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Cafcass Annual Report and Accounts 2004-2005



An executive non-departmental public body
of the Department for Education and Skills
ANNUAL REPORT AND ACCOUNTS
2004-2005



ANNUAL REPORT AND ACCOUNTS
2004-2005

CONTENT >>

Overview by the Chair	03
Section 1: ABOUT CAF/CASS	04
Section 2: CAF/CASS PERFORMANCE	08
Section 3: THE WORK OF CAF/CASS	20
Section 4: A VOICE FOR CHILDREN	34
Section 5: WORKING TOGETHER, INVESTING IN THE FUTURE	40
Section 6: CHIEF EXECUTIVE'S REPORT	48

Annexes	
Annex 1: HOW WE ARE ORGANISED	50
Annex 2: ACCOUNTS 2004-05	52

An executive non-departmental public body of the Department for Education and Skills

For the period 1 April 2004 – 31 March 2005

To the Secretary of State for Education and Skills

Laid before Parliament by the Secretary of State for Education and Skills

Pursuant to schedule 2, paragraph 12(3) of the Criminal Justice and Court Services Act 2000, and in respect of the accounts on behalf of the Comptroller and Auditor General under schedule 2, paragraph 13(4) of the Criminal Justice and Court Services Act 2000.

Ordered by the House of Commons to be printed 20 July 2005

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introduction >>

OVERVIEW BY THE CHAIR

Looking back over the events of 2004-05, I would describe it as the year when CAFCASS turned a corner and found a fresh sense of purpose, confidence and self-belief. The ultimate beneficiaries of this turnaround are the children and families who use our service.

It began with the arrival of a new Board and I want to record my grateful thanks to my Deputy Chair, Baroness Howarth and fellow Board members. All have been unwavering in their commitment to build a team with vision, strategic focus and the strength to allow CAFCASS to fulfil its potential at last. No Chair could be more fortunate than I in the calibre of the Board I lead.

Mid point in the year came another significant event – the arrival of our new Chief Executive. We said goodbye to Jonathan Tross, who had led CAFCASS so ably through a turbulent period and in September, we welcomed Anthony Douglas to his new role. The appointment of someone with such extensive experience of service delivery and personal commitment to children's issues has been most enthusiastically welcomed by our staff, our sponsoring department, the judiciary and all our partners and colleagues. Anthony has worked tirelessly to get to know the organisation, analyse its difficulties, assess its strengths and inject a fresh sense of energy and vision.

Already I believe we have achieved a much more outward facing and co-operative organisation that is stronger and more able to face the challenges that await us. This is reflected in a more confident relationship with our sponsoring department, the Department for Education and Skills and a positive report from the Constitutional Affairs Select Committee. As the year ends, we welcome a new President of the Family Division – as committed to the potential of CAFCASS as was his predecessor.

The current policy agenda offers us both opportunities and challenges. We have been actively involved in responding to the Green Paper on Parental Separation and the Children and Adoption Bill, and embrace the changing role for our practitioners inherent in these proposals. We share the concerns about resources but know that given proper support our skilled and experienced workforce can and will deliver. We are also working hard to ensure CAFCASS has an active contribution to make to the *Every Child Matters* agenda.

I want to express my warmest thanks to all those who work for us, with us and to those who support us. CAFCASS still faces major changes both internally and externally but with continued support we know we can fulfil the pivotal role always envisaged for us in championing the interests and wellbeing of children in both public and private law.

Baroness Pitkeathley OBE
Chair



section 1 >>
ABOUT CAF/CASS

CAF/CASS has a statutory responsibility to ensure that children and young people are put first in family proceedings, their voices are properly heard, the decisions made about them by courts are in their best interests and they and their families are supported throughout the process, no matter what form their family takes in the modern world.

We operate within the law set by Parliament and under the rules and directions of the family courts. Our role is 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

We are a non-departmental public body accountable to the Minister for Children, Young People and Families in the Department for Education and Skills (DfES). We work within the strategic objectives agreed by our sponsor department and contribute to wider government objectives relating to children.

We have a role in relation to measures outlined in *Every Child Matters*, which 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.

As set out in the Children Act 2004, preparations were made for the transfer of CAF/CASS in Wales to the National Welsh Assembly Government during the course of the year. The transfer took place on 1 April 2005. CAF/CASS and CAF/CASS Cymru will maintain strong links.

OUR WORK

During the year the various aspects of our work directly impacted on the lives of more than 100,000 children and young people.

During this period our teams throughout England and Wales responded to:

- 13,416 public law cases – these include applications for local authority care and supervision orders and applications for adoption
- 38,788 Court-directed Dispute Resolution sessions in private law
- 30,813 requests for reports in private law cases – these include applications for parental responsibility, residence and contact, where parents have been unable to reach agreement and 1,141 Rule 9.5 cases under the Family Proceedings Rules (1991), in which a child involved in a private law case is represented by a Guardian ad Litem
- 588 Family Assistance Orders, where social work support is provided to families experiencing difficulties after separation or divorce

CAFCASS AND THE WIDER FAMILY JUSTICE SYSTEM

We are one of a number of players in the overall family justice system. In order to deliver our remit we need to work effectively with other organisations and groups who are part of that wider system – these include government departments, the courts and judiciary, family solicitors, local authorities, the Legal Services Commission, voluntary organisations, groups representing service users and other family carers, other professionals and professional organisations and our trade union partners.

There have been significant developments in how we work with separated families who cannot agree future arrangements for their children. A Green Paper – *Parental Separation: Children's Needs and Parents' Responsibilities* – was launched for consultation by the Department for Education and Skills, the Department for Constitutional Affairs and the Department for Trade and Industry in July 2004. This was complemented in the same month by the launch of the Private Law Programme, devised by the President of the High Court Family Division.

Further steps outlining the future delivery of the government programme and timescales were incorporated in the *Next Steps* document published in January 2005. The *Children (Contact) and Adoption Bill 2005*, intended to assist in the implementation of the Green Paper, was published in February 2005 for pre-legislative scrutiny.

Success in this area is dependent on whole system changes and courts, the judiciary and government working together effectively. We are a contributing partner with a key role to play in the following areas of programme delivery:

- The Family Resolutions Pilot Projects launched in Autumn 2004 in Sunderland, London and Brighton. The projects involve professional input and support from our local practitioners' and managers working in partnership with Relate and the Parenting Education and Support Forum
- The revision and roll out of *Parenting Plans*, which encourage separating parents to resolve contentious issues before going to court, and to work together in the best interests and well-being of their children
- Nationwide access to Court-directed Dispute Resolution at First Directions Hearings, where our practitioners seek to facilitate agreements between parents or alternatively to agree on the core issues that need to be resolved and how to do that. The aim is to avoid the need for contested and often acrimonious court hearings
- Contact activities – our practitioners provide information to the courts on what provision for contact activity is available in the local area and assess the suitability of parents to attend contact activities and programmes aimed at establishing, maintaining or improving positive and safe contact arrangements
- Taking a role in the follow up of court orders to monitor and report to the court on compliance with contact activities or that contact is taking place between parents and children as ordered by the Court
- The enforcement of court orders available to courts – our practitioners may be asked by the Court to monitor and report to the Court on compliance with an enforcement order
- The extension of the use of Family Assistance Orders, as many families need extra support in a time of crisis and re-building their lives

Once these measures are in place and working effectively throughout England, we expect more cases to be resolved without a formal court process. This will reduce the need for CAFCASS reports and lead to more case working by our practitioners aimed at assisting parents to resolve issues rather than reporting on them. We currently provide a First Hearings Dispute Resolution service in over 80% of County Courts.

