 320 adults between 1st May and 30th November 2009. It asked eight questions to establish how users who had been involved in new private law applications in Newcastle had experienced Cafcass' pre-first hearing services.

## Common areas of complaints

Our national Learning Action Panel (LAP) helps us make sure that we learn from the complaints we receive and adapt our practice appropriately. Below is an indicative list of the kinds of complaints that we have received during the year and the action we have taken to address them.

### Cafcass reports being filed too close to the court date, late or sometimes on the day of the court hearing itself:

- **Action:** Our Case Management System (CMS) now records whether filing dates are met. A coordinated response is given that takes account of the needs of the case, in particular the impact on children where delayed filing does occur. We are committed to communicating with service users where any such delay occurs, providing full explanations as to why this is and what they can expect to happen as a result.

### Delays in allocating cases:

- **Action:** This is being addressed within the Operating Priorities with duty systems now in place and numbers of unallocated cases decreasing across the country (see page 12).

### Confusion about sharing report content with service users before court:

- **Action:** Given the range of reports now prepared by Cafcass, we have introduced clearer guidance to staff about sharing information

during work with service users. Feedback from service users will be monitored and incorporated into practice improvement.

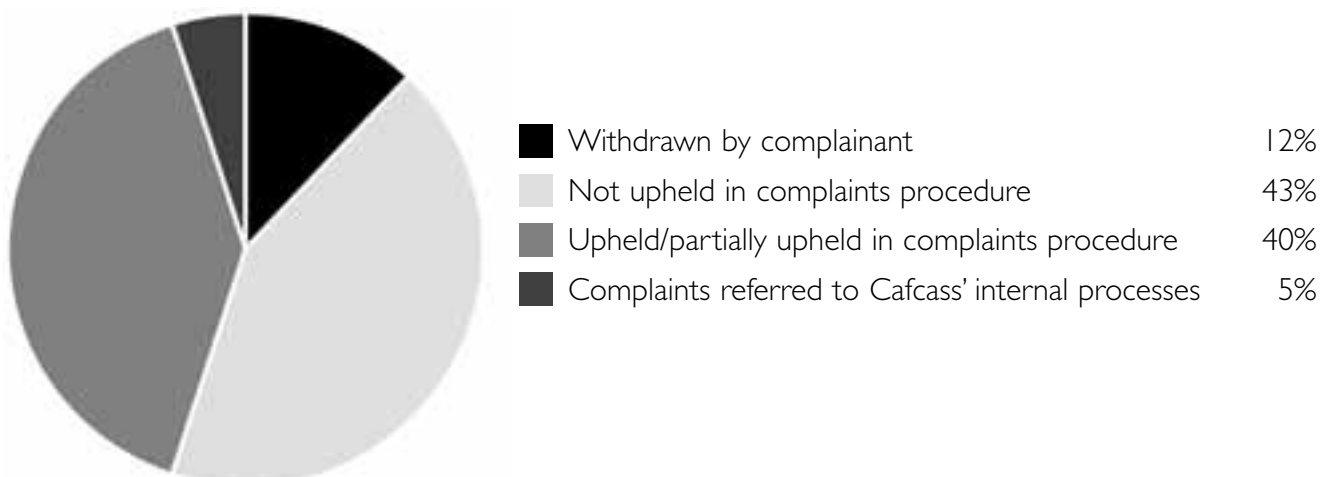
### Failure of staff to respond to service users' calls and messages:

- **Action:** Cafcass expects staff to respond to service users' communications and queries appropriately within the context of our work. This year we have reviewed and revised our response mechanisms for service users who have concerns about the way we work with them. A greater emphasis is now placed on problems and difficulties being responded to locally and quickly. Our new duty systems also provide us with the opportunity to immediately assess any concerns relating to the safety or welfare of a child and respond quickly and appropriately.

## Outcomes of complaints 2009-10

Of the complaints concluded during 2009-10, 43% were not upheld by Cafcass. Forty per cent of complaints were either upheld in full or contained more than one issue, in which some aspects of the complaints were upheld and some were not (recorded as 'partially upheld'). Twelve per cent were withdrawn at the request of the person making the original complaint, without being either upheld or not upheld. Five per cent of complaints were referred to Cafcass' internal processes e.g. Human Resources, to follow-up.

**Figure 13:** Outcomes of complaints 2009-10



# our workforce - working for children and families

Cafcass is the biggest single employer of social workers in England with more than 1,100 permanent FCAs. Throughout the year there have been a number of significant changes to our working practices.

## Internal restructuring and streamlining National Office functions

The increased demand for our services since late 2008 and throughout 2009-10, coupled with the level of available budget, required Cafcass to make further efficiency savings through a series of restructurings so that we could channel more resources into our frontline practice with children and families.

Service delivery continues to be provided by three Operational Areas covering North, South and Central England and 21 smaller service areas (see map on page 47). The structure of 27 Heads of Service with an operational Service Manager to practitioner ratio of 1:10 has helped to embed a stronger focus on good performance management<sup>26</sup>. As a result of the strengthened operational structure, we were able to make savings from our National Office through a comprehensive restructuring of its functions. This resulted in a realignment of roles fulfilled by the senior managers who comprise the Corporate Management Team, to make lines of accountability clearer. It also resulted in a reduction in National Office staffing costs. Efficiencies were achieved largely through voluntary severance processes with most affected staff successfully redeployed to alternative posts commensurate with their skills and experience.

The restructure has the following benefits:

- Freeing-up funding which is being redirected to frontline service delivery. Plans for delivering these savings are mostly in place. When they are fully

implemented, by the end of the 2010-11 financial year, they will be delivering £2.7 million in savings annually from national/corporate costs.

- Providing a more accessible and coordinated support resource to frontline teams through a reorganised, smaller National Office function, which is better placed to support frontline practice improvement within Operational Areas.

Key changes to the way we deliver business support internally have included setting up a National Shared Support Service (NSSS) Team to make sure that the right operational and business support can be given to service areas and national functions, when needed. These services include improving business support systems and helping service areas prepare for Ofsted inspections.

## Workforce strategy

Cafcass has responded to the significant workforce challenges facing the organisation, by developing a new Workforce Development Strategy. Its aim is to ensure the composition and skills base of the future Cafcass workforce is sufficient to meet the demands we expect to face. It also seeks to reform the traditional career structures that have been in place for frontline practitioners and business support colleagues and to open up new opportunities for progression and development. More structured career pathways with entry level routes into the organisation will also enable Cafcass to develop specialist staff internally, rather than be solely dependent on external labour market supply. As part of this work, we are looking at recruiting around 50 newly qualified social workers in 2010-11.

During the year, the number of Specialist Service Managers<sup>27</sup> was reduced from 47 to 36, three from each of our three Operational Areas and two national project based roles. Operational Directors

<sup>26</sup> This ratio has still not been fully met in some teams due to either recruitment difficulties or local factors.

<sup>27</sup> Specialist Service Managers work flexibly with frontline teams to help raise standards of practice and monitor outcomes for children and families. They play an important role in undertaking internal practice audits; strengthening our handling and response to complaints; and working closely with Operational Directors to apply practice learning from complaints, service user feedback or Serious Case Reviews.

are able to now deploy Specialist Service Managers according to business needs and priorities.

Our Business Support staff play a key role in the delivery of our service. Under the restructure we will develop two levels of business support to allow us to provide clear career progression for staff and an enhanced service for children and families. A new 'Level 1 Business Support' role will focus on processing court orders and managing electronic filing systems. At 'Level 2', staff will undertake more complex duties to support case management and will seek feedback from service users, particularly children and young people, about the service they have received.

## Supporting new ways of working

### Case Study

#### The National Business Centre

Work has begun on developing a National Business Centre to deal centrally and more efficiently with data processing and inputting tasks such as the processing of C100<sup>28</sup> applications from the courts. The initiative is based on the success of the Central Intake Team (CIT) project that has been piloted in Birmingham (see page 20).

The National Business Centre, which should be in operation by March 2011, will ensure that:

- Safeguarding checks are made on the day the case is received.
- Work is completed in a timely way to improve throughput.
- Courts in England have one central point to send all C100s.
- Local offices will not have to screen or input the C100 application and business support can focus attention on supporting frontline practice.
- There are possibilities of undertaking other processes within the centre such as police screening checks.

## Communicating and consulting with staff

Key methods of communication with our staff include a monthly 12-page internal news bulletin which highlights developments within Cafcass, as well as external initiatives in social care and family justice. It is available electronically and in hard copy. This is supported by a monthly 'Cascade' report that is cascaded down through different tiers of the organisation to ensure that all staff receive important information about relevant policies, legal alerts and the top internal news stories. Each of our 21 service areas has its own news bulletin on the Cafcass intranet allowing teams to alert their staff to local issues.

Team meetings are held monthly to discuss issues raised in Cascade and other relevant regional news. This year in particular, internal communication has been important in helping us respond quickly to the President's Interim Guidance and our new Operating Priorities. Staff have been consulted on key workforce changes such as the restructure of our National Office and the introduction of the Workforce Development Strategy.

## Performance management - Quality for children

Our performance management system, Quality for Children (Q4C), has been in place for a year. It requires managers to supervise staff every six weeks and appraise them annually. It provides tools to assess ongoing practice and requires records of supervision and appraisal to be collected on the Q4C database. This has allowed us to ensure that standards of practice and performance are regularly reviewed and linked to improvement priorities identified by the service area. Cafcass is also training and developing operational line managers to make full and effective use of the performance management system so it can be a principle driver for service and practice improvement.

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**28** The C100 form is used in applications for an order under section 8 (residence, contact and other orders with respect to children) of the Children Act 1989.

## Recruitment strategy success

Despite extremely difficult economic and labour market conditions, we have achieved some significant success through our recruitment strategy during 2009-10. The implementation of the Strategic Pay Review in 2008-09 ensured practitioner salaries were more competitive in the market. This has had a positive impact on the numbers of applications being received for posts.

In some parts of the country, we have managed to overcome some long-standing recruitment problems through creative use of recruitment incentives to attract applicants for key frontline positions. This has been particularly evident in Kent, Sussex and Surrey, where local factors such as the high cost of living and proximity to London makes recruitment for specialised children's social workers extremely challenging. We have also involved children and young people in our recruitment processes, directly promoting child-centred practice. The involvement of children and young people can help to bring a positive and fresh perspective when making recruitment decisions.

## Health, safety and well-being

### Sickness absence

During 2009-10, Cafcass employees incurred an average of 11.6 days sick leave. This compares with a figure of 9.7 days in 2008-09. Although sick leave increased, an improving picture was emerging by year end with the average number of sick leave days falling on an annualised basis to ten days per year from January to March 2010.

### Well-being

We are supporting well-being initiatives in local teams to ensure that all colleagues are fully supported during this challenging time of intensive organisational change and pressure. For example, team 'well-being days' have been organised, which focus on reviews of

workload management and different ways of working to help combat stress. Our approach is to provide personalised support by applying the Health and Safety Executive Stress Management standards and recognised good practice. A comprehensive review of health and safety compliance has been completed across all offices. This has helped to strengthen our risk management approach and record keeping in relation to local health and safety matters. We continue to fund and operate an excellent programme of employee assistance, including the ability to access confidential counselling from an independent source. Overall use across the workforce rose from 9.4% in 2008 to 11% in 2009.

A renewed focus will be given to our employment engagement strategy work during 2010-11, as one of the 'Cafcass Transformation Programme for 2010-11' work-streams (see page 66). The engagement strategy aims to facilitate high levels of staff participation in shaping future service delivery models.

## Workforce equality

Cafcass is committed to building a diverse workforce which is reflective of the communities we serve and we monitor workforce diversity against local service user populations. Current data reveals that we still have more work to do at a local level to ensure this is realised in all our offices. As part of our continued push to create an open and culturally aware workforce, we will be providing every member of staff with a programme of cultural competence training in 2010-11 and providing additional training to our managers to support our Equality and Diversity Strategy.

Our Disability Network has been re-established during the year. The aim has been to give staff the opportunity to talk about the impact Cafcass policies, practices and decisions may have and help promote a supportive environment for our employees with disabilities.

In addition, we have been recognised by Stonewall<sup>29</sup> for our achievements in promoting Lesbian, Gay, Bisexual and Transgender (LGBT) issues within the workplace and reflecting this in our recruitment and employment practice. This year, we improved our

<sup>29</sup> Stonewall – a charity that works to achieve equality and justice for lesbians, gay men and bisexual people. It produces an annual index which lists the top employers for lesbian, gay and bisexual staff in the UK.

ranking on Stonewall's Workplace Equality Index by 74 places. Initiatives during the year included setting up a LGBT Network, which currently has 15 staff.


We also have a Black Managers' Network to support the development and leadership needs of black and minority ethnic staff within Cafcass. The network currently has 25 members and meets four times a year. It also provides a black and minority ethnic perspective on Cafcass' professional and business related issues, including service delivery in relation to black and minority ethnic children and their families.