HOW WE ARE ORGANISED

CAFCASS delivered services to families and the courts from 121 sites throughout nine English regions and Wales during 2004-05. Following the devolution of CAFCASS Cymru to the National Welsh Assembly Government from 1 April 2005, CAFCASS will operate from 109 sites in England.

A consultation document on the future structure and culture of CAFCASS was issued in the last quarter of 2004. As a result of this consultation, one region has been added to our network in England. The 10 regions are:

Eastern, East Midlands, Greater London, North East, North West, South East, South, South West, West Midlands and Yorkshire and Humberside.

In April 2005, our practitioners working in the High Court will become part of the new South East Region. The lawyers in CAFCASS Legal Services will become part of the National Office. They will continue to provide support and legal advice to practitioners throughout England.

Front-line service delivery across the regionally managed network of offices is supported by a small national office, which provides corporate strategy, service leadership, performance management and resource management. Operational aspects of strategic functions such as asset management, procurement, human resources, and training and development will be devolved to the regions over the next 12 months.

At the end of 2004-05 we employed 2,060 staff (1,801.35 Whole Time Equivalent) including 1,327 practitioners (1,210.4 WTE). During the year we contracted the services of 468 self-employed practitioners and employed 51 Bank Scheme staff and two sessional staff, using their skills and experience flexibly across the service.

The National Management Team is led by Chief Executive Anthony Douglas with four Corporate Directors:

Jane Booth	– Service Delivery Models
Sherry Malik	– Strategy and Performance
Nicholas Maude	– Resources
Lamorna Wooderson	– Partnerships

Details of the Board and the National Management Team are given in Annex 1.

¹ All references to practitioners relate to social work qualified Family Court Advisers employed by CAFCASS and/or self employed Children's Guardians contracted by CAFCASS.



During 2004-05 a renewed sense of purpose and belief has grown within CAFCASS that we can offer a more responsive and effective service to the many children, young people and families we support.

Our five key objectives, as agreed by the Secretary of State for Education and Skills, were published in the 2004-05 CAFCASS Business Plan. Progress against each during the year is charted below.

OBJECTIVE 1: QUALITY OF SERVICE

To safeguard and promote the welfare of children in family proceedings by delivering to CAFCASS service and quality standards

Key Performance Indicators

By March 2005, 70% of allocations during the month for Section 31 (care and supervision) cases should be within two days from receipt of request.

Not achieved 51.8%
☹️

An improvement on last year (46.5%) but target still not achieved (Figure 1)



The number of private law reports unallocated less than 10 weeks before court filing date for the month should be no more than 4% of the workload (Figure 2)

Achieved 3.7%
😊

The Regions and Wales have performed well against this indicator (2003-04 - 4.3%).

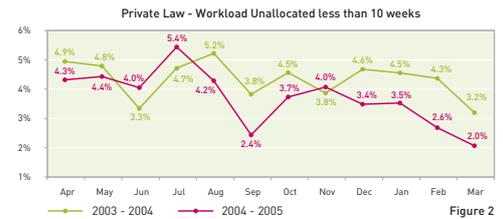
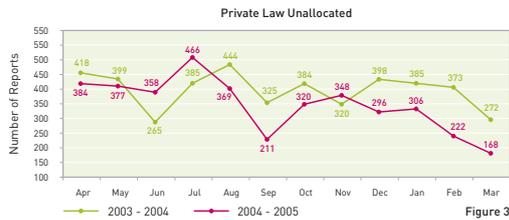


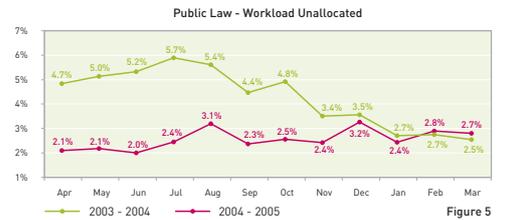
Figure 3 shows the monthly unallocated private law figures during 2004-05 compared to the previous year. The average monthly unallocated figure was 319 reports during 2004-05 compared to 363 reports in 2003-04.



No more than 3% of the public law workload should remain unallocated at month end (Figure 5)

Achieved 2.5%

A solid performance across all regions. The comparative figure in 2003-04 was 4.2%.



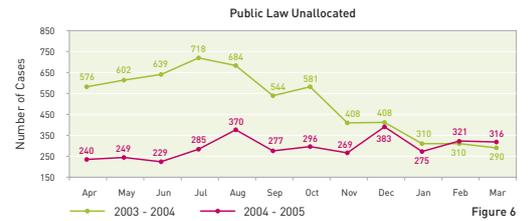
At least 98% of all public allocations each month for all case types should be within 28 days of receipt of request (Figure 4)

Partially achieved, improving performance. 92.7%

We continue to make steady progress in this area and have improved against last year's performance of 83.3%. Wales, East Midlands and Eastern regions consistently met this target and in other areas - particularly Greater London - there is an improving trend.



Figure 6 shows the monthly unallocated public law figures during 2004-05 compared to the previous year. The average monthly unallocated figure was 293 during 2004-05 compared to 506 in 2003-04.



Further progress has been made in the following areas:

Workload Policy

A Workload Policy was agreed in June 2004 and specific allocation guidelines were issued in relation to the workloads of Family Court Advisers setting benchmarks and expectations for average team caseloads. Work to set benchmarks against the Service Manager role is also underway, which is more complicated given their multiple roles. A full review of the organisation's administrative and business support structure is in progress.

Quality Assurance

A national quality assurance framework has been developed and will be rolled out during the first half of 2005-06. This system is one of the building blocks of a new integrated Performance Framework, which will also include competences for specific roles.

OBJECTIVE 2: BROADER FAMILY SUPPORT

To play a proactive part in the government's agenda to support children, young people and their families, looking at ways to develop and improve the support provided.

Key Performance Indicators

CAFCASS contributions to the Family Resolutions Pilot Project (FRPP) are timely and meet the requirements of the project	Achieved/ongoing 	The pilots started in September 2004 and are due to end in October 2005 (see Section 5 for more details). We have met the timescale for intervention.
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Implement relevant sections of the Adoption & Children Act 2002	Achieved 	We have put in place systems and procedures to implement the relevant sections. These are Section 118 (<i>independent reviewing officers</i>) and Section 120 (<i>amended definition of harm</i>).
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Further progress has been made in the following area:

Domestic Violence Policy

A comprehensive consultation exercise on CAFCASS' Domestic Violence Policy and Procedures was carried out towards the end of 2004-05. Feedback is now being evaluated with a view to issuing final policy guidelines by Summer 2005.

OBJECTIVE 3: ENGAGING SERVICE USERS

To involve and engage children and families to aid our understanding of their diverse needs and to involve them in the development of the service.

Key Performance Indicators

Develop and implement an action plan in respect of the findings of the family satisfaction survey	Achieved/ongoing 	An action plan was written in April 2004 to set out measures to address the issues raised in the report. It has five main areas of focus – provision of information, user contact with CAFCASS offices, reports, complaints and monitoring user views. Measurable actions have been taken in all areas.
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Further progress has been made in the following areas:

Child Participation

We are determined to place children at the heart of our service and have made good progress in this area during 2004-05, culminating in the decision to appoint a CAFCASS Children's Rights Director in May 2005. The development of our literature, comments and feedback processes and staff training have all benefited from the input of young people. See Section 4 for further information.

Comments, Compliments and Complaints

Following an extensive consultation exercise, we have reviewed and amended the CAFCASS Comments, Compliments and Complaints Policy and Procedures. We have sought to make them more open, responsive and user friendly. The revised policy will be submitted to the Board in May 2005 for implementation in July 2005.

Changes include appointing advocates for children and using independent complaints investigators, not associated with CAFCASS, to ensure fairness and raise user confidence in the process.

OBJECTIVE 4: VALUING AND DEVELOPING STAFF

Develop our workforce to ensure all staff are equipped with the necessary skills and support to do their work.

Key Performance Indicators

All new staff to receive induction within 12 weeks	Partially achieved 	Over 75% of all new CAFCASS employees attended induction within 8 – 12 weeks of commencing employment. 144 newly appointed Family Court Advisers also attended the foundation unit of the Professional Development and Quality Assurance programme as part of their induction.
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Sickness absence rate of no more than 4%	Partially achieved 4.7% ⁴ 	We are working to reduce sickness absence levels through a combination of proactive health and safety initiatives, our Employee Assistance Programme, Occupational Health Services, as well as early local management intervention following the re-launch of a streamlined sickness absence policy and management guide).
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Recruitment and retention

A total of 343 new starters joined us in the year ending 31 March 2005. This figure also includes temporary staff. Of these, 108 were practitioner staff. Annual turnover for the year was 8.7%. We employ 51 practitioners on the bank scheme and two sessional workers. Caution is advised when referring to all HR figures (including the induction and sickness absence rate) as our HR database is not as robust as it needs to be. Improving the reliability of HR systems and data will be a priority in 2005-06.

⁴ Our figures are in line with the Chartered Institute of Personnel Development 2003 Employee Absence survey, which reported 5% sickness absence for local government and 4.3% sickness absence for central government.

Table 1 shows comparative staffing levels over the past four reporting periods. The figures for 1 April 2004 to 31 March 2005 reflect staff in Wales prior to transfer to the National Welsh Assembly Government on 1 April 2005:

Staff type	1st April 02		1st April 03		1st April 04		31 March 05	
	H/C	WTE	H/C	WTE	H/C	WTE	H/C	WTE
Family Court Advisers	1136	1022.2	1291	1163.2	1303	1186.0	1327	1210.4
Assistant Family Court Advisers							8	5.8
Service Managers	98	89.9	103	95.9	125	118.3	131	123.5
Board ¹ and Senior Management ²							43	33.7
Admin & Clerical	368	281.0	372	305.0	405	343.6	406	350.9
Other ³	118	95.4	113	94.6	99	84.9	89	74.2
Flexible Workers					25		53	
Seconded							3	3.0
Total employed	1720	1488.5	1879	1658.7	1957	1732.9	2060	1801.5

H/C – Headcount WTE – Whole Time Equivalent

ererererererererererTable 1

Diversity

Staff diversity monitoring figures for 2004-05 show that of the 2,060 employed staff, 7.7% (159) are from Black and Minority Ethnic groups and 5.9% (123) are considered to have a disability.

Further progress has been made in the following areas:

HR Policies and Procedures

Our Organisational Change policy has now been agreed, along with additional policies on Performance and Conduct, Grievance, Diversity, Management of Sickness Absence, Mobility, Adoption Leave and Pay and Child Carers Leave and Pay. Our Work/Life Balance policy and a Dignity at Work (Bullying and Harassment) policy are due for completion by autumn 2005.

Training and Development

Throughout 2004-05 we have continued to build upon our existing learning and development activities and modules to ensure that all our staff members have adequate training to enhance their knowledge and skills for their particular job roles and functions. In-house training delivered to all staff groups, both nationally and regionally, amounted to around 10,500 participant training days. Specific training and learning and development activities included Business Support development programmes, IT modules, Diversity, Child and User Participation and Induction programmes. Other more specific training modules included:

Management development training

Included a specific training module for our Service Managers and a leadership seminar delivered to around 150 staff over a number of sessions for the whole organisation.

Comments from leadership seminar attendees:

“The most valuable aspect of the seminar was distinguishing leadership from management skills, and thinking imaginatively and ‘outside the box’.”

“It was good to hear progressive, up to date organisation theory from my own organisation.”

“Has certainly given food for thought in different ways of approaching leadership and affirmed some that I am already using.”

Practitioner training

Included foundation training for new starters, convergence training (to enable practitioners in public law to carry private law cases and vice versa), domestic violence, legal skills and Data Protection Act (1998) training.

Convergence pathway programme: All regions have undertaken convergence training for practitioners. The programme included a range of modules derived from the modular framework curriculum. We are currently conducting a rigorous evaluation and review of all aspects of the convergence modules, including handbooks and participating trainers.

Family Dispute Resolution: This three-day course offers a thorough grounding in dispute resolution within a private law context, different approaches, and the role of the practitioner at directions hearings, including risk assessment. 27 training days for 180 practitioners were provided during the reporting period for practitioners who had undertaken the convergence pathway training for those moving from public law to private law work.

Children’s Safeguards: Following the introduction of the CAFCASS Child Protection policy and procedures, all service managers were trained to ensure clarity of their role and responsibilities and briefings were undertaken in all teams. Seminars were also held for non-practitioner staff.

Adoption and Children Act 2002: Training on the Adoption and Children Act 2002 and Inter-Country Adoption will be introduced in 2005-06. A member of each team will be trained and given the tools to cascade training within their team with a specific CAFCASS focus. We are also working with the DfES to ensure staff attend, as appropriate, the multi-agency training to be delivered in each local authority area.

Legal Road Shows: The CAFCASS lawyers participated in the delivery of a series of 43 road show lectures across the organisation from October 2004 to May 2005. These updates, which covered legislation, public law and private law, were well received.

“The legal road show went down very well with practitioners. I was particularly pleased that we had a mixed audience including local solicitors, who also told me how much they valued the event.”

– Stuart Cornwell, Service Manager, Middlesbrough

¹ The Chair is contracted to work approximately 80 days per annum and Board members approximately 35 days per annum and this has been factored into the Whole Time Equivalent (WTE) for this category.

² Includes the Chief Executive, Corporate Directors, Regional Directors, Heads of Services and Business Managers previously accounted for in the ‘Other’ category.

³ Includes specialist, business support and ancillary staff.

Post Qualification Awards: under this programme, which was launched in August 2004, a number of Family Court Advisers with Post Qualification 1 awards were given the opportunity to access the Post Qualifying Child Care Award as part of a pilot scheme. A total of 14 Family Court Advisers are currently on Post Qualification Child Care Award courses with five others due to take up offered places later in 2005.

Sponsorship: During the course of 2004-05 we have successfully developed and implemented a sponsorship programme. This has enabled 39 employees from any job grade and profile, to apply for funding to support their continuing professional development.

"Everyone at our office has tailored training programmes. If we identify any possible subject areas we would like to cover, we factor them into our programmes and attend workshops or conferences. We have access to loads of training initiatives ranging from external events to in-house practice seminars."

- Madeleine Oswald and Margaret Blatchford, Family Court Advisers, Middlesbrough

Practice Learning Project in CAFCASS:

In response to the Green Paper *Every Child Matters*, we established, in partnership with the Practice Learning Taskforce (now Skills for Care) a scheme to provide Practice Learning Opportunities for social work students. As the largest employing agency of qualified social workers within England, we decided that as an agency we should support the Children's Workforce strategy by offering quality placements.

During 2004-05 we started this programme in the north of England, covering the North East, North West and Yorkshire & Humberside regions. An initial project group was formed to scope and develop the work, before moving into the implementation phase. In this phase we recruited an internal Project Manager, 3 x 0.5 Practice Learning Coordinators (who are existing Family Court Advisers) and other Family Court Advisers who saw the opportunity to become Practice Assessors for individual students. This will also form part of their own professional development.

From December 2004, when our first official student started under this project, 20 students have successfully undertaken 80-day placements. By the end of the placement, it is expected that students will have fulfilled the role of Children and Family Reporter within private law and gained experience within public law. Students may also have the opportunity to carry out projects during the course of their placement that will both meet the required National Occupational Standards and provide CAFCASS with the opportunity to further develop services provided to children, families and the Courts.