## Staff development

In keeping with developments across the public sector, almost all internal and external training planned for the year was cancelled from September in light of the pressures that our budget was under. Those training and professional development programmes which were provided focused on key areas of practice and covered domestic violence, safeguarding, assessing risk in public and private law cases and Legal Roadshows<sup>30</sup>.

We remain committed to ensuring that good quality professional development, training and support is provided for all employees, recognising that this is essential to maintaining high standards of work. For 2010-11, training budgets have been devolved to Heads of Service so that local managers are able to focus their resources on local training needs.

We held our first leadership conference in October 2009, bringing together senior managers, Heads of Service, Service Managers and Office Managers from across the country to help build a strong national leadership team. We plan to hold a further conference in September 2010. Head of Service and Office Manager development programmes were launched during the year, with two Heads of Service and nine Service Managers successfully completing a Post Qualifying Diploma in Leadership and Management.



**"The programme developed my knowledge and skills and progressed my learning in becoming a skilled practitioner."**

**"It covered key roles and integrated theory into practice."**

Feedback from social work students on their placements with Cafcass

## Student placements

Cafcass provided 64 social work students with placements during the year. The 25 week training programme focuses on areas such as safeguarding and report writing. Feedback from students indicates that Cafcass is an excellent placement provider and that placements are high quality.

Each student has their learning supported by a practice educator in Cafcass. Research is being carried out by Cafcass on assessing the values of a specific role for practice learning in relation to student units, due for completion in June 2010. During 2010-11, we are looking to take on 70 students as well as recruiting a number of newly qualified social workers.

## Graduate scheme

Cafcass launched its first graduate internship scheme in 2009, recruiting two graduates to undertake placements in our National Office.

Sandra Moss, 21, Cafcass graduate intern said, "I was attracted to the scheme by the variety of opportunities available. For the majority of my ten-month placement I've been based in the Human Resources Team, the highlight of which was working directly with the team in S2 (Thames Valley). I really enjoyed experiencing how different offices tailor their services to meet the needs of local communities."

<sup>30</sup> The Cafcass Legal Team delivers Legal Roadshows to practitioners on a range of issues. In 2009-10 these included case law on the Children's Act welfare checklist and the Human Fertilisation and Embryology Act.



We are hoping to extend the scheme in 2010-11 by offering up to ten graduate places.

## Research

More than 275 people attended the sixth annual Cafcass Research Conference held in Birmingham in February 2010. The focus for this year was *'What helps children? Evidence based analysis for family court'*. The conference looked at the complex issues facing children in family law cases and the ways in which children can be better assessed, cared for and their futures planned. Speakers also placed their findings and presentations in the context of the increased pressures and demands on social workers, making research much more relevant in terms of what's happening 'on the ground'.

## Using research to inform practice

The use of research to inform practice is part of the criteria included in our Quality for Children internal performance management framework. Cafcass practitioners have access to the website Community Care Inform, which provides practice guides written by recognised experts. They can also access the Research in Practice website, use of which has increased during the year to, on average, 300 visits a month. Cafcass maintains research pages on its intranet and this year has added more than 200 different items disseminating research findings.

We have a committee that oversees the use of research in practice and also approves all research done using Cafcass data. It meets twice a year and is led by strategic and policy managers within Cafcass, and has external members with direct research experience. Its framework follows the Department of Health guidance to local authorities.

Five externally initiated research projects were approved this year. These are projects where Cafcass allows, for example, its data to be used and its service users to be interviewed for research purposes. One such project, by the University of Loughborough and funded by the Department, focuses on risk assessment with babies where safeguarding concerns have been identified from a very early age. It is following the processes of intervention and looking at the outcomes for children over time. The research is expected to

make an important contribution to our knowledge about effective practice and is due for completion late autumn 2010.

## Cafcass Library and Information Service

Staff within Cafcass have access to a specialist Library and Information Service. During 2009-10, it moved to the Social Care Institute for Excellence (SCIE), where it rents space. The library currently has 1,047 registered users, almost all of whom are practitioners. There are about 6,500 items in the library including 2,000 books and 4,000 journal articles. Staff have access to CDs, DVDs, multi-media kits and links to online content.

In the coming year, Cafcass will be looking at the ratios of library users to the total numbers of practitioners in each of our 21 service areas, to compare usage and consider any reasons for differences, such as the culture of research into practice in individual areas and whether more active promotion of the library's services is needed.

**"Working with the Policy, Safeguarding and communications teams allowed me to experience how Cafcass policies and guidance for its staff, and wider external stakeholders, are developed."**

Sophie Cappleman,  
22, Cafcass graduate intern

**"It was wonderful to be able to share the achievements in practice improvement through Coram's project with Cafcass. I also heard some excellent papers about the challenges of listening to children's perspectives."**

Head of Policy and Research for Coram, Dr Sophie Laws at the 2010 Cafcass Research Conference

# Business development and financial commentary

## our technology

This year we have implemented a new desktop information technology (IT) and network solution through the Cabinet Office sponsored Flex shared service contract with Fujitsu. Flex implementation was a long and difficult process as the initial specification and build were not robust enough as a primary system for an operational organisation like ours. Much of the year was spent managing improvements to Flex to provide a higher level of performance. Whilst the new system was more stable and reliable by the end of the year, it still needs changing to meet our needs and contract and performance management remains intense in order to achieve this.

We re-used our existing laptops where possible but also deployed more than 1,500 new machines. Our system has the Microsoft 2007 version of office automation software and we have been able to provide mobile working solutions using 3G technology.

We have continued to develop our Case Management System (CMS) to more accurately reflect what happens throughout the duration of a case. An example is that reports can now be entered before court hearings. Information ordered after the hearing, such as the need for further reports can also be added, so our CMS more accurately reflects what is happening 'on the ground'.

We have implemented new network links between our offices that meet the very latest Government security standards, ensuring that service users and Cafcass staff have appropriate information when they need it, whilst also safeguarding the sensitive and personal information that we hold. In the year ahead we will continue to develop our mobile and flexible working capability. We will also seek to

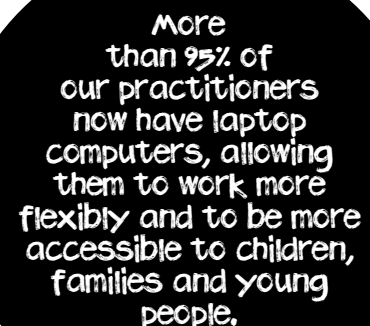
automate repetitive tasks, such as standard letter production, to enable our practitioners and administrators to focus on the delivery of frontline services. We are investigating the use of business intelligence and data analysis tools to provide our frontline managers with enhanced management information and a holistic view of their workload and team.

To ensure that we are able to deliver this scale of change we have increased the skills within the IT Team, which have been benchmarked favourably across Government. We have brought together IT, Estates and Business Transformation under one senior manager to increase efficiency and provide a more co-ordinated service to operational colleagues.

## our buildings

We have completed a comprehensive review of all 90 buildings in our current estates portfolio and identified opportunities to move to more flexible accommodation and reduce the proportion of our resources spent on property. This is not all about reduction though, as we have refurbished a number of buildings to improve the environment for our staff and service users.

There have been major refurbishment projects in our Sheffield and Birmingham offices. The specially designed office in Sheffield provides improved opportunities for interviewing families, family



More than 95% of our practitioners now have laptop computers, allowing them to work more flexibly and to be more accessible to children, families and young people.

mediation and contact. The premises include newly designated family rooms and multi-use rooms and were developed to meet the needs of children and their families.

In Scarborough, we closed a small office that was no longer fit for purpose and opened some rooms based at the court. The refurbishment was kept simple and includes space for working with children and families.

Our Manchester and Stockport sites have had alterations made, which were proposed by our Young People's Board. These have already had a positive effect on the children that use the facilities.

## Procurement

One of our highest areas of expenditure is temporary staffing. Previously we had worked with about 20 providers of practice-related temporary staff. We reached an agreement during the year with three providers, meaning more consistency in the quality of recruitment. This strategy will also save about £200,000 a year.

A new system for online booking of rail travel has been introduced, bringing savings of about £25,000 per month.

We are part of the project team for an Office of Government Commerce initiative to work on a tender process for interpreters, to be implemented across Government. The tender is set to be rolled-out by December 2010.

## Sustainable development

During the year, our Sustainable Development Steering Group helped to develop the Procurement Strategy which includes explicit references to sustainable development. The revised Procurement Manual also refers to sustainable development issues. Area Business Support staff, who are engaged with energy management, received training from the Carbon Trust.

Work being developed for 2010-11 includes the consolidation of energy contracts, improvements in waste management and ensuring consistency in recycling across offices.



## Risk management

Cafcass' approach to risk assessment and management is set out in its Risk Management Policy. The policy ensures systems are in place to manage risk at all levels, strategic, operational and programme/project. Staff are aware of the need to identify and assess risks relevant to their operational areas.

Work programmes are assigned a risk score as part of the programme management process and mitigation against identified risks is built into each programme plan. Significant strategic and operational risks that could potentially have an effect on our ability to achieve our objectives are identified on our Corporate Risk Register, together with specific management actions.

We have this year developed a policy that sets out how services could continue to be delivered following an unexpected disruption to normal working. The Business Continuity Management (BCM) Policy details a planned process to ensure service delivery in the event of, for example, power failure, loss of utilities or a major accident or incident. It is designed to limit the effect that such disruptions have on our ability to carry out our critical functions and will be introduced in April 2010.

## Reporting of personal data-related incidents

No protected personal data-related incidents were formally reported to the Information Commissioner's Office during 2009-10. Tables 1 and 2 show that 22 incidents were recorded centrally by Cafcass, none of which fell within the criteria for reporting to the Information Commissioner's Office. In 2008-09 Cafcass recorded four such incidents. It is likely that the increase in recorded incidents this year is linked to the introduction of new policies and the active promotion of Cafcass' Information Assurance Policy, in particular through the mandatory e-learning module, which was completed during 2009-10 by 94% of staff.

**Table 1:** Summary of protected personal data-related incidents formally reported to the Information Commissioner's Office in 2009-10

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
n/a	There are no incidents to report	n/a	n/a	n/a
Further action; information risk	<p>Cafcass will continue to monitor and assess its information risks to identify and address any weaknesses and ensure continuous improvement of the use of its systems.</p> <p>Planned steps for the coming year include:</p> <ul style="list-style-type: none"> <li>• An assessment of staff understanding of information assurance.</li> <li>• All policies and procedures will be updated as necessary to ensure they are fit for Cafcass work.</li> <li>• All data assets that have been mapped will be risk assessed and any resulting risks addressed.</li> <li>• Going forward into 2010-11, Cafcass will strengthen its data handling controls by assessing all data sets, assessing and monitoring third party access to data and continuing to provide relevant training to the Senior Information Reporting Officer, Information Assurance Officer and other staff.</li> </ul>			

**Table 2: Summary of other protected personal data-related incidents in 2009-10**

Incidents deemed by the Data Controller not to fall within the criteria for reporting to the Information Commissioner’s Office, but recorded centrally, are set out in the table below.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Cafcass premises.	2
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Cafcass premises.	4
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	2
IV	Unauthorised disclosure.	11
V	Other.	3

## Information assurance for Statement on Internal Control

The Accounting Officer has overall responsibility for ensuring that information risks are assessed and mitigated to an acceptable level. The Senior Information Risk Owner (SIRO) continues to be a senior manager (and member of the Cafcass Corporate Management Team), whose role is to ensure that information risks are assessed and mitigated. Our Information Asset Owners (IAO), Information Assurance (IA) and Data Handling Officer and IT Client Services Manager maintain the day-to-day IA duties and are members of the Information Assurance Programme Board (IAPB), which is chaired by the SIRO.

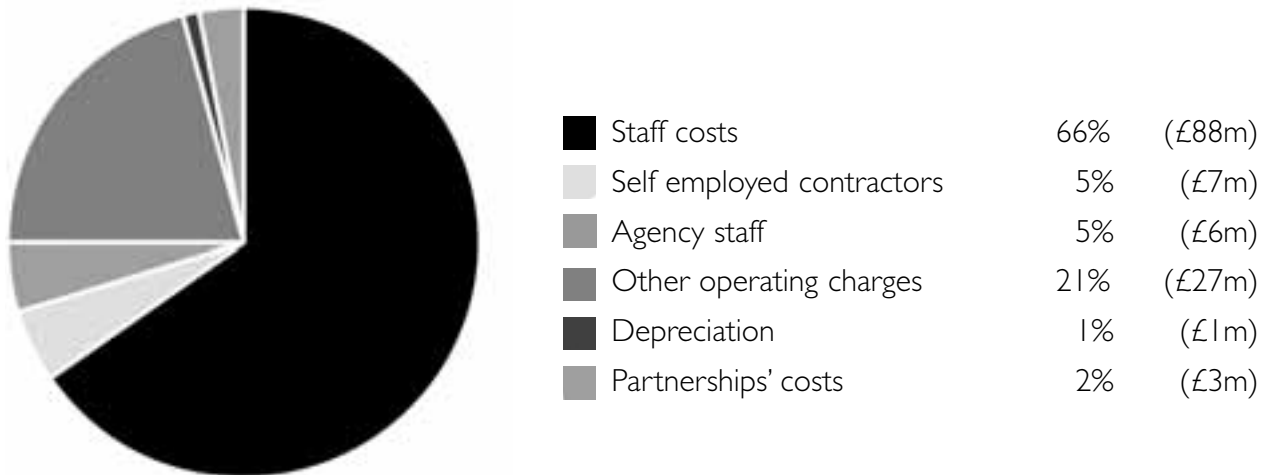
The Cafcass IAPB has met regularly to address, among other things, the progress of take-up of the mandatory e-learning IA module provided by the National School of Government; internal/external audit recommendations about data security and data mapping exercises to review information security breaches that have occurred; and to consider other topical IA issues.