Our long term plans are that by 2007-08 we will have successfully ensured that all regions across the country offer practice learning placements. Each placement should be used twice a year, providing 120 annual placements nationally.

"It's been a really positive experience. Everyone has been very organised, supportive and welcoming. I would definitely come back to work here after some experience in social services".

- Louise Rymer, Practice Learning Student, Preston

"I feel I'm broadening my skills as well. Having Louise here has sparked discussions on topics we are looking at."

- Eileen Weller-Such, Practice Learning Teacher, Preston

We would like to acknowledge the Practice Learning Taskforce and Huddersfield University for their support and part-funding of this project. Huddersfield University is undertaking a research project to examine the impact students will have upon service users and identify the learning outcomes for students and practitioners.

Workforce strategy

A workforce plan is being put together, which takes into account the staff and skills mix required to operate the new casework models we are developing in our new Professional Strategy which will be consulted upon during the summer and autumn of 2005. A strategic pay and reward review is also being conducted.

The new Chief Executive has visited every team and office in CAFCASS and has met nearly every member of staff. The staff survey, which had been planned to take place during the 2004-05 reporting period, will now be conducted during 2006-07. The decision to reschedule the survey was made so as to accurately reflect changes resulting from the restructure and the strategic changes under way throughout CAFCASS.

GSCC and CCW Registration

Along with all other social work qualified professionals across England and Wales, our practitioners were required to register with the General Social Care Council or the Care Council for Wales by 1 April 2005. We paid the registration fees of employed and bank staff and will continue our commitment to pay the annual registration fee, and provide support and guidance to assist staff in meeting this mandatory requirement.

OBJECTIVE 5: VALUE FOR MONEY

Deliver effective governance and management and control of resources to ensure effectiveness and value for money.

Key Performance Indicators

Manage our funding to live within, subject to a 1% tolerance limit our resource budget of £107 million	Achieved ☺	Refer to Figure 7 to see a breakdown of how we spent our budget in 2004-05.
Ensure that CAFCASS support cost ratios are equal to or better than Government and wider public sector benchmarks	Achieved ☺	In general, we remain ahead of all relevant benchmarks shared with the DFES.

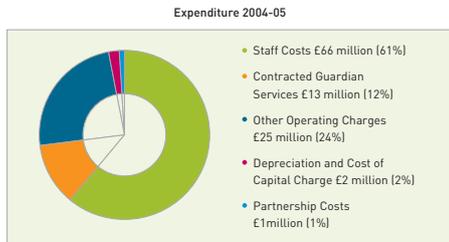


Figure 7

Further progress has been made in the following areas:

Management Information

A comprehensive case recording system has been piloted in the South West region and will be rolled out to the remaining regions, once funding has been identified. This includes a time recording module and we are currently reviewing the best way to implement this system to allow unit costs to be measured.

We will scope further case management systems development and electronic data records management. Further developments are dependent on an upgrade to the IT network infrastructure. Electronic Data Records Management requirements will be scoped during 2005-06.

Governance

With our sponsor department, DFES, we have made revisions and improvements to the Framework Document and regulations relating to the operation of the Board, in order to provide a more effective governance framework. This was endorsed by the Board in November 2004. We held two open Board meetings and have taken active steps to make our management process more transparent by placing all corporate decisions and appraisal targets for members of the National Management Team on our internal intranet.

IT Systems

Work to achieve compliance with BS7799 standards began in October 2003 and is making steady progress. Information security and asset control policies, procedures and guidance have been drafted. Use of IT continued to expand, placing a strain on the infrastructure, which needs strengthening. Use of mobile technology, such as laptop computers and wireless and networked access to email, also increased. This will contribute to making our professional task more effective and efficient.

Asset Management Review

During 2004-05, we continued to develop our estate, which comprised 121 properties, of which 17 were freehold. Following the transfer of CAFCASS Cymru to the National Welsh Assembly Government on 1 April 2005, the estate will comprise 109 properties, 15 of which are freehold.

During the year, we:

- Acquired leases on five new properties and vacated eight properties including relocating the national office to London Docklands
- Commissioned a national programme of Asbestos Surveys across the estate in response to the Control of Asbestos at Work Regulations
- Commissioned a programme of Planned Preventive Property maintenance and condition surveys to identify estate liabilities and future requirements
- Undertook an extensive programme of works to upgrade and enhance many of our facilities to meet the requirements of the Disability Discrimination Act

Compliance with Freedom of Information Act (January 2005)

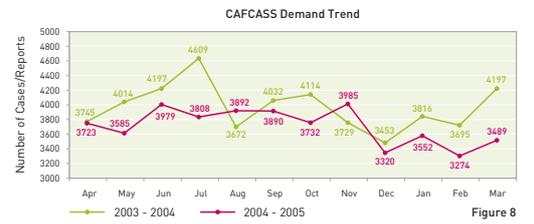
A CAFCASS Freedom of Information policy explaining how applicants can make an application under the Act was completed and posted on our intranet and website in December 2004.



section 3 >>
THE WORK OF CAFCCASS

OVERVIEW OF SERVICE PROVISION

In 2004-05 we responded to a total of 44,229 applications to the court in both public and private law cases. This compares with 47,273 applications in 2003-04. Figure 8 shows the monthly profile of requests we received over the course of 2004-05 in both public and private law compared to the monthly profile of requests in 2003-04. The monthly average in 2004-05 was 3,686 requests, compared to 3,939 requests in 2003-04.



PUBLIC LAW

Under the Children Act 1989, in specified proceedings we provide a children's guardian who is qualified and experienced in social work and independent of social services, the court and others involved in the case. Specified proceedings include applications for Care or Supervision Orders, applications for Contact or Residence Orders relating to a child subject to a Care Order and similar matters.

We responded to 13,416 public law requests during 2004-05, compared to 13,470 in 2003-04. Figures 9 to 14 provide information and trends relating to these public law proceedings. Figure 9 shows the monthly total requests in public law during 2004-05, compared to 2003-04. The average number of requests per month in 2004-05 was 1,118 while in 2003-04 the average was 1,123.

Although overall demand is slightly lower this year compared to last year, the demand for Care cases [see Figure 14] has increased by five percent.



Figure 10 shows the spread of public law requests across England and Wales during 2004-05. The North West handles the greatest number of public law cases, representing around 15% of the total demand and North East handles the least, representing 7% of the total demand.

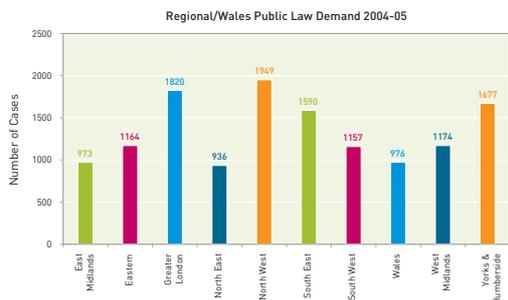


Figure 10

Figure 11 shows the correlation between requests, allocations and completions. This shows that throughout much of the year we were able to closely match demand and allocation, with requests, allocations and completions being equal in November. Following a seasonal drop in requests and allocations in December we ended the year with a monthly difference of 65 requests over allocations. The lower number of completions continues to reflect the time that Care cases in particular are taking to reach Final Hearings. This in turn reduces our capacity and ability to allocate new cases.

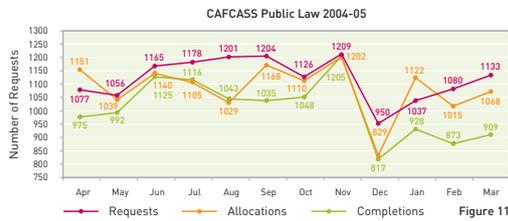


Figure 11

Figure 12 provides an overview of the types of public law proceedings that made up the total requests for 2004-05. Care proceedings made up the majority, accounting for just over half of the requests.

While public law demand overall reduced slightly in 2004-05, the increase in Care proceedings of 321 cases more than compensated for the reduction in other public law cases of 375 cases. This is because a Care case will take, on average, nearly two and a half times more resources than a non-Care case.

The impact of this increase on the workload equates to 16.6 Family Court Advisers.

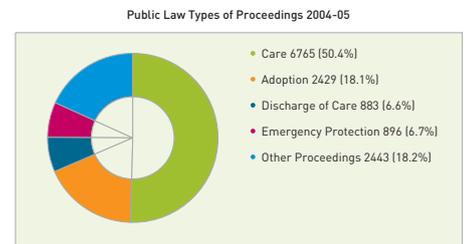


Figure 12

Figure 13 highlights the gender and age profile of children and young people who we worked with in public law proceedings during 2004-05. The total of 20,667 children and young people comprised 10,656 males (51.6%) and 10,011 females (48.4%).

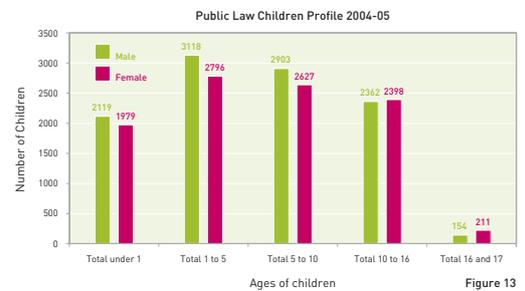


Figure 13

Commenting on speaking to a child ahead of an application for an emergency protection order taking force:

"If you've got an older child, around nine or 10, they're very aware of what's happening and often have a strong view on what happens to them, so the best thing to do is talk to that child at the earliest possible opportunity, take them to court and show them before the hearing where everything happens. Children enjoy the experience of being able to swing on the judge's chair and pretend they are the judge."

She also works closely with a local children's rights service, and they arranged for children who edit the service magazine to interview a family judge.

"At first they were a bit apprehensive about coming face-to-face with a judge, but they soon overcame their shyness and asked all sorts of questions, from "Do you ever feel bad about a decision you made?" to "How much money do you earn?"."

-Linda Gray, Family Court Adviser, Leeds

CARE PROCEEDINGS

Figure 14 shows the monthly requests arising from Care proceedings during 2004-05 compared to 2003-04. The total of 6,765 requests in 2004-05 compares to 6,444 in 2003-04, an increase of 5%. Care cases are much more resource intensive and this has stretched the capacity of our staff. The average per month in 2004-05 was 564 requests compared to 537 in 2003-04.

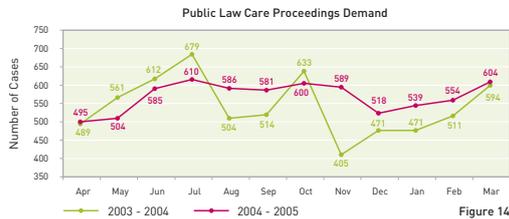


Figure 14

ADOPTION PROCEEDINGS

Figure 15 shows the monthly requests arising from Adoption proceedings during 2004-05 compared to 2003-04. The total number of requests was 2,429 in 2004-05 (monthly average 202), compared to 2,785 in 2003-04 (monthly average 232).

In proceedings under the Adoption Act 1976, the role of the CAFCASS practitioner depends on whether or not parents agree to the adoption. If at the outset the court decides that the parents agree, then the practitioner is known as a Reporting Officer. If a parent does not agree or if there are special circumstances, the practitioner fulfils the role of a Children's Guardian. The matter will then need a more in-depth investigation. Of the total number of 2,429 requests in 2004-05, 44.6% (1,084) related to the work of Children's Guardians while 55.4% (1,345) related to the work of Reporting Officers.

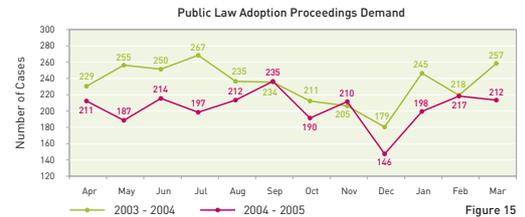


Figure 15

PRIVATE LAW

Private law proceedings relate principally to applications for Contact, Residence and Parental Responsibility.

Figures 16 to 23 provide information and trends relating to private law proceedings. Figure 16 shows the monthly total requests in private law during 2004-05 (in which the total number of requests was 30,813) compared to 2003-04 (when the total annual requests numbered 33,803). The average number of monthly requests in 2004-05 was 2,568 while in 2003-04 the average was 2,817.

Although the overall demand is down, the number of Rule 9.5 cases (Figure 21) is sharply up by 108%.



Figure 16

Figure 17 shows the spread of private law requests across England and Wales during 2004-05. The North West handles the greatest number of private law cases, representing around 15% of the total demand and Eastern region handles the least (excluding CAFCASS Legal Services) representing around 6% of total demand.

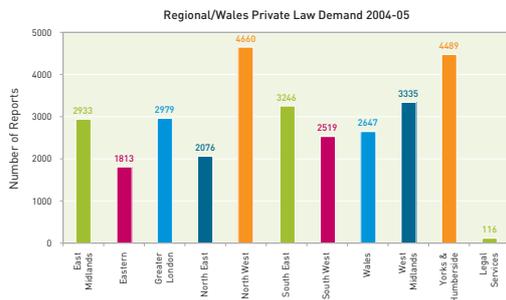


Figure 17

Figure 18 shows the correlation between requests, allocations and completions. This graph illustrates that over the year we have been able to follow demand closely with allocations and completions. We ended the year in March with both allocations and completions exceeding new requests. The impact of this is that we were able to substantially reduce delays in both allocation of reports and filing times throughout most of England and Wales.

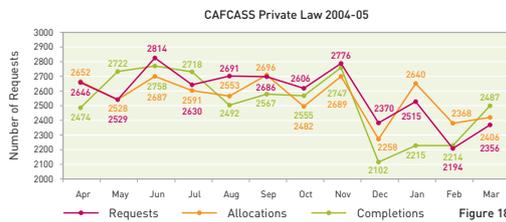


Figure 18

A private law case can consist of more than one type of order. The two most common types are Residence and Contact orders. Reports for Residence orders for the year numbered 9,617 (compared to 11,143 in 2003-04) and there were 25,861 Contact order reports (compared to 27,926 in 2003-04) – see Figure 19.

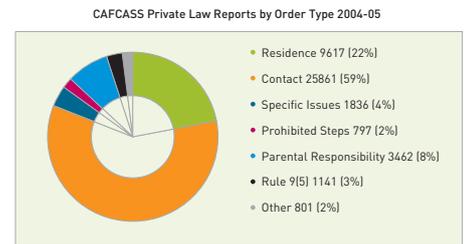


Figure 19

Figure 20 highlights the gender and age profile of children and young people we worked with in private law proceedings during 2004-05. The total of 48,946 children and young people comprised 24,747 males (50.6%) and 24,199 females (49.4%).