We have continued to make progress in relation to the Government’s ‘Information Assurance Maturity Model’. We are expected, by April 2010, to be operating at Level 3 (of the 5 Level Maturity Model) with reports on progress provided to the Cafcass Board’s Audit and Risk Assurance Committee.

## Public Sector Information Holder’s Disclosure

Cafcass has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

**Figure 14:** How we spent our budget 2009-10



## Financial commentary

For the year ending 31st March 2010, Cafcass received grant funding from Central Government of £131.214 million, an increase of £17.340 million from the year before.

This funding included £1.500 million that had originally been allocated to Cafcass for 2010-11, but which had been brought forward to assist with expenditure levels in 2009-10.

In recognition of the impact on spending requirements that a sustained increase in demand had on the organisation, this funding also included an additional £2.300 million awarded in 2009-10.

The funding also included £2.540 million awarded earlier in the year for targeted work on the reduction of case backlogs, and for implementation costs in relation to a restructure of National Office functions, in order to reduce spending levels in forthcoming years.

Separate additional funding of £2.400 million for Contact Services and £0.401 million for ContactPoint was also received in 2009-10.

A summary of how we spent our budget is shown above and further details are provided within our 2009-10 Accounts in Section 5.

Funding for 2010-11 has been included in the Department's spending plans and there is no reason to believe that future sponsorship or Parliamentary approval will not be given. It is therefore considered appropriate to adopt the going-concern basis for preparation of the Financial Statements.

## Annual Accounts 2009-10

The Statement of Accounts of Cafcass for the year ended 31st March 2010 has been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with the Accounts Direction dated 12th April 2002 given under Schedule 2, paragraph 13(2) of the Criminal Justice and Court Services Act 2000.

The Accounts are audited by the Comptroller and Auditor General, who is appointed by Statute. The audit fee is £52,000 for 2009-10 (the same as in 2008-09) plus another £8,000 in relation to the International Financial Reporting Standards 2008-09 Trigger Point 4 exercise, and includes no fees for any non-audit services during 2009-10 (2008-09 also £nil).

As far as the Chief Executive in his role as Accounting Officer is aware, there is no relevant audit information of which Cafcass' auditor's are unaware. He has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that Cafcass' auditor's are aware of that information.

The Cafcass Statement of Financial Position at 31st March 2010 shows net liabilities of £207 million, including the pension liability of £203 million. This reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from Cafcass' other sources of income, may only be met by future grants or Grants-in-Aid from Cafcass' Sponsorship Department. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.

The aggregate amount owed to trade creditors at 31st March 2010 compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days in the same proportion to the total number of days in the financial year is equal to 46.3 days.

Interest of £150 has been paid or claimed by creditors under the Late Payment of Commercial Debts Act (£nil in 2008-09).

# Cafcass service areas 2009-10

(as at 31st March 2010)



## North operational Area

- N1: North and South Tyne
- N2: Durham and Teesside
- N3: Lancashire and Cumbria
- N4: North and East Yorkshire and Humberside
- N5: West Yorkshire
- N6: South Yorkshire
- N7: Greater Manchester

## Central operational Area

- C1: Derbyshire and Nottinghamshire
- C2: Bedfordshire, Hertfordshire, Lincolnshire and Cambridgeshire
- C3: Leicestershire, Northamptonshire and Warwickshire
- C4: Shropshire, Staffordshire, Worcestershire and Herefordshire
- C5: Birmingham, Black Country and Solihull
- C6: Norfolk, Suffolk and Essex
- C7: Cheshire and Merseyside

## South operational Area

- S1: Avon, Wiltshire and Gloucestershire
- S2: Thames Valley
- S3: Greater London
- S4: Kent
- S5: Sussex and Surrey
- S6: Hampshire, Dorset and Isle of Wight
- S7: Cornwall, Devon and Somerset

For further details on each service area, please see pages 48-49



# Organisational structure

(as at 31st March 2010)

<b>Table 3:</b>				<b>Number of children in new cases</b>	<b>Number of public law cases</b>	<b>Number of private law cases</b>
<b>OD<sup>31</sup> Head of Service</b>	<b>SA<sup>32</sup> Offices</b>					
<b>North - Darren Shaw</b>	Carole Goodman	N1	Newcastle Hebburn	2,496	412	1,267
	Jo Cross (temporary)	N2	Durham Alport House Middlesbrough	2,397	441	1,180
	Mark Cartridge	N3	Blackburn Carlisle, Whitehaven Lancaster, Blackpool Preston	3,824	440	2,115
	Sharon Tappin	N4	Hull Grimsby, Scunthorpe York, Scarborough	2,912	411	1,560
	Pam Jones (temporary)	N5	Batley Bradford Leeds Wakefield	5,103	672	2,639
	Hilary Barrett	N6	Doncaster Rotherham Sheffield	2,919	415	1,590
	Shabana Jamal	N7	Bolton, Wigan Rochdale Manchester Stockport	5,069	798	2,578
<b>North Total</b>			<b>24,720</b>	<b>3,589</b>	<b>12,929</b>	
<b>Central - Christine Banim</b>	Neville Hall	C1	Derby Nottingham	3,494	518	1,876
	Miranda Fisher	C2	Luton Peterborough Lincoln	4,916	565	2,694
	Vera Boyes	C3	Coventry Leicester Northampton	4,041	445	2,146
	Liz Elgar	C4	Shrewsbury Stafford Stoke on Trent Worcester	3,631	409	2,027
	Ana Popovici	C5	Birmingham Citadel Walsall, Wolverhampton	4,314	684	2,122

<sup>31</sup> Operational Director.

<sup>32</sup> Service area.

OD	Head of Service	SA	Offices	Number of children in new cases	Number of public law cases	Number of private law cases
Central (cont)	Sarah Parsons	C6	Chelmsford Colchester Norwich Ipswich	5,222	714	2,769
	Anji Owens	C7	Chester, Sandbach, Warrington Liverpool Southport	4,736	607	2,591
	<b>Central Total</b>			<b>30,354</b>	<b>3,942</b>	<b>16,225</b>
South - Vince Clark	Kevin Gibbs	S1	Bath, Bristol Gloucester Swindon	3,477	443	1,875
	Valerie Blessington	S2	Reading, Slough Milton Keynes Oxford	3,116	414	1,658
	Martin Harris Peter Coupe David Stephens Jillian Aldridge	S3	Archway Croydon CRU <sup>33</sup> (Archway) Ilford Kingston PRFD <sup>34</sup> (Holborn) Uxbridge, Wells Street High Court (Sanctuary Buildings)	10,429	1,935	4,840
	Aine Campbell	S4	Canterbury Chatham	2,735	301	1,430
	Antony Bird	S5	Guildford Eastbourne Horsham	3,316	548	1,676
	Ruth Chase	S6	Bournemouth Dorchester Wimbourne Newport Basingstoke Portsmouth Southampton	4,114	472	2,316
	Peter Mitchell	S7	St Austell Exeter Plymouth, Taunton	3,459	458	1,773
	<b>South Total</b>			<b>30,646</b>	<b>4,571</b>	<b>15,568</b>
<b>National Total</b>				<b>85,720</b>	<b>12,102</b>	<b>44,722</b>

<sup>33</sup> Central Referral Unit.

<sup>34</sup> Principal Registry of the Family Division.

# Key roles and responsibilities

## The Cafcass Board

The Cafcass Board members have corporate responsibilities relating to the governance of Cafcass as a non-departmental public body and for ensuring the organisation complies with any statutory or administrative requirements for the use of public funds. The Board members are:

- **Baroness Howarth of Breckland OBE**  
Chair of the Board
- **Jennifer Bernard**  
First appointed 2004, reappointed 2007, reappointed April 2010; Deputy Chair of the Board from May 2009 to September 2009
- **Gillian Baranski**  
(co-opted to the Board until October 2009)
- **Margo Boye-Anawoma**
- **Professor Ian Butler**
- **Erica De'Ath OBE**
- **Mark Eldridge**  
Deputy Chair of the Board from 1st October 2009 onwards
- **Ernie Finch MBE**
- **Mary MacLeod OBE**
- **Harry Marsh MBE**  
(term ended 31st March 2010)
- **Shireen Ritchie**
- **Richard Sax**  
(co-opted to the Board)
- **Nicholas Stuart CB**  
Chair of the Cafcass Audit and Risk Assurance Committee, co-opted to the Board
- **Professor June Thoburn**

New members appointed to the Board from April 2010 are:

- **Terence Connor**
- **Kamaljit Singh**

The responsibilities of Cafcass Board members include:

- Ensuring that high standards of corporate governance, including risk management, financial, operational and compliance controls, are observed at all times.
- Establishing the overall strategic direction of Cafcass within the policy and resources framework agreed with the Department.
- Ensuring that Cafcass operates within the limits of its statutory authority and any delegated authority agreed with the Department and in accordance with any other conditions relating to the use of public funds.

The Chair and members of the Board are appointed under Schedule 2 paragraph 1 of the Act. The rules governing the appointment of Board members and co-opted members are covered in regulations 4 to 7 of the Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) Regulations 2005.

# The Cafcass Corporate Management Team 2009-10



**Anthony Douglas,**  
CBE Chief Executive



**Jane Booth,**  
Deputy Chief Executive  
(until 31st March 2010)



**Vince Clark,**  
Operational Director  
South



**Darren Shaw,**  
Operational Director  
North



**Christine Banim,**  
Operational Director  
Central



**Julie Brown,**  
Director of Finance



**Bruce Clark,**  
Director of Policy



**Charlotte McCafferty,**  
Director of Legal Services



**Jabbar Sardar,**  
Director of HR and  
Organisational  
Development



**Darren Scates,**  
Director of Transformation  
and Technology



**Lamorna  
Wooderson,**  
Corporate Director  
(until 31st March 2010)



**Sherry Malik,**  
Corporate Director  
(until 31st January 2010)

**Anthony Douglas CBE**  
Chief Executive and Accounting Officer

Date: 13th July 2010

## section 2

# Remuneration Report

## Remuneration Policy

Cafcass staff members are subject to levels of remuneration and terms and conditions of service (including superannuation) within the general pay structure approved by the Department.

## Remuneration Panel

The Remuneration Panel recommends proposals for the remuneration of the Chief Executive to the Department. It also offers advice to the Chief Executive about his dealings on the remuneration of senior executive staff. The Panel is made up of three Board members, namely the Chair, the Deputy Chair and the Chair of the Audit and Risk Assurance Committee.

## Governance

The Department approves annual pay reviews and performance related payments for the Chief Executive. The Department appoints Cafcass Board members and determines their remuneration. Board members are statutory office holders and, as such, do not hold a contract of employment.

## Service contracts

Cafcass appointments are made in accordance with the Cafcass Recruitment Code of Practice, which recognises that, in order to provide a world-class service to the children and families that we serve, it is vital that we recruit and retain people who share our aims and values, and who have the skills and abilities to perform effectively at all levels through fair and open competition. Unless otherwise stated, those covered by this Report hold appointments that are open-ended until they reach the normal retiring age of 65. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the individual contract of employment. Members of the Corporate Management Team are required to provide four months' notice to terminate their contract.

- **Anthony Douglas CBE, the Chief Executive, was appointed on a three-year contract commencing on 1st September 2004. This contract was renewed in September 2007 and is currently due to finish in March 2011.**
- **Cafcass Board members' appointments range from two to four years.**

## Board members' remuneration (audited information)

**Table 4:**

Board members	2009-10		2008-09	
	Salary £000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
Baroness Howarth of Breckland OBE (commenced term as chair on 8th December 2008)	44	-	21	-
Gillian Baranski (co-opted to the Board until 31st October 2009)	6	-	10	-
Jennifer Bernard (part-year) <sup>35</sup>	11.6	-	10	-
Margo Boye-Anawoma	10	-	10	-
Erica De'Ath OBE	10	-	10	-
Mark Eldridge (part-year)	11.6	-	10	-
Ernie Finch MBE	10	-	10	-
Dr Toyin Okitikpi (co-opted to the Board from 1st October 2008 to 31st March 2009)	-	-	5	-
Harry Marsh MBE	10	-	10	-
Richard Sax	10	-	10	-
Nicholas Stuart CB (co-opted to the Board)	10	-	10	-
Professor Jane Tunstill (left 31st March 2009)	-	-	10	-
Shireen Ritchie (from 1st May 2009)	9	-	-	-
Professor June Thoburn (from 1st June 2009)	9	-	-	-
Mary MacLeod (from 1st May 2009)	9	-	-	-
Professor Ian Butler (from 1st May 2009)	9	-	-	-
Baroness Pitkeathley OBE (concluded term as Chair on 5th December 2008)	-	-	31	-

<sup>35</sup> Part-year refers to part-year role as Deputy Chair of the Cafcass Board.

## Salary and pension entitlements

The remuneration for Cafcass Board members is shown on page 54 and the remuneration for the Corporate Management Team is shown on pages 56-57. Remuneration includes gross salary, allowances and ordinarily, for the Corporate Management Team, up to 10% performance-related pay (PRP) and employer's contributions to the West Yorkshire Pension Scheme. For the year ended 31st March 2010, the Performance Related Pay Scheme was suspended in recognition of the financial position of the public sector as a whole and the responsibility on all its constituent parts to exercise restraint, in particular in the area of senior management pay, but also an expectation of caution in pay settlements more generally. Pension benefits are not provided for Board members. Cafcass salary ranges are established by considering factors such as: relevant external comparator pay levels; internal relativities; affordability; recruitment and retention risks. Further information on the Cafcass pension schemes can be found in notes 1(f), 6 and 24 to the Accounts.

## Benefits in kind

None of the Cafcass Board members or the Corporate Management Team received benefits in kind.

## Pension benefits

Columns 4 and 5 of Table 5 on pages 56-57 show the management team's Cash Equivalent Transfer Value (CETV) accrued at the end and at the beginning of the reporting period. Column 6 reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee, including the value of any benefits transferred from another pension scheme or arrangement, and uses common market valuation factors for the start and the end of the period.

## Cash Equivalent Transfer Values (CETV)

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figure shown relates to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figure and, from 2004-05, the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the pension provider and for which the pension provider has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing of additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.



## core corporate Management Team remuneration 2009-10

Table 5:

		1	2	3	4	5	6
	Salary, including performance pay 2008-09	Salary, including performance pay 2009-10	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31st March 2010 and related lump sum	CETV at 31st March 2009	CETV at 31st March 2010	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £000)
	£000	£000	£000	(£000)	(£000)	(£000)	(nearest £000)
Anthony Douglas, CBE Chief Executive	168	157	2.5–5.0 decrease plus 0.0–2.5 lump sum	65–70 plus 185-190 lump sum	1,551	1,693	85
<b>From 1st October 2010</b>							
Charlotte McCafferty, Director of Legal Services	105	109	2.5-5.0 plus 2.5-5.0 lump sum	25-30 plus 70-75 lump sum	461	573	95
Jabbar Sardar, Director of HR and Organisational Development	105	109	2.5-5.0 plus 2.5-5.0 lump sum	25-30 plus 70-75 lump sum	281	343	52
Julie Brown, Director of Finance (30/6/08)	81 (part-year)	109	0.0-2.5 plus 0.0-2.5 lump sum	0-5 plus 0-5 lump sum	8	29	21
Vince Clark, Operational Director (South) (1/7/08)	73 (part-year)	107	10-12.5 plus 22.5-25.0 lump sum	25-30 plus 70-75 lump sum	274	468	184
Darren Scates, Director of Transformation and Technology (1/10/08)	56 (part-year)	109	0.0-2.5 plus 0.0-2.5 lump sum	0-5 plus 0-5 lump sum	4	23	19

		1	2	3	4	5	6
	Salary, including performance pay 2008-09	Salary, including performance pay 2009-10	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31st March 2010 and related lump sum	CETV at 31st March 2009	CETV at 31st March 2010	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £000)
	£000	£000	£000	(£000)	(£000)	(£000)	
Christine Banim, Operational Director (Central) (10/11/08)	39 (part-year)	107	0.0-2.5 plus 0.0-2.5 lump sum	0-5 plus 0-5 lump sum	4	40	36
Darren Shaw, Operational Director (North) (1/1/09)	21 (part-year)	106	0.0-2.5 plus 0.0-2.5 lump sum	0-5 plus 0-5 lump sum	1	22	21
Bruce Clark, Director of Policy (1/5/09)	0	96	12.5-15 plus 0.0-2.5 lump sum	45-50 plus 0-5 lump sum	455	697	225
<b>Until 31st March 2010</b>							
Lamorna Wooderson, Corporate Director	128	130	5.0-7.5 plus 10.0-12.5 lump sum	55-60 plus 160-165 lump sum	1,167	1,427	217
Jane Booth, Corporate Director	128	130	5.0-7.5 plus 7.5-10.0 lump sum	40-45 plus 110-115 lump sum	842	1,047	174
<b>Until 31st January 2010</b>							
Sherry Malik, Corporate Director	128	109	Decrease 0.0-2.5 and plus 7.5-10.0 lump sum	25-30 plus 70-75 lump sum	473	490	-1



**Anthony Douglas CBE**  
Chief Executive and Accounting Officer

Date: 13th July 2010

## section 3

# Statement of Accounting officer's Responsibilities

Under the Criminal Justice and Court Services Act 2000, the Secretary of State has directed Cafcass to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Cafcass and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis.

The Principal Accounting Officer of the Department has designated the Chief Executive as Accounting Officer of Cafcass. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Cafcass' assets, are set out in the Accounting Officers' Memorandum issued by Her Majesty's Treasury and published in Government Accounting.

## section 4

# Statement on internal control

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Cafcass policies, aims and objectives, and which safeguards the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Cafcass' aims and objectives are set by the Cafcass Board in accordance with relevant legislation and the Framework Document agreed with the Department. Cafcass is an executive non-departmental public body (NDPB). It is headed by a non-executive Board appointed by the Secretary of State as set out in the Criminal Justice and Court Services Act 2000, varied by the Transfer of Functions Order, January 2004. The Chief Executive Officer (CEO) and Directors of the Corporate Management Team (CMT) have executive responsibility for the management of Cafcass and support the Board and Cafcass as a whole. All main Board meetings, which occur every six weeks, receive reports on finance and performance. Each quarter, the Board receives reports on governance and risk issues, and reports from the Audit and Risk Assurance Committee (ARAC). The ARAC, whose membership and Chair are appointed from the non-executive Board members, meets a minimum of five times each year and performs the statutory functions of an Audit Committee.

The Department sponsors Cafcass and appropriate arrangements are in place to ensure that it is fully informed about all significant aspects of the business of Cafcass and that we, in turn, are informed of the Department's requirements of Cafcass. This includes six-weekly sponsorship meetings with the CEO, CMT and Department officials and regular catch up meetings between the CEO and senior Department officials. One-off meetings to solve specific problems are also convened and followed through as required. The Chair and CEO meet with the sponsoring Minister regularly, and bring matters of significance to Ministerial attention. In my judgment, communication in 2009-10 has been excellent.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing set of processes at the national and local levels designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives; to evaluate the likelihood of those risks being realised; and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cafcass for the year ended 31st March 2010 and up to the date of approval of the Annual Report and Accounts. It accords with Treasury guidance.

A restructure of the National Office took place during the latter part of 2009-10. This had particular implications for the composition and responsibilities of members of the CMT. The role of Corporate Director was deleted, with responsibilities absorbed across the newly defined CMT. The posts responsible for Finance, Legal Services, Human Resources, Information Technology and Policy were designated Directors and assumed the additional responsibilities previously held by the Corporate Directors. The Director of Finance now leads on risk, transferring from the Corporate Director of Strategy and Performance. Arrangements were put in place to ensure an orderly handover of responsibilities. There has been no change to the role of Operational Directors as it is important they are given adequate time to focus on their very wide span of operational responsibility.

## Capacity to handle risk

As Accounting Officer, I am the primary owner of the Corporate Risk Register, supported by the CMT, with the Director of Finance holding the designated lead role on risk management and planning. The Chairs of the Board and the ARAC also play key roles in the overall leadership of risk management in Cafcass.

Risks shared with our sponsorship Department are discussed at sponsorship meetings and fed through to the Corporate Risk Register, which is shared with the Board and the ARAC.

Local service areas continue to be the main units of accountability. The Operational Directors convene Service Improvement Meetings every six weeks, with the local service area management group reviewing all aspects of an area's operations and performance, including progress with improvement activities and key operational and strategic risks facing the area. Further work to provide Heads of Service with training on the Cafcass Risk Management Policy took place during the year, with a summary of the policy and process now incorporated in to the Head of Service Induction Training programme. Following review by the ARAC and the Board, the Risk Management Policy has also been re-issued to managers, together with comprehensive guidance.

Reliance continues to be placed on the professional judgement of the senior and local management teams to identify risks, whether relating to individual cases or wider operational matters, and deal with these appropriately in the assessment of risk, its mitigation and the escalation of risk to, and between, the senior management team.

In my judgment, all the serious issues we have faced this year have been escalated appropriately, or alternatively, dealt with at the right level within the organisation.

This year has seen a continuation of high levels of demand, particularly in public law work. In response to this situation, the Department engaged PA Consulting to examine, in the form of an Issues Analysis, the capacity of Cafcass in light of this

demand growth and backlogs of cases building in many areas. Whilst the initial report pointed to areas for improvement, a refresh of this analysis in January 2010 showed improvements, for example in productivity, had been made. Duty systems were put in place throughout the year to review and risk assess all new cases, especially where cases could not be immediately allocated to Cafcass practitioners for active work.

A high priority has been given to continuing to improve the performance of the organisation, through the use of supervision, appraisal and action planning to address areas of underperformance.

During 2009-10 the organisation has maintained a clear focus on delivering continuous improvements in value for money. Expenditure control measures have been in place for the year to contain the financial impact of working in a context of high demand. This has included suspending all but essential estates and training activities at a national level and detailed scrutiny of spending at a local level (including regular meetings between the CEO and local Service Managers to review areas of particular budget pressure). A three-year budget plan was agreed with the Department which involved bringing forward some funding from 2010-11 which was clearly directed towards frontline and core business activities. Further funding was also secured mid-year, in part to support future efficiency savings programmes, but also to support service delivery in local areas under extreme demand pressure.

## The risk and control framework

The national risk register identifies the key strategic risks which may prevent Cafcass achieving the objectives outlined in the 2009-11 Corporate Business Plan. The local risk registers inform the national risk register.

The risk register is a working document. It is regularly reviewed by the ARAC and by the Board. During the year, it continues to be kept under review, so that it remains up to date and relevant. Our primary concern continues to be risks to the children and young people who use our services, and properly discharging our statutory role in relation to these risks.

Both the national and local registers are monitored and reviewed quarterly by the CMT and at local Service Improvement Meetings. The presentation of papers to CMT, the Board and the ARAC also requires the author to set out what risk issues may be relevant to the item under review, including confirmation that there are none, where that is the case.

The Board determines its risk tolerance levels and these are set out in the Risk Policy and associated guidance. Particular emphasis is given to issues where the level of risk, after mitigating actions, remains above the tolerance level set by the Board. In considering what further actions to take, the scale of improvement in risk profile is considered against the costs of such actions.

Guidance on practice and business procedures is maintained through documents cascaded and held on the Cafcass intranet. Staff are required to confirm they have reviewed key practice documents held on the Online Policy Centre and compliance with all policies is reported. In developing an annual programme of work with Internal Audit, a range of thematic and Operational Areas are selected, with testing of the design and operation of controls being the dual objectives of these reviews.

## **Information assurance**

The Accounting Officer has overall responsibility for ensuring that information risks are assessed and mitigated to an acceptable level. A Senior Information Risk Owner (SIRO) supports this responsibility, in accordance with Cabinet Office requirements. The SIRO is a Cafcass Director and is the focus for the management of information risk at Board level. The role of the SIRO is to lead and foster a culture that values, protects and uses information for the public good and provides advice to the Cafcass Accounting Officer on the information risks via annual risk assessments of performance.

The day-to-day duties are delegated to the Information Asset Owners (IAOs), Information Assurance and Data Handling Officer and the IT Client Services Manager. These roles are members of the Information Assurance Programme Board

(IAPB), which is chaired by the SIRO. The IAPB meets quarterly to address, among other things, requirements in line with the Cabinet Office Information Assurance Maturity Model, and data security related internal and external audit recommendations. Cafcass has assigned Information Assets, defined as information of value which is owned and/or used by the various business areas (data sets, databases and/or ICT systems) to the IAOs. Each IAO has categorised and classified all assets according to the Department Impact Level tables. Guidance is provided on the control, transportation and disposal of information, relating to the conditions set out by the respective protective marking. The IT Client Services Manager will provide advice on IT security issues, based on the Cafcass IT Security Policy to the SIRO, IAOs and Information Assurance and Data Handling Officer.