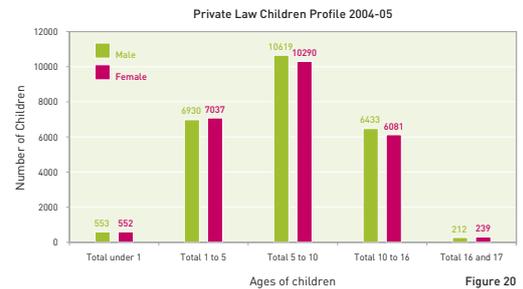


Figure 20

DISPUTE RESOLUTION

A significant aspect of the work we undertake in private law is in the area of Dispute Resolution (referred to in previous Annual Reports as directions hearings and privileged mediations). Here, our practitioners work with families who are involved in an application to the court to try and reach agreement. This work is done in an effort to avoid contested hearings.

Our practitioners participated in 38,788 Dispute Resolutions during 2004-05, compared to 42,382 in 2003-04. During the year much work has been done to improve the way these services are provided to families and the courts but further work is needed to ensure that all the interventions are properly recorded and reflected in the figures given above. We believe that for this year some teams have not fully recorded this new area of activity where a scheme did not exist before.



Where agreements are not reached through Dispute Resolution, the Court is likely to order a full report on the welfare of a child or children involved in private law proceedings. This is done under section 7 of the Children Act 1989 and the Court will clarify the specific areas for the practitioner, in this role called a Children and Family Reporter, to cover.

RULE 9.5

Perhaps the most striking trend to emerge during 2004-05 was the sharp increase in the work undertaken by practitioners in Rule 9.5 cases. Here, a child involved in a particularly complex and/or protracted private law case is separately represented under Rule 9.5 of the Family Proceedings Rules (1991). The appointment is as a Guardian ad Litem to the child. These cases more than doubled from last year and take on average up to three times the resource of other private law work, stretching practitioner capacity in some teams. A sample analysis, however, suggests the use of Rule 9.5 is proving to be an effective measure in resolving disputes and supporting children in some of our most complex private law cases

Figure 22 shows the monthly requests arising from Rule 9.5 during 2004-05 compared to 2003-04. The total number of requests was 1,141 in 2004-05 (monthly average 95.1), compared to 549 in 2003-04 (monthly average 45.8), an increase of 108%.



CAFCASS works with cases involving babies and children who are not able to verbalise their wishes and feelings. Here the skills of the practitioner play a crucial role as the 'voice' of the child. This was particularly highlighted in the cases of two babies - Charlotte Wyatt and Luke Winston-Jones - who were at the centre of 'right to life' court disputes during 2004-05. Lillian Odze, a Guardian ad Litem in CAFCASS Legal Services, recalls her role in the case of Luke Winston-Jones, a baby born with the genetic disorder Edwards syndrome, whose case was widely reported on in the media towards the end of 2004. She was supported on this case by Helen Burnell, a CAFCASS lawyer who worked closely with Lillian, notably on the instruction of medical experts and preparation for trial. A crucial issue in the case was that the hospital trust did not want to give Luke cardiac massage if his life was in danger. Medical staff believed his quality of life was too poor and the CAFCASS expert medical witnesses agreed. Lillian had travelled to Liverpool to visit Luke and his mother in hospital. She spoke to nurses and to Luke's mother and saw Luke in the intensive care unit as she tried to build up a picture of his life for the court.

"I'd learned from hospital staff that Luke had received cardiac massage twice before - the second occasion only a week before my visit - and had suffered no harm.

During my visit I saw Luke interacting with his mother - he turned towards her and was clearly battling sleep to maintain this contact with her. I couldn't deny him that relationship. If this child were to speak, he would say he wanted to live as long as he had that quality of relationship with his mother."

Sadly, Luke died last November, aged 10 months, but not before Dame Elizabeth Butler-Sloss, then President of the Family Division, had taken note of Lillian's observations and recommendations before delivering her judgment of the treatment doctors should provide.

FAMILY ASSISTANCE ORDERS

CAFCASS practitioners may also be involved in Family Assistance Orders at the end of proceedings as a way to provide social work support to families experiencing difficulties after separation or divorce.

Figure 23 shows the monthly requests for Family Assistance Orders during 2004-05 compared to the previous year. The total number of requests was 588 in 2004-05 (monthly average 49), compared to 607 in 2003-04 (monthly average 50.6).



Figure 23

The idea that children who are suffering harm as a consequence of ongoing parental acrimony require ongoing provision of services rather than ongoing assessment and court intervention is being explored in Norfolk.

“One strategy is for CAFCASS to adopt the model of convening ‘core groups’ from agencies ranging across the statutory and voluntary sector to focus on delivering a package of measures to address the problems facing individual children.”

—Sarah Parsons, Service Manager, Norfolk

THE WORK OF CAFCASS LAWYERS

The seven CAFCASS lawyers undertake various roles.

The **Corporate Lawyers** provide legal advice to the CAFCASS Board and National Management Team as well as on the development of CAFCASS policy; handle litigation by or against CAFCASS, whether directly or through outside solicitors; and provide legal training for practitioners.

The **Separate Representation** team of lawyers provide representation to practitioners in proceedings where the child and the Children’s Guardian are in conflict over what is in the best interests of the child and the child wishes to instruct his or her solicitor directly. These cases include applications for secure accommodation orders, care orders and private law applications, as well as occasional adoption proceedings. The lawyers will respond in an emergency either by attending court themselves, instructing counsel if necessary, or authorising funding for the practitioner to be represented by a solicitor in private practice. Separate representation is not automatic and will depend upon there being a difference of opinion between the local authority and the practitioner and legally complex issues in the case.

The **Children’s Lawyers** undertake the legal conduct of specialist children cases such as medical treatment disputes; provide advice to practitioners in the CAFCASS High Court Team and operate an advice line for all our practitioners, the judiciary and children law professionals; and provide 24-hour advice and representation service for out of hours emergency children cases.

COMMENTS, COMPLIMENTS AND COMPLAINTS

A total of 484 new complaints were lodged during 2004-05 compared to 500 in 2003-04. In addition to these, 51 complaints were ongoing from the previous year. We also received 35 comments and 107 compliments.

Figure 24 shows a breakdown of the new complaints lodged by case type, with private law cases accounting for 88% of all complaints received.

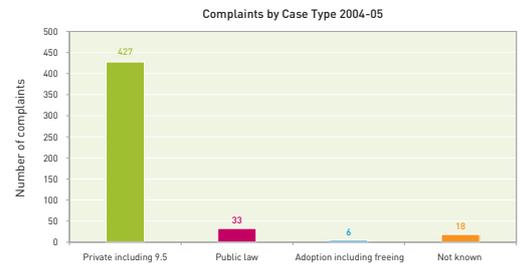


Figure 24

Figure 25 shows the types of new complaints lodged as a percentage of all types of complaints received during 2004-05 by the four largest groupings* compared to the percentages in 2003-04:

- Officer bias
- Report content
- Professional conduct
- Process issues

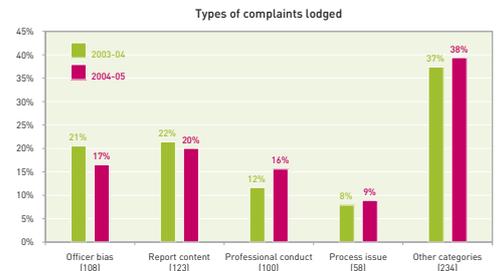


Figure 25

* Complaints are categorised under 14 codes, within the ‘Other’ category in 2004-05 ‘Failure to properly investigate’ accounted for 9%, ‘Not acting in the interests of the child’ for 7% and ‘Communication’ for 4% with the remaining codes making up 16%.

Table 2 shows the number of complaints in progress during the year and outcomes at each of the four stages. It also shows the status of the 91 complaints that were still ongoing at 1 April 2005.