The Information Assurance and Data Handling Officer works with the SIRO to co-ordinate Cafcass' overall information risk approach, ensuring that professional support and advice is offered to the organisation. The officer provides expertise in the relevant legislation, ensuring that staff understand their legal obligations and realise potential opportunities. All staff are required to undertake training to enable a greater understanding of information assurance and their responsibilities. IAOs, the Information Assurance and Data Handling Officer, and the IT Security Officer are available for guidance and advice on specific information assurance issues.

Staff are required to read and comply with the guidance contained in the Cafcass Information Assurance Policy. Staff are to comply with instructions contained in that policy or subsequently issued by SIROS, IAOs and the Information Assurance and Data Handling Officer at all times – failure to do so may be defined as gross misconduct resulting in disciplinary action. The increase in the number of centrally recorded incidents in 2009-10 (22) compared with 2008-09 (four) is likely to be a reflection of the increased awareness among staff of information security expectations. There were no breaches of sufficient seriousness that the Information Commissioner's Office had to be notified.



We have self assessed against the Information Assurance Maturity Model (Cabinet Office) at Level 2 (there are 5 Levels). We have developed an action plan with an objective to reach Level 3 by April 2011. Progress towards this objective is reported quarterly to the ARAC.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors; by managers within the Department who have responsibility for the development and maintenance of the internal control framework; and by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the ARAC. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Throughout 2009-10, budget delegation has been in place for frontline teams in all local service areas. This builds on our experience of local delegation and is supported by local financial training and monthly financial monitoring returns. This work has been enhanced during this past year through the introduction of monthly re-forecasts and the establishment of a system of regular meetings between local managers and the Accounting Officer where needed. The latter process operates where there are signs of financial pressure that need to be understood and managed in the context of local performance and case demand patterns.

Following a breakdown in contract negotiations to recruit a successor supplier for the organisation's Payroll and Accounts Payable functions, the service was brought in-house from October 2009. A review of controls in place was commissioned from the Internal Audit service in December 2009, who reported positively on the control environment in place.

## Internal control bulletin

A system of internal control has been fully in place across Cafcass throughout 2009-10. As part of this system, I have required every local office/National Office department to ensure processes to maintain internal controls are in place and that the performance of these are the subject of a process of annual certification covering ten key internal control areas. Every location submits returns that culminate in a certified annual return completed by the responsible Operational Director, Director or National Office department head. The Internal Financial Control training and procedures, which have operated in the year alongside targeted training, have resulted in significant further improvements and progress in the year. None of the issues raised through this process gave rise to significant internal control concerns.

## Audit and Risk Assurance Committee

An Audit and Risk Assurance Committee (ARAC), constituting six non-executive members of the Board, as per its terms of reference, has operated throughout the year. The ARAC met throughout 2009-10 and its work is summarised in regular reports to the Board and an annual report (which is also shared with the Department Audit Committee). The attendance of the National Audit Office (NAO) at these meetings provides a valuable opportunity to introduce their experience, views and advice on best practice. The Committee has previously reviewed its procedures against The Audit Committee Handbook (HM Treasury March 2007) and concluded that it complies with that guidance in all significant aspects of its work.

## Internal audit

Our internal audit provider is PricewaterhouseCoopers (PwC). The ARAC agreed the internal audit strategy and plans for 2009-10 at the March 2009 meeting. During 2009-10, we have used a log to track progress of all internal and external audit

recommendations and to manage outstanding actions. Progress is reported regularly to the ARAC. Formal sign-off is obtained from the responsible officers, together with supporting documentation. PwC undertook a review of our process for ensuring that internal audit recommendations are adequately monitored, recommendations implemented within agreed timescales and that appropriate evidence supported the closure of recommendations. PwC awarded a "high" level of assurance (the highest rating achievable), in relation to both the design and operation of controls.

I receive an annual report on the findings of the internal auditor's, which includes their professional opinion as to the level of assurance that is applicable to Cafcass. For 2009-10 the auditor's gave "moderate" assurance on the design adequacy and effectiveness of the system of internal control. The auditor's have drawn my attention to improvements to be made in the control framework relating to risk management processes at the local level and our ongoing work to strengthen local office controls. These control issues have been accepted and action plans are being implemented.

## **ofsted**

Ofsted contributes to the effectiveness of our control environment by inspecting and providing feedback on the way in which we carry out our work, how we manage our performance, and how we respond to any concerns. During the reporting period, inspections were carried out in seven service areas. These were N7 (Greater Manchester), N4 (North and East Yorkshire and Humberside), N3 (Lancashire and Cumbria), S3 (Greater London), C4 (Shropshire, Staffordshire, Worcestershire and Herefordshire), S7 (Cornwall, Devon and Somerset) and C7 (Cheshire and Merseyside). Further information on the results of these inspections is on page 19, Section 1.

Service improvement meetings are convened in each service area to oversee practice and improvement activities generally, with specific action plans in place for those service areas subject to Ofsted inspections during 2009-10. Improvement plans continue to be progressed to address the practice issues raised in each service area's Ofsted

inspection during the previous year; as well as in response to Cafcass' own internal auditing process in relation to the quality of work. The service improvement meetings also receive regular reports from the Area Performance Analyst, the Area Management Accountant and the HR Business Partner which ensure that key data is kept under review.

Work has also continued throughout 2009-10 to strengthen the control environment. Detailed findings from Ofsted inspections are considered across the organisation and shortcomings addressed in local improvement plans, with resources targeted where weaknesses have been highlighted. A key area of improvement has been the increased awareness and compliance with frontline policy from our practice-based staff. This has been achieved through the further embedding of Quality for Children, our performance management framework implemented in 2008-09, and the work of our locally employed specialist Quality Improvement Service Managers, and Area Performance Analysts. Quality controls in relation to case file data have been tightened with an extensive programme of internal data audits undertaken throughout the year, as well as targeted training for those staff with case management responsibilities.

## **Progress with areas of further work for 2009-10**

Cafcass completed pilots in 2009-10 to develop new models of work to ensure all cases receive an appropriate input prior to first hearing in private law cases. This is to particularly ensure that any risks are assessed and acted on quickly, with a proportionate intervention thereafter on cases, including making use of independent and voluntary sector partners. These models of working are now being put in place across the organisation.

The ongoing implementation of the new IT contract with Fujitsu continued to be a dominant feature in 2009-10 and this will continue in 2010-11 with a considerable degree of oversight and risk management in place. Experience of the implementation to date has surfaced substantial risks to be mitigated in the delivery of an infrastructure service that meets, on a consistent basis, the standards

of performance required by Cafcass for its operations. Aside from the disruption that may be expected and managed in any substantial project, many parts of the service have experienced some degree of deterioration in productivity through slow network performance. There has also been a knock-on effect on our other IT development and delivery plans in some key areas including updates to our Case Management System (CMS) necessary to provide improved management information and therefore control over our workload. The completion of the Flex desktop roll-out has enabled us to deploy a major upgrade of CMS, resolving this issue. There have been some commercial issues that needed to be addressed during the period all which have now reached a satisfactory conclusion. Cafcass and Fujitsu continue to review the system's performance and are actively seeking adjustments to improve performance overall.

Cafcass also used the early part of 2009-10 to ensure its financial plans and management were robust. While the budget remained under severe pressure throughout the year, significant improvements in the robustness of forecasting, and local management grip of the financial position, were made. Heading in to the new financial year, all budgets have been assessed by local managers, including agreement of a safe minimum level of funding in relation to the expenditure commitments already faced by local areas.

Over the course of 2009-10, the Cafcass Business Continuity Framework was further embedded with a review of the membership of the Incident Management Team (IMT) comprised of senior members. The IMT provides a high-level response solution to any potential for a major incident - a successful disaster recovery exercise, involving this group, was facilitated by Internal Audit in March 2010. Each Cafcass service area has a tailored business continuity plan, and we are committed to test exercising one of the plans annually.

## Areas of further work - The Cafcass Transformation Programme

Cafcass has been changing and evolving since it was established in April 2001. That process continues not for the sake of it, but because the environment in which Cafcass operates is itself changing. For example, the 33.7% rise in public law care cases and 16.2% rise in private law cases over the last year have stretched the organisation's capacity. Those increases required change and adaptation for them to be fully absorbed and these changes are still ongoing, as the rises continued at record levels in February and March 2010.

The Transformation Programme aims to identify and implement all further changes Cafcass needs to make to meet its statutory responsibilities during the next Comprehensive Spending Review (CSR) period from 2011-14, when public sector finances will be under even more pressure than they are now, with our budget being no exception.

A summary of the main projects within the programme is set out below:

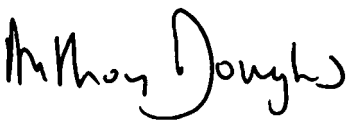
- Future Operating Model - more standardised and productive operations applied consistently throughout the country.
- Frontline First - professional practice changes to remain on top of demand and to continue to provide high quality services.
- Workforce Development Strategy - reconfigured skills / seniority base for the organisation, enhancing staff skills and performance management capability for frontline managers.
- Estates' Rationalisation - fewer offices and lower running costs.
- A single National Business Centre - to data process all new court applications centrally, with the potential to centralise a number of other functions where this will increase efficiency and effectiveness.

- Tools for Effective Working - system and operating practice changes to maximise effective service provision.
- Engagement - communicating and engaging more effectively with our service users, stakeholders and staff.
- Maximising On Line Transactions – less paper driven systems, easier access and ways for staff, service users and other stakeholders to interact with us.

Whilst some projects will have immediate benefits, many of the benefits will be felt over the next CSR period, which is where they will be most needed. The programme is supported by a £10 million grant from the Department for the 2010-11 financial year. It builds on the Issues Analysis of Cafcass undertaken by PA Consulting during the last months of 2009. The main required outcomes are further improvements in productivity and efficiency savings. These requirements are set out for us in the remit letter to Cafcass from the Secretary of State for 2010-11.

## **Improving risk management**

There is still much work to do to demonstrate that the approach we take to risk management continues to be sound and that it can be evidenced. We have made progress in the last year on bringing our policy, guidance and tools up-to-date. The focus of our work on risk management in the New Year will be to ensure this is embedded, visible and transparent through all levels of the organisation.



**Anthony Douglas CBE**  
Chief Executive and Accounting Officer

Date: 13th July 2010

section 5

# Accounts 2009-10

# The certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the Financial Statements of the Children and Family Court Advisory and Support Service (Cafcass) for the year ended 31st March 2010 under the Criminal Justice and Court Services Act 2000. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These Financial Statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Accounting officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. My responsibility is to audit the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Cafcass' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Cafcass; and the overall presentation of the Financial Statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the Financial Statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Financial Statements

In my opinion:

- The Financial Statements give a true and fair view of the state of Cafcass' affairs as at 31st March 2010 and of its deficit, changes in reserves and cash flows for the year then ended; and
- The Financial Statements have been properly prepared in accordance with the Criminal Justice and Court Services Act 2000 and the Secretary of State's directions issued thereunder.

## Opinion on other matters

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State's directions issued under the Criminal Justice and Court Services Act 2000; and
- The information given in the Management Commentary, and the unaudited part of the Remuneration Report, included within the Annual Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept; or returns adequate for my audit have not been received from branches not visited by my staff; or
- The Financial Statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- The Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these Financial Statements.

### Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date: 14th July 2010

# Financial Statements

## Net Expenditure Account for the year ended 31st March 2010

	Note	2009-10		2008-09	
		£000	£000	£000	£000
<b>Expenditure</b>					
Staff costs	5	87,668		83,701	
Self-employed contractors & agency staff	22	13,077		10,062	
Depreciation	9/10	950		932	
Partnerships	23	2,836		2,598	
Other expenditure	7	27,265		27,005	
			<b>131,796</b>	<b>124,298</b>	
<b>Income</b>					
Income from activities	8	253		206	
			253		206
Net expenditure			<b>(131,543)</b>	<b>(124,092)</b>	
<b>Cost of capital</b>					
Cost of capital			5,730	4,199	
Interest (payable) / receivable	24		(9,022)	(5,733)	
Net expenditure after cost of capital charge and interest			<b>(134,835)</b>	<b>(125,626)</b>	
<b>Cost of capital reversal</b>					
Cost of capital reversal			(5,730)	(4,199)	
			<b>(140,565)</b>	<b>(129,825)</b>	

The notes on pages 75 to 95 form part of these accounts.



# Statement of Financial Position as at 31st March 2010

	Note	31st March 2010		31st March 2009		1st April 2008	
		£000	£000	£000	£000	£000	£000
<b>Non-current assets</b>							
Property, plant & equipment	9	4,298		4,460		5,528	
Intangible assets	10	374		313		451	
<b>Total non-current assets</b>		<b>4,672</b>		<b>4,773</b>		<b>5,979</b>	
<b>current assets</b>							
Trade & other receivables	13	2,088		1,755		1,917	
<b>other current assets</b>							
Cash & cash equivalents	14	1,370		20		254	
<b>Total current assets</b>		<b>3,458</b>		<b>1,775</b>		<b>2,171</b>	
<b>Total assets</b>		<b>8,130</b>		<b>6,548</b>		<b>8,150</b>	
<b>current liabilities</b>							
Trade & other payables	15	(11,453)		(11,835)		(8,385)	
<b>Total current liabilities</b>		<b>(11,453)</b>		<b>(11,835)</b>		<b>(8,385)</b>	
<b>Non-current assets less net current liabilities</b>		<b>(3,323)</b>		<b>(5,287)</b>		<b>(235)</b>	
<b>Non-current liabilities</b>							
Provisions	16	(348)		(614)		(896)	
Pension liabilities	24	(202,915)		(112,315)		(120,129)	
<b>Total non-current liabilities</b>		<b>(203,263)</b>		<b>(112,929)</b>		<b>(121,025)</b>	
<b>Assets less liabilities</b>		<b>(206,586)</b>		<b>(118,216)</b>		<b>(121,260)</b>	
<b>Reserves</b>							
General reserve		(207,934)		(118,785)		(122,045)	
Revaluation reserve		1,348		569		785	
		<b>(206,586)</b>		<b>(118,216)</b>		<b>(121,260)</b>	

The Financial Statements on pages 71 to 74 were approved by the Board on 25th June 2010 on its behalf by;



Anthony Douglas CBE

Chief Executive and Accounting Officer

Date: 13th July 2010

# Statement of cash flows for the year ended 31st March 2010

	Note	2009-10 £000	2008-09 £000
<b>cash flows from operating activities</b>			
Net Expenditure after cost of capital charge and interest		(140,565)	(129,825)
Depreciation	9/10	950	932
Loss on disposal of assets	9/10	1	9
(Increase) / decrease in trade and other receivables	13	(333)	162
Increase / (decrease) in trade payables	15	1,139	1,929
In year additional pension costs	24	8,001	8,895
Decrease in provisions	16	(266)	(282)
Impairments	9/10	88	387
Release of revaluation reserve against downward revaluation of assets	12	(61)	(217)
<b>Net cash outflow from operating activities</b>		<b>(131,046)</b>	<b>(118,010)</b>
<b>cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(57)	(106)
Purchase of intangible assets	10	(41)	(15)
<b>Net cash outflow from investing activities</b>		<b>(98)</b>	<b>(121)</b>
<b>cash flows from financing activities</b>			
Grant-in-Aid from parent department for resource expenditure		131,116	113,753
Grant-in-Aid from parent department for capital expenditure	9/10	98	121
Other grant funding received		2,801	2,502
<b>Net cash inflow from financing activities</b>		<b>134,015</b>	<b>116,376</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period</b>			
Cash and cash equivalents at the beginning of the period	14	(1,501)	254
Cash and cash equivalents at the end of the period	14	<b>1,370</b>	<b>(1,501)</b>

## Statement of changes in Reserves as at 31st March 2010

	Note	General Reserve £000	Revaluation Reserve £000	Total £000
Balance at 31st March 2008		(120,871)	785	(120,086)
Changes in accounting policy		(1,174)	0	(1,174)
<b>Restated balance at 1st April 2008</b>		<b>(122,045)</b>	<b>785</b>	<b>(121,260)</b>

### changes in reserves

Net gain / (loss) on revaluation of property, plant and equipment	9	0	1	1
Release of reserves to the Net Expenditure Account	12	0	(217)	(217)
Retained surplus / deficit		(129,825)	0	(129,825)
Pension fund actuarial losses	24	16,709	0	16,709
<b>Total recognised income and expense</b>		<b>(113,116)</b>	<b>(216)</b>	<b>(113,332)</b>
Grant-in-Aid from parent - resource		113,753	0	113,753
Grant-in-Aid from parent - capital	9/10	121	0	121
Grant from parent - other		2,502	0	2,502
<b>Balance at 31st March 2009</b>		<b>(118,785)</b>	<b>569</b>	<b>(118,216)</b>

### changes in reserves

Net gain / (loss) on revaluation of property, plant and equipment	9	0	703	703
Net gain / (loss) on revaluation of intangible assets	10	0	137	137
Release of reserves to the Net Expenditure Account	12	0	(61)	(61)
Retained surplus / deficit		(140,565)	0	(140,565)
Pension fund actuarial losses	24	(82,599)	0	(82,599)
<b>Total recognised income and expense</b>		<b>(223,164)</b>	<b>779</b>	<b>(222,385)</b>
Grant-in-Aid from parent - resource		131,116	0	131,116
Grant-in-Aid from parent – capital	9/10	98	0	98
Grant from parent - other		2,801	0	2,801
<b>Balance at 31st March 2010</b>		<b>(207,934)</b>	<b>1,348</b>	<b>(206,586)</b>

# Notes to the accounts year ended 31st March 2010

## I Accounting policies

These Financial Statements are drawn up in accordance with the Treasury's Financial Reporting Manual (FReM) and applicable accounting standards. They are in a form as directed by the Secretary of State with the approval of the Treasury.

The following accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### a) Accounting convention

The accounts are prepared under the historical cost convention, modified to include assets at their value to the business by reference to current costs. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board insofar as those requirements are relevant. The accounts are also consistent with International Financial Reporting Standards (IFRS).

### b) Going concern

Parliament has voted Grant-in-Aid to Cafcass for the 12 months following the Statement of Financial Position date. Therefore, despite the Statement of Financial Position of net liabilities, Cafcass operates as a going concern.

### c) Property, Plant & Equipment

Freehold land and buildings were revalued in the 2009-10 financial year by reference to current cost indices as specified by the Valuation Office Agency (VOA). Freehold land and buildings were last externally valued by the VOA as at 1st April 2007 in accordance with the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors, insofar as this is consistent with current Treasury accounting guidance. Freehold properties are subject to physical revaluation by the VOA at least every three years and by indexation using current cost indices in intervening years. Leasehold land and buildings and associated improvements are not subject to revaluation or indexation.

Other property, plant and equipment, except for leasehold property, have been stated at their value to the business using appropriate indices published by the Office of National Statistics. Revaluations above the depreciated historic cost of an asset are credited to a revaluation reserve. Amounts equivalent to the depreciation charge on the revaluation element are then credited to the Net Expenditure Account to offset the total depreciation charged on that asset based on the revalued amount.

Any downward revaluation of property, plant and equipment below the asset's depreciated historic cost is offset against any balance in the revaluation reserve relating to that particular asset, otherwise it is charged directly to the Net Expenditure Account.

Property, plant and equipment include those assets costing £2,500 or more. Individual items valued at less than the threshold are capitalised if they constitute integral parts of a composite asset that is in total valued at more than the threshold. Furniture and fittings are not capitalised but fully expensed in the year of acquisition.

**d) Intangible Fixed Assets**

Intangible assets consist of software, software licenses and website and intranet costs. These have been stated at their value to the business using appropriate indices published by the Office of National Statistics. Revaluations above the depreciated historic cost of these assets are credited to a revaluation reserve. Amounts equivalent to the depreciation charge on the revaluation element are then credited to the Net Expenditure Account to offset the total depreciation charged on that asset based on the revalued amount.

Any downward revaluation of intangible assets below the asset's depreciated historic cost is offset against any balance in the revaluation reserve relating to that particular asset, otherwise it is charged directly to the Net Expenditure Account.

Intangible assets include those assets costing £2,500 or more. Individual items valued at less than the threshold are capitalised if they constitute integral parts of a composite asset that is in total valued at more than the threshold.

Intangible assets are periodically reviewed to ensure that they have been accurately stated at their value to the business.

**e) Depreciation**

Freehold land is not depreciated.

Depreciation is provided to write-off property, plant and equipment and intangible assets by instalments, on a straight line basis, over their expected useful lives or for leased assets, over the life of the lease.

Expected useful lives are as follows:

Freehold buildings	Up to 60 years
Leasehold land and buildings	Up to 50 years or over the term of the lease
Leasehold improvements	Over the term of the lease
Office equipment	Seven years
Information technology	Five years

**f) Pensions**

Employees of Cafcass are members of the West Yorkshire Pension Fund (WYPF), which is funded on a pay-as-you-go basis. A small number of Cafcass staff retained membership of the Principal Civil Service Pension Scheme (PCSPS) by virtue of their earlier employment with one of Cafcass' predecessor organisations.

The amount charged to the staff costs for the PCSPS represents the contributions payable to the scheme in respect of current employees in the accounting period. Contributions are charged on a year-by-year basis in accordance with the requirements of the scheme administrators.

The assets of the WYPF, which is a defined benefit scheme, are held separately from those of Cafcass.

The scheme assets are measured at realisable value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the Statement of Financial Position. The movement in the scheme surplus / deficit is split between operating charges (within staff costs) and reserves in the case of actuarial gains and losses.

### **g) Grant-in-Aid**

Grant-in-Aid, used to finance activities and expenditure that supports the statutory and other objectives of Cafcass, is treated as financing and credited to the general reserve, because it is regarded as contributions from a controlling party.

### **h) Income from activities**

Income from activities is generated from training, student placements and one-off receipts in the year. Income is recognised on the issuing of an invoice. All income is stated net of VAT.

### **i) Insurance**

With the exception of comprehensive insurance on contract lease and hire vehicles, Cafcass does not insure but carries its own risks for fire, accidental damage and similar accidents and claims at common law.

### **j) operating leases**

Rentals under operating leases are charged to the Net Expenditure Account on a straight-line basis over the lease term. Amounts receivable are recognised to reduce the operating lease costs over the same period as the corresponding lease.

### **k) cost of capital**

The notional cost of capital is designed to show the opportunity cost of funding the net assets needed to provide a particular service. It is a non-cash charge shown on the Net Expenditure Account. It is calculated at 3.5% (2008-09: 3.5%) of average net assets employed during the year excluding cash balances held by HM Paymaster General. The notional charge is credited back to the Net Expenditure Account before determining the net expenditure for the financial year.

Cafcass is in the unusual position of having a credit charge on the Net Expenditure Account. This is because instead of showing overall net assets on the Statement of Financial Position, Cafcass has overall net liabilities due to its provision for future payments relating to the pension liability as accounted for under IAS 19 (as detailed in note 24 to the accounts).

### **l) Accounting for Value Added Tax**

Cafcass is registered for VAT. It is unable to recover most of the VAT incurred on expenditure, although a small amount of VAT can be recovered where it is related to the costs recovered in court cases. Expenditure is therefore stated inclusive of any irrecoverable VAT.

### m) Financial Instruments

Cafcass does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables (notes 13 and 15).

Financial assets comprise of trade receivable and other receivables. Receivables are recognised at carrying value, reduced by appropriate allowances for estimated irrecoverable amounts.

Trade creditors are short term and are stated at carrying value in recognition that these liabilities fall due within one year.

## 2 change of accounting policy

There have been no other significant changes to the accounting policies as described in the 2008-09 Annual Report.

From the 1st April 2009, the full International Financial Reporting Standards as applicable to public sector organisations applies to Cafcass in accordance with the Financial Reporting Manual (FRoM).

### 2a) New International Financial Reporting Standards, not yet effective

The section below sets out new IFRSs and other accounting changes that have been issued but are not yet effective and includes an assessment of the impact when applied where this can be reasonably estimated.