Outcomes	Stage 1 Acceptance	Stage 2 Problem Solving	Stage 3 Investigation	Stage 4 Appeal	Totals
Not accepted	212				212
Not resolved		40			40
Partly resolved		18			18
Resolved/ Withdrawn		129		1	130
Not upheld			5	5	10
Partly upheld			3	3	6
Upheld			0	0	0
Not known		25	3		28
Ongoing at 1 April 2005	62	15	11	3	91
TOTALS	274	227	22	12	535

Table 2

Figure 26 shows the outcomes of all complaints finalised in 2002-03, 2003-04 and 2004-05.

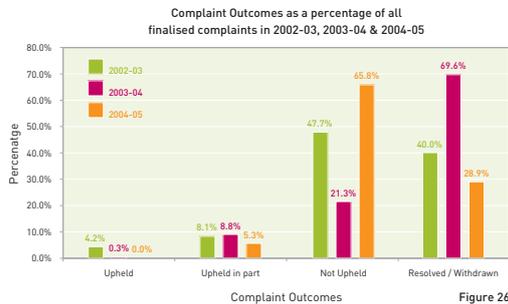


Figure 26

Figure 27 provides the profile of complainants during 2004-05. It is interesting to note that exactly the same number of fathers and mothers made complaints (40% of all complaints in each case). The number of applicants who made complaints was 186 (38.4%), while the respondents making complaints numbered 191 (39.5%).

While we are pleased that the number of complaints from children is very small we are committed and working to improve our information and advice to children to make our procedures even more accessible to them.

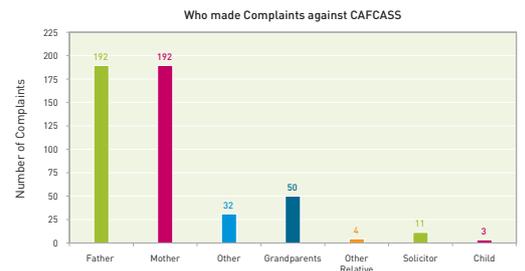


Figure 27

INSPECTORATE REPORTS

During the reporting period, the HM Magistrates' Courts Service Inspectorate (MCSI) continued its programme of Phase Three inspections and undertook five post inspection reviews and two joint thematic reviews. MCSI migrated into HM Inspectorate of Court Administration (HMICA) on 1 April 2005.

Phase Three inspections covered the National Office, South West and Eastern regions, Recruitment and First Line Management.

The Post Inspection Reviews completed during the year were CAFCASS Legal Services and the East Midlands, North East, South East and Yorkshire and Humber regions. The reviews focused on the extent to which the implementation of 22 MCSI recommendations resulting from earlier baseline inspections had been implemented. Of the 22 recommendations, four (18.2%) had been implemented fully, 17 (77.3%) had been partially implemented with further work being undertaken, and one recommendation had not been implemented.

The MCSI placed the overall performance regarding the implementation of their recommendations in the context of wider difficulties experienced by CAFCASS in previous years. The increased drive towards improvement in service delivery and, in particular, reducing delay were noted. The Inspectorate has subsequently acknowledged that some of the recommendations may no longer be valid in light of progress we made during the past year. The Inspectorate agreed to review the outstanding recommendations and to provide a consolidated action plan that could help with overall service improvement.

Two thematic joint inspections were undertaken – *Safeguarding Children in Family Proceedings* (published April 2005) and *Domestic Violence* (due to be published in October 2005).

All reports are published on the CAFCASS website – www.cafcass.gov.uk – and the HMICA website – www.hmica.gov.uk



The service we provide must be achieved within a culture that respects the rights and diversity of children and young people, and over the past year we've taken some major steps forward.

SHARING SUCCESS

It is a matter of professional pride for our staff to develop the techniques and skills needed to encourage children and young people to express their wishes and feelings. Over the past year we have made a real effort to capture and share best practice. A group of practitioners and managers based in the North West and Yorkshire and Humberside areas, and supported by the national Children's Rights Development Group, have been developing a resource pack of material for distribution throughout CAFCASS during 2005-06.

HAVE YOUR SAY

Changes and proposed changes in legislation during the year are already making an impact and offering further empowerment to children in the court process. The implementation of section 120 of the Children and Adoption Act 2002 in January 2004 extended the definition of *significant harm* in section 31 of the Children Act 1989 to include for example, *impairment suffered from seeing or hearing the ill-treatment of another* – an important acknowledgement for children who have historically been the 'silent' victims of domestic violence.

“During the last year, I have had a couple of cases which have specifically involved the risk of harm to children through witnessing domestic violence – For my own part, I am pleased that this all too common risk to children has now been recognised in law. I have a case of two Asian Muslim children where this is a serious concern, as well as non-accidental injuries to one of the children. Cases such as this represent a real challenge to a white worker, especially in terms of understanding the cultural dimensions. Despite the cultural differences between us, once the children understood that they had a grown up who wanted to know what they thought and would tell the court about it, they seized the opportunity to say what they thought – both with me and their solicitor.”

–Hoonie Feltham, Family Court Adviser, Oxford

Proposals from Government in *Parental Separation: Children's Needs and Parents' Responsibilities: Next Steps* include exploring the possibilities of involving children in both mediation and CAFCASS-led Dispute Resolution in an effort to keep separating families out of the formal court process. Involving children over the age of nine in Dispute Resolution was already taking place in a small number of courts including the Principal Registry of the Family Division in London, but this year we have seen a growth in Dispute Resolution models across CAFCASS that include children. Schemes in Taunton, Bristol and Leeds are paving the way. All new schemes have to identify how they will include the voice of the child. This is another key acknowledgement of the critical and influential voice of children in family court disputes.

An Interviewing Children Scheme (ICS) was introduced at Bristol and Bath County Courts in February 2005 in a partnership between the judiciary, court officials and CAFCASS. The CAFCASS practitioner meets with the parties in the usual way but will explore whether there is any scope for the ICS to be implemented. The scheme is aimed at children and young people from the age of nine and older. At Bristol County Court the court converted a small suite of rooms for the ICS.

"It provides a service that is designed to hear and report children's wishes in a sensitive way while seeking to protect them from the acrimony that often exists between parties (parents). To date there have been 16 cases that have gone through the scheme with all but two leading to a resolution by an agreed order."

- Trevor Simpson, Service Manager, Bristol.

NATIONAL YOUTH AGENCY

Children's input to improving our service has become a reality during 2004-05. Through the work of Dave Merrick, Children's Rights Development Worker, and the Children's Rights Development Group (a steering group of practitioners and managers), the training of staff in the skills to involve children in all aspects of their work has begun. Four training events, run in partnership with the National Youth Agency (NYA), took place last year. The training facilitators are young people from the NYA, and representatives from local children's rights groups in each region also have an input into these training events.

Comments from participation training delegates:

"Having young people involved brings the whole issue alive."

"Excellent, cannot be bettered"

"There's nothing like being encouraged to think about what I can do to effect change..."

VIEWPOINT

The development of a specialised CAFCASS survey using Viewpoint - an interactive computer programme seeking the views of young people on the service provided to them by CAFCASS - continued. A pilot project, developed in consultation with young people from the Leeds Children's Rights Service, was successfully tested in the Yorkshire and Humber region. The next phase of this project is to roll out the Viewpoint survey programme to all CAFCASS regions.

"The Viewpoint survey is a novel initiative offering a major step forward in placing children and their rights at the centre of our work."

- Dave Merrick, Children's Rights Development Worker.

INFORMATION FOR CHILDREN

In the first quarter, our first leaflets for children and young people were distributed across the service. These were developed in consultation with practitioners and were tested with a number of young service users. The leaflets are available across all ability ranges, broadly aimed at infant, primary school and secondary school levels. The leaflets for children and young people include a tear-off feedback form, which have offered a further opportunity for children to express their wishes and feelings, and their opinions of the service we provide.