#### Amendments to IFRSs

IFRS	Title	Comments	Date of issue	Effective date
IAS 24	Related Party Disclosures	The revision of IAS 24 simplifies and clarifies the definition of a related party, and provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances (including commitments).  <b>IMPACT: likely to benefit from partial exemptions on disclosures.</b>	November 2009	1st January 2011

**Amendments to IFRSS resulting from Annual Improvements to IFRSS  
(May 2008 and April 2009)**

IFRS 8	Operating Segments	<p>The amendment clarifies that segmental information for total assets is required only if such amounts are regularly reported to the chief operating decision maker.</p> <p><b>IMPACT: disclosure of total assets retained.</b></p>	April 2009	1st January 2010
IAS 7	Statement of Cash Flows	<p>The amendment clarifies that only expenditure that results in the recognition of an asset (rather than simply to generate future income and cash flows) can be classified as a cash flow from investing activities.</p> <p><b>IMPACT: limited asset related expenditure.</b></p>	April 2009	1st January 2010
IAS 17	Leases	<p>The amendment clarifies that where a lease includes both land and buildings' elements, they are separately assessed in accordance with the general guidance on the classification of leases in IAS 17, taking into account that land normally has an indefinite economic life. Thus the land element may be classified as a finance lease, even if title is not expected to pass to the lessee.</p> <p>Entities should reassess unexpired leases on adoption of the amendment, and account for any change retrospectively in accordance with IAS 8, unless the information necessary to do this is not available.</p> <p><b>IMPACT: to be determined. Not easily estimable at this stage.</b></p>	April 2009	1st January 2010



**Major FReM changes for 2010-11**

Chapter 8	Impairments	An adaptation of IAS 36 Impairment of Assets to allow the scoring of all impairments that are caused by a clear consumption of economic benefit to the Net Expenditure Account. <b>IMPACT: to be determined. Not easily estimable at this stage.</b>	December 2009	1st April 2010
Chapter 11	Income and Expenditure	The removal of Cost of Capital charging from accounts. <b>IMPACT: likely to benefit from removal of Cost of Capital charging from accounts.</b>	December 2009	1st April 2010

**3 First-Time Adoption of IFRS**

	General Fund £000	Revaluation Reserve £000
Taxpayers' equity at 31st March 2009 under UKGAAP Adjustments for:		
IAS19 Employee Benefits	(1,006)	0
<b>Taxpayers' equity at 1st April 2009 under IFRS</b>	<b>(118,785)</b>	<b>569</b>
		<b>£000</b>
Net Expenditure for 2008-09 under UKGAAP		(129,522)
IAS19 Employee Benefits		(324)
IAS 19 Employee Benefits & IAS 37 Provisions		21
<b>Net Expenditure for 2008-09 under IFRS</b>		<b>(129,825)</b>

## 4 Analysis of Net Expenditure by Segment

### 2009-10

	North £000	Central £000	South £000	Other £000	Total £000
Gross Expenditure	32,478	33,679	40,244	34,417	140,818
Income	(4)	0	(7)	(242)	(253)
<b>Net Expenditure</b>	<b>32,474</b>	<b>33,679</b>	<b>40,237</b>	<b>34,175</b>	<b>140,565</b>
<b>Total Assets</b>	<b>1,138</b>	<b>851</b>	<b>523</b>	<b>2,160</b>	<b>4,672</b>

### 2008-09

	North £000	Central £000	South £000	Other £000	Total £000
Gross Expenditure	34,567	26,113	36,641	32,710	130,031
Income	0	(1)	(3)	(202)	(206)
<b>Net Expenditure</b>	<b>34,567</b>	<b>26,112</b>	<b>36,638</b>	<b>32,508</b>	<b>129,825</b>
<b>Total Assets</b>	<b>1,164</b>	<b>935</b>	<b>592</b>	<b>2,082</b>	<b>4,773</b>

## 5 Staff numbers and related costs

### 2009-10

	Cafcass Board Members £000	Corporate National Office Staff £000	Regional Staff £000	Total £000
Salaries & Wages	171	7,635	61,760	69,566
Social Security Costs	16	610	4,743	5,369
Other Pension Costs	0	(104)	8,866	8,762
<b>Total Payroll Costs</b>	<b>187</b>	<b>8,141</b>	<b>75,369</b>	<b>83,697</b>
Temporary Staff Costs	0	821	3,131	3,952
Seconded Costs	0	19	0	19
<b>Total Staff Costs</b>	<b>187</b>	<b>8,981</b>	<b>78,500</b>	<b>87,668</b>

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

### 2009-10

Average whole-time equivalent numbers employed	2	132	1,616	1,750
Average number of temporary staff	0	42	225	267

<b>2008-09</b>	<b>Cafcass Board Members £000</b>	<b>Corporate National Office Staff £000</b>	<b>Regional Staff £000</b>	<b>Total £000</b>
Salaries & Wages	147	5,893	56,953	62,993
Social Security Costs	10	465	4,579	5,054
Other Pension Costs	0	3,836	7,742	11,578
<b>Total Payroll Costs</b>	<b>157</b>	<b>10,194</b>	<b>69,274</b>	<b>79,625</b>
Temporary Staff Costs	0	835	3,104	3,939
Seconded Costs	0	122	15	137
<b>Total Staff Costs</b>	<b>157</b>	<b>11,151</b>	<b>72,393</b>	<b>83,701</b>

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

<b>2008-09</b>				
Average whole-time equivalent numbers employed	2	108	1,609	1,719
Average number of temporary staff	0	43	259	302

The total staff cost includes a cost of £0.706 million relating to severance / voluntary early redundancy in 2009-10. In total 45 employees were involved. In 2008-09 there were voluntary early retirement / redundancy costs of £0.264 million involving 16 employees.

The average number of persons employed is shown as full-time equivalents for National Office and regional staff members on permanent or fixed-term contracts who are paid through payroll.

## 6 Pension costs (and see note 24)

Cafcass participates in the WYPF scheme and the PCSPS. The WYPF scheme is a multi-employer defined benefit scheme in which Cafcass' share of the underlying assets and liabilities are not identified.

The current contribution rate was previously determined by the independent fund actuaries at the time of the last revaluation, being Mercer Human Resource Consulting, is 16.5% for 2009-10. Hewitt Associates Limited has now been appointed as the fund actuaries. The contribution rate is based on service to Cafcass and ill health retirements. Employer's contributions to the scheme for the year amounted to £9.155 million (excluding costs of £0.476 million relating to the severance / voluntary early retirement programme) with 1,941 employees participating in the scheme during 2009-10 (2008-09: £8.273 million excluding costs of £0.027 million relating to voluntary early retirement / 1,908 employees).

The last independent actuarial valuation of the WYPF scheme was on 31st March 2007 and revealed that the scheme was 90% funded in relation to past service. The valuation is based on assets and liabilities at 31st March 2007. Following the actuarial valuation, the revised employer contribution rates for Cafcass have been set as follows:

- **2008-09** 14.9%
- **2009-10** 16.5%
- **2010-11** 18.2%

The PCSPS is an unfunded multi-employer defined benefit scheme for which Cafcass is unable to identify its share of the underlying assets and liabilities. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. A full actuarial valuation was carried out as at 31st March 2007 and revised contribution rates will apply from 1st April 2010. Full details can be found at [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

For 2009-10, employers' contributions of £0.090 million (2008-09: £0.089 million) were payable to the PCSPS at one of three rates in the range of 19.5% to 25.5% of pensionable pay, based on salary bands.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Ten employees participated in the PCSPS during 2009-10 (2008-09: 10) and none of these individuals were in a partnership pension account or a stakeholder pension.

## 7 other Expenditure

Note	2009-10 £000	2008-09 £000
Accommodation costs	8,518	8,426
Outsourced finance and ITC services	5,842	5,601
Travel and subsistence	3,695	3,941
Office supplies, printing and stationery	2,272	2,629
Telecommunications and postage	1,931	1,603
System support costs	1,015	872
Training costs	980	1,119
Legal costs	808	796
Vehicle costs	481	492
Recruitment costs	405	744
Other	381	291
Fuel and utilities	362	302
Interpreters and translators	189	217
Staff related costs	176	151
Internal audit costs	167	159
External audit costs	60	52
Impairments	12	170
Movement in bad debt provisions	9	3
Loss on disposal of property, plant and equipment	1	1
Other provisions no longer required	(54)	(564)
<b>Total</b>	<b>27,265</b>	<b>27,005</b>

## 8 Income

	2009-10 £000	2008-09 £000
Training	129	204
Award of court costs	5	0
Other income	119	2
<b>Total income from activities</b>	<b>253</b>	<b>206</b>

## 9 Property, Plant & Equipment

	Land & Buildings excluding Dwellings	Leasehold Land, Buildings & Improvements	Information Technology & Telecoms	Office Equipment	Total
<b>cost or valuation</b>					
@ 01/04/09	2,638	1,311	4,603	56	8,608
Additions	0	0	57	0	57
Disposals	0	(429)	(1,010)	0	(1,439)
Revaluations	35	0	843	2	880
Impairments	(95)	0	0	0	(95)
<b>@ 31/03/10</b>	<b>2,578</b>	<b>882</b>	<b>4,493</b>	<b>58</b>	<b>(8,011)</b>

### Depreciation

@ 01/04/09	214	1,086	2,807	41	4,148
Charged In Year	31	90	709	3	833
Disposals	0	(429)	(1,009)	0	(1,438)
Revaluations	0	0	176	1	177
Impairments	(7)	0	0	0	(7)
<b>@ 31/03/10</b>	<b>238</b>	<b>747</b>	<b>2,683</b>	<b>45</b>	<b>3,713</b>

<b>NBV @ 31/03/10</b>	<b>2,340</b>	<b>135</b>	<b>1,810</b>	<b>13</b>	<b>4,298</b>
<b>NBV @ 31/03/09</b>	<b>2,424</b>	<b>225</b>	<b>1,796</b>	<b>15</b>	<b>4,460</b>

### Asset Financing

Owned	2,340	135	1,810	13	4,298
<b>NBV @ 31/03/10</b>	<b>2,340</b>	<b>135</b>	<b>1,810</b>	<b>13</b>	<b>4,298</b>

**2008-09****cost or valuation**

@ 01/04/08	2,893	1,333	8,575	55	12,856
Additions	0	0	105	1	106
Disposals	0	(22)	(3,772)	0	(3,794)
Revaluations	0	0	1	0	1
Impairments	(255)	0	(306)	0	(561)
<b>@ 31/03/09</b>	<b>2,638</b>	<b>1,311</b>	<b>4,603</b>	<b>56</b>	<b>8,608</b>

**Depreciation**

@ 01/04/08	199	996	6,095	38	7,328
Charged In Year	33	112	660	3	808
Disposals	0	(22)	(3,770)	0	(3,792)
Revaluations	0	0	0	0	0
Impairments	(18)	0	(178)	0	(196)
<b>@ 31/03/09</b>	<b>214</b>	<b>1,086</b>	<b>2,807</b>	<b>41</b>	<b>4,148</b>

<b>NBV @ 31/03/09</b>	<b>2,424</b>	<b>225</b>	<b>1,796</b>	<b>15</b>	<b>4,460</b>
<b>NBV @ 31/03/08</b>	<b>2,694</b>	<b>337</b>	<b>2,480</b>	<b>17</b>	<b>5,528</b>

**Asset Financing**

Owned	2,424	225	1,796	15	4,460
<b>NBV @ 31/03/09</b>	<b>2,424</b>	<b>225</b>	<b>1,796</b>	<b>15</b>	<b>4,460</b>

**2007-08**

<b>Cost or Valuation</b>					
<b>@ 01/04/08</b>	<b>2,893</b>	<b>1,333</b>	<b>8,575</b>	<b>55</b>	<b>12,856</b>
<b>Impairments</b>					
<b>@ 01/04/08</b>	<b>199</b>	<b>996</b>	<b>6,095</b>	<b>38</b>	<b>7,328</b>
<b>NBV @ 01/04/08</b>	<b>2,694</b>	<b>337</b>	<b>2,480</b>	<b>17</b>	<b>5,528</b>

The cost of additions to property, plant and equipment is funded through (capital) Grant-in-Aid.

Freehold land at 31st March 2010 was valued at £0.790 million (2008-09: £0.820 million).

Property assets were independently revalued by the Valuation Office Agency as at 1st April 2007 in accordance with the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors, insofar as this is consistent with current Treasury accounting guidance. A desktop valuation of all property assets was undertaken by the Valuation Office Agency as at 31st March 2010.

The property values have been provided on the basis of Existing Use Value (EUV), apportioned between the land and the buildings with an assessment of the remaining life of the latter (Practice Statement 4.3).

Property valuations do not include any notional directly attributable acquisition costs and have not been reduced for any expected selling costs, as they are not considered material to the valuations.

## 10 Intangible Assets

	Information Technology	Software Licences	Websites That Deliver Services	Total
Intangible assets comprise software, software licences, and website and intranet costs				
<b>cost or valuation</b>				
@ 01/04/09	482	257	66	805
Additions	33	8	0	41
Disposals	(5)	0	0	(5)
Revaluations	122	66	17	205
Impairments	0	0	0	0
@ 31/03/10	<b>632</b>	<b>331</b>	<b>83</b>	<b>1,046</b>
<b>Depreciation</b>				
@ 01/04/09	369	97	26	492
Charged In Year	51	53	13	117
Disposals	(5)	0	0	(5)
Revaluations	68	0	0	68
Impairments	0	0	0	0
@ 31/03/10	<b>483</b>	<b>150</b>	<b>39</b>	<b>672</b>
NBV @ 31/03/10	<b>149</b>	<b>181</b>	<b>44</b>	<b>374</b>
NBV @ 31/03/09	<b>113</b>	<b>160</b>	<b>40</b>	<b>313</b>

### **2008-09**

#### **cost or valuation**

@ 01/04/08	526	260	71	857
Additions	0	15	0	15
Disposals	(7)	0	0	(7)
Revaluations	0	0	0	0
Impairments	(37)	(18)	(5)	(60)
@ 31/03/09	<b>482</b>	<b>257</b>	<b>66</b>	<b>805</b>

## Depreciation

@ 01/04/08	341	51	14	406
Charged In Year	57	53	14	124
Disposals	0	0	0	0
Revaluations	0	0	0	0
Impairments	(29)	(7)	(2)	(38)
@ 31/03/09	<b>369</b>	<b>97</b>	<b>26</b>	<b>492</b>
<b>NBV @ 31/03/09</b>	<b>113</b>	<b>160</b>	<b>40</b>	<b>313</b>
<b>NBV @ 31/03/08</b>	<b>185</b>	<b>209</b>	<b>57</b>	<b>451</b>

The cost of additions to intangible assets is funded through (capital) Grant-in-Aid.