In around two thirds of the 70 feedback forms received to date, children and young people circled a happy face to indicate what they thought of the service. Here are some anonymised comments - both positive and negative - made by children on feedback forms:

"I like being in care but I would like to be with my mum."

"I want to know when you will be telling the court what I said."

"I don't want you to make decisions for me and my family. I want to make my own decisions please."

"My mum had a baby last Thursday and I can't wait to see him... help me have a visit."

"Thank you so much for your help and kindness. I think it will help mommy and daddy a lot."

"I felt I was told what to do and not asked what I wanted..."

"...I have told you everything I need to. I just want to see my dad as soon as possible."

"If only my mum and dad can just get on and talk."

"Thank you for sorting out my family well. I don't feel worried about the court decision now plus I feel I've been heard so thank you for letting me express my feelings."

The leaflets – as well as all other existing and new information material for children and young people – will be reviewed and developed during the course of the next year, and children and young people will play an important part in this process.

CHILDREN'S RIGHTS DIRECTOR

It was fitting that a year in which so much progress was made in placing children at the centre of our service, culminated in the announcement of the appointment of a CAFCASS Children's Rights Director. Christine Smart will take up the role in May 2005 and will build on existing work and actively promote the children's rights and participation agenda within CAFCASS.

Looking ahead, other developments include provision in our new recruitment policies to involve young people in the recruitment of staff where appropriate. Also, plans are being developed to work with advocacy organisations to develop young advocates to assist children and young people who make a complaint about us.

"Making sure that children are listened to, feel heard and have their wishes and feelings articulated is fundamental to my work.

"In one case I was asked to report on four children, the oldest being 14. Both parents wanted residence of all four children, but having listened to them all intelligently express their feelings to me, the outcome actually differed from the conventional wisdom of avoiding splitting up sibling groups. The 14 year old genuinely wanted to return to the country of his birth with his father and the younger three wanted to remain in England with their mother; and this is what was decided.

"It's interesting to compare this experience with children caught up in public law cases. There, children often have very strongly held views about what they want to happen but in reality they have reduced options compared to some children involved in private law cases. When there is a question of future harm or a risk of harm, it is often impossible to get behind the child's views and present them to court. Of course the child will have a solicitor to do that, but their case is much more persuasive if their Guardian agrees with them. Recently I acted for a 17 year old child who was seriously self harming. At a Secure Accommodation application, I had to put her welfare to the court, rather than her wishes and feelings. She desperately did not want to go into Secure Accommodation, but the court, understandably, decided that this was in her best interests."

—Hoonie Feltham, Family Court Adviser, Oxford



section 5 >>
WORKING TOGETHER, INVESTING IN THE FUTURE

When a child experiences separation, divorce, care proceedings or adoption, we have a potential impact on their lives, and the greatest service we can give to any child is to ensure that their wishes and feelings are heard loud and clear as important decisions are made about their future, and to ensure our intervention improves children's lives.

When first established in April 2001, we inherited highly qualified, experienced and skilled practitioners from the former Family Court Welfare Service, the Guardian ad Litem Services and the Children's Division of the Official Solicitors. They have been joined by new practitioners drawn from other social work agencies, whose knowledge and methods of working have contributed to the development of the organisation.

Induction training and training for convergence, which enables experienced practitioners to work in both the Public and Private Law sphere, have been vital steps and have enabled us to build on existing expertise.

INVESTING IN PARTNERSHIPS

Partnerships with courts, liaison with other voluntary agencies and consulting with user groups have always been important aspects of our work, but these priorities are now gaining momentum to form a new, exciting way of working.

By working together, we become stronger and better able to support the children and families who use our services. It's a clear and positive investment in the future. What does this mean in practice?

The CAFCASS team in Luton is working closely with the Hertfordshire Family Mediation Service, local branches of Relate, ParentLine Plus and HomeStart, and local family solicitors and courts. The aim is to create awareness within communities of local services available to support and advise families before, during and after parental separation. A key element will be to make information available, in locations such as schools, doctor's surgeries and shopping centres, that signposts appropriate agencies at appropriate stages.

"Working as an inter-agency group we've identified several gaps in services where a combined initiative will prove helpful. These include the need for information materials and a website for local services, and support groups for adults and children experiencing family separation."

-Pam Thomas, Service Manager, Luton.

The CAFCASS teams in Preston and Blackburn have developed an enhanced approach to the service they provide as a result of joint working with the local judiciary. The teams have doubled the time spent in court and judicial continuity is agreed. Assessment is central to the process, with safeguarding checks undertaken by the practitioner prior to the hearing to establish whether or not dispute resolution is appropriate. If the assessment suggests further work is required, the practitioner facilitates this within a short period of time, and sends an outcome statement to the court by email. Links with a number of local resources enable us to signpost parents to relevant services.

"Early indications are positive, there is constructive feedback and evidence of a reduction of Section 7 requests. One of the most significant factors is the response of the District Judges; their openness and receptiveness to different ways of working is an indicator for constructive change and positive outcomes for children and families."

-Sue Lightbown, Service Manager, Preston/Blackburn

INVESTING IN PARTNERSHIPS

In December 2004 we conducted a review of funded partnerships, which has transformed the way we approach this vital support service. Funding is now largely child and contact focused and procedures have now been introduced to maximise value for money, including the use of standard contracting arrangements.

The Government Green Paper on *Parental Separation: Children's Needs and Parents' Responsibilities* published in July 2004 highlights the value of co-operative parenting after separation and looks towards legislation to ensure the right level of contact is secured for individual children.

In 2004 more child contact centres than ever before were funded by CAFCASS.

- 81 contracts – a 34% increase from 2002
- 228 funded partners incorporating 260 separate projects
- 32 mediation funded partners incorporating 45 projects
- 176 child contact centres incorporating 188 projects, plus 15 others

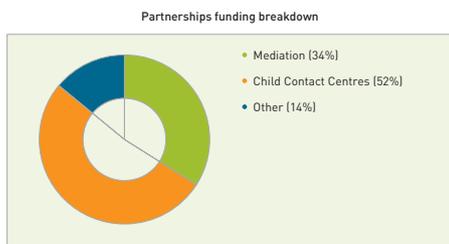


Figure 28

OTHER PARTNERSHIP WORK

Family Resolutions Pilot Project

We are working with Relate and the Parenting Education Support Forum in three locations – Sunderland, Brighton and London – to provide an alternative route for separating parents to reach agreement about contact with their children. The aim of Family Resolutions Pilots is to deliver a service designed for children and their parents that is flexible and will improve the quality and quantity of parental agreements. It aims to help parents reach agreement themselves about how to share responsibility for co-operative parenting following divorce or separation as evidence clearly demonstrates that parents are happiest with arrangements that they themselves agree.

How it works

The Family Resolutions Pilots are made up of three stages:

- Stage one – a group session where parents/parties meet separately to view a video focusing on the children's views and then discuss
- Stage two – a group session where parents/parties meet separately to hear about conflict management skills
- Stage three – where parents/parties meet with a CAFCASS practitioner/s for up to three sessions, one of which can involve the children, to agree on arrangements

Family Resolutions promotes the use of Parenting Plans, which allow parents/parties in disputed contact cases to draw up a structured approach to how they will co-operate in parenting with the interests of their children uppermost in mind. It is more directive than mediation and, with the aid of the Parenting Plans, the practitioner is able to focus parents/parties on the needs of the children involved.

The three pilot projects will run until September 2005 and, after evaluation, a decision will be taken on national rollout.

Comments from practitioners participating in the Family Resolutions Pilot Project:

“Parents have commented on how the other parent has developed a more positive attitude towards them and about contact, which has greatly benefited the children.”

“A solicitor believed Family Resolutions