## 2007-08

Cost or Valuation @ 01/04/08	526	260	71	857
Impairments @ 01/04/08	341	51	14	406
NBV @ 01/04/08	185	209	57	451

## II Financial instruments

As the cash requirements of Cafcass are met through Grant-in-Aid provided by the Department, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with expected purchase and usage requirements, and are therefore exposed to limited liquidity or market risk.

Cafcass has very limited powers to borrow or invest surplus funds, and consequently financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing Cafcass in undertaking its activities.

### Fair values

There is no difference between the book value and fair value of any of Cafcass' financial assets and liabilities as at 31st March 2010.

### Liquidity risk

Cafcass' net revenue resource requirements are financed by resources voted annually by Parliament, just as its capital expenditure largely is. Cafcass is not therefore exposed to significant liquidity risks.

### Interest rate risk

Cafcass is not exposed to significant interest rate risk.



## credit risk

The financial assets held by Cafcass are cash and cash equivalents and other receivables. Cafcass' credit risk is primarily attributable to its other receivables. An allowance for impairment is made where there is evidence that the debt may not be received under the original terms of the debt concerned.

## Foreign currency risk

Cafcass is not exposed to any significant foreign currency risk.

## 12 Impairments

	Cost Charged To Net Expenditure Account	Depreciation Credited To Net Expenditure Account	Revaluation Reserves Released To Net Expenditure Account	Net Impact Of Impairments In Net Expenditure Account
	£000	£000	£000	£000
Land & Buildings	95	7	61	27
IT & Telecoms	0	0	0	0
Intangible Assets	0	0	0	0
	<b>95</b>	<b>7</b>	<b>61</b>	<b>27</b>

### 2008-09

Land & Buildings	255	18	217	20
IT & Telecoms	306	178	0	128
Intangible Assets	60	38	0	22
	<b>621</b>	<b>234</b>	<b>217</b>	<b>170</b>

## 13 Trade receivables and other current assets

	2009-10 £000	2008-09 £000
<b>Amounts falling due within one year</b>		
Other debtors	727	360
Provision for bad debts	(13)	(7)
Prepayments and accrued income	1,357	1,381
Travel advances	5	6
	<b>2,076</b>	<b>1,740</b>

### Amounts falling after more than one year

Deposits and advances	12	15
	<b>12</b>	<b>15</b>

### Intra-Government Balances

Balances with Central Government bodies	517	68
Balances with Local Authorities	501	551
Balances with NHS Trusts	2	5
Balances with bodies external to Government	1,068	1,131
	<b>2,088</b>	<b>1,755</b>

## 14 Cash and Cash Equivalents

	Cash £000	Bank £000	Total £000
Balance at 1st April 2009	20	(1,521)	(1,501)
Net change in cash and cash equivalent balance	(1)	2,872	2,871
Balance at 31st March 2010	<b>19</b>	<b>1,351</b>	<b>1,370</b>

The following balances at 31st March 2010 were held at:

Commercial banks and cash in hand	19	1,351	1,370
Balance at 31st March 2010	<b>19</b>	<b>1,351</b>	<b>1,370</b>

### 2008-09

Balance at 1st April 2008	21	233	254
Net change in cash and cash equivalent balance	(1)	(1,754)	(1,755)
Balance at 31st March 2009	<b>20</b>	<b>(1,521)</b>	<b>(1,501)</b>

The following balances at 31st March 2009 were held at:

Commercial banks and cash in hand	20	(1,521)	(1,501)
Balance at 31st March 2009	<b>20</b>	<b>(1,521)</b>	<b>(1,501)</b>

## 15 Trade payables and other current liabilities

2009-10  
£000

2008-09  
£000

### Amounts falling due within one year

Taxation & Social Security	1,774	2,754
Trade Payables	5,620	4,818
Other Payables	49	36
Overdrawn Cashbook	0	1,521
Accruals & Deferred Income	3,086	1,700
Annual Leave Accrual	924	1,006
	<b>11,453</b>	<b>11,835</b>

### Intra-Government Balances

Balances with Central Government bodies	2,504	3,602
Balances with Local Authorities	38	40
Balances with NHS Trusts	1	1
Balances with Public Corporations	475	1,122
Balances with bodies external to Government	8,435	7,070
	<b>11,453</b>	<b>11,835</b>

## 16 Provisions for liabilities and charges

	Employment Claims £000	Other Claims £000	Onerous Contracts £000	Total £000
Balance at 1st April 2009	105	301	208	614
Provided in the year	224	67	0	291
Provisions not required written back	(37)	(17)	0	(54)
Provisions utilised in the year	(31)	(264)	(208)	(503)
Balance at 31st March 2010	<b>261</b>	<b>87</b>	<b>0</b>	<b>348</b>

### 2008-09

Balance at 1st April 2008	740	156	0	896
Provided in the year	30	409	208	647
Provisions not required written back	(450)	(40)	0	(490)
Provisions utilised in the year	(215)	(224)	0	(439)
Balance at 31st March 2009	<b>105</b>	<b>301</b>	<b>208</b>	<b>614</b>

Cafcass makes provisions for legal or constructive obligations (liabilities), which are of uncertain timing or amount at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation.

Employment claims relate to employment tribunal cases that may be brought against Cafcass, which may or may not result in court attendance.

## 17 Capital commitments

There were no material contracted capital commitments as at 31st March 2010.

## 18 Commitments Under Leases

### operating leases commitments

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2009-10 £000	2008-09 £000
Obligations under operating leases comprise:		
<b>Land</b>		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
	<b>0</b>	<b>0</b>
<b>Buildings</b>		
Not later than one year	3,156	3,426
Later than one year and not later than five years	6,267	6,868
Later than five years	2,045	3,101
	<b>11,468</b>	<b>13,395</b>
<b>other</b>		
Not later than one year	287	352
Later than one year and not later than five years	202	269
Later than five years	0	5
	<b>489</b>	<b>626</b>

### Finance Leases

There were no finance leases as at 31st March 2010.

## 19 other Financial commitments

	2009-10 £000	2008-09 £000
Not later than one year	5,628	3,806
Later than one year and not later than five years	22,512	22,320
Later than five years	8,442	13,950
	<b>36,582</b>	<b>40,076</b>

Cafcass has signed a seven-year contract with Fujitsu to provide an integrated information and communication technology service across the organisation. The Flex shared service solution includes a refresh of hardware after four years. The Flex service carries a monthly charge based on the number of users, which is expected to equate to approximately £0.469 million per month.

Fujitsu have also committed to providing additional service development work to the value of £0.750 million during 2010-11 for which Cafcass will not be charged.

## **20 Related party transactions**

Cafcass is an executive non-departmental public body that is sponsored by the Department. The Department, as such, is regarded as a related party. During 2009-10, Cafcass had various material transactions with the Department, including the receipt of £134.015 million grant funding from the Department and £0.416 million as reimbursement for contact activity payments made on behalf of the Department. Transactions with the Department not related to Grant-in-Aid or reimbursement totalled £0.478 million, which relates to rental charges as at 31st March 2010. £0.353 million remains outstanding. Cafcass does have occasional small transactions with other Central Government bodies and local authorities that are considered not to be material.

A register of interest is held for all Board members and there were no material related party transactions with Board members or the Corporate Management Team during the year other than those associated with remuneration for normal duties.

## **21 Events after Statement of Financial Position date**

The Financial Statements were authorised for issue on 14th July 2010 by Anthony Douglas CBE (Chief Executive and Accounting Officer).

## **22 Self-employed contractors**

In 2009-10 we contracted the services of 313 self-employed contractors (2008-09: 319) of which amounts paid amounted to £6.976 million in the year (2008-09: £7.514 million). As self-employed contractors, they are responsible for meeting travel, office and all other expenses related to their work, as well as related tax and national insurance liabilities. Further to this, Agency Staff costs amounted to £6.101 million in the year (2008-09: £2.548 million).

## 23 Partnership costs

Partnership costs of £2.836 million (2008-09: £2.598 million) represent the cost of services provided by Cafcass through third party organisations such as contact centres and mediation centres.

In addition to Cafcass' baseline partnership budget, in 2009-10 Cafcass received additional funding of £2.400 million from the Department (2008-09: £2.216 million).

## 24 Pension liabilities

WYPF's actuary, Hewitt Associates Limited, carried out an IAS19 valuation for Cafcass as at 31st March 2010, the accounting treatment is the same as that of IFRS17.

The scheme provides funded defined benefits based on final pensionable salary. The assets of the scheme are held separately from those of Cafcass and are invested in managed funds. Employer contribution rates are determined by a qualified actuary and on the basis of triennial valuations.

Cafcass accounts for scheme liabilities in accordance with IAS 19 – Employee benefits. The in-year service cost has been reflected in the Net Expenditure Account.

In addition to the disclosure contained in the primary statements, the following disclosures are in accordance with that standard.

### **The amounts recognised in the Statement of Financial Position are as follows:**

	2010	2009
Present value of funded obligations	(430,526)	(275,194)
Fair value of plan assets	227,611	162,879
Net liability	<b>(202,915)</b>	<b>(112,315)</b>

### **Amounts in the Statement of Financial Position:**

Liabilities	(202,915)	(112,315)
Net liability	<b>(202,915)</b>	<b>(112,315)</b>

### **The amounts recognised in the Net Expenditure Account are as follows:**

	2010	2009
Current service cost	8,134	11,415
Interest on obligation	19,785	19,510
Expected return on plan assets	(10,763)	(13,777)
Past service cost	469	0
Losses (gains) on curtailments and settlements	0	72
Expense recognised in the Net Expenditure Account	<b>17,625</b>	<b>17,220</b>

**Note:** Due to tight timescales some of the IAS 19 calculations are based on estimates, the "Employers contributions" above are estimated costs based on 11 months actual data (i.e. April 2009 to Feb 2010). The actual employer pension contributions for 2009-10 are detailed in Note 6, the difference between the actual and estimated cost is immaterial.

**changes in the present value of the defined benefit obligation are as follows:**

	2010	2009
Opening defined benefit obligation	275,194	314,657
Service cost	8,134	11,415
Interest cost	19,785	19,510
Member contributions	3,803	3,793
Past service cost	469	0
Actuarial losses (gains)	128,483	(69,405)
Losses (gains) on curtailments	0	72
Benefits / transfers paid	(5,342)	(4,848)
Closing defined benefit obligation	<b>430,526</b>	<b>275,194</b>

**changes in the fair value of plan assets are as follows:**

	2010	2009
Opening fair value of plan assets	162,879	194,528
Expected return	10,763	13,777
Actuarial gains and (losses)	45,884	(52,696)
Contributions by employer	9,624	8,325
Member contributions	3,803	3,793
Benefits / transfers paid	(5,342)	(4,848)
	<b>227,611</b>	<b>162,879</b>

**The major categories of plan assets as a percentage of total plan assets are as follows:**

	2010	2009
Equities	70.6%	62.0%
Government Bonds	12.5%	12.3%
Other Bonds	3.5%	6.0%
Property	3.3%	4.2%
Cash / Liquidity	3.9%	5.0%
Other	6.2%	10.5%

## Scheme assets:

The scheme assets are valued at "fair value", the assets are not intended to be realised in the short term and may be subject to significant change before they are realised. The liabilities are valued based on the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain.

	2010	2009
Define benefit obligation	(430,526)	(275,194)
Plan assets	227,611	162,879
(Deficit)	(202,915)	(112,315)
Experience adjustments on plan liabilities	(1,276)	(39,405)
Experience adjustments on plan assets	45,884	53,167

## The major financial assumptions used in the valuation were:

	2009-10	2008-09
Rate of inflation	3.90%	3.30%
Expected return on plan assets	7.21%	6.59%
Rate of increase in salaries	5.65%	5.05%
Rate of increase in pensions	3.90%	3.30%
Discount rate	5.50%	7.10%

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions, which due to the timescales covered may not be borne out in practice.

## 25 Contingency liabilities

There were no qualifying contingent liabilities as at 31st March 2010.







# General Contact Details

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Further information is available on our  
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We have several leaflets that explain the work  
we do, including: 'About Cafcass';  
'Putting your children first'; and 'Keeping children safe'.

These leaflets are available in ten languages.





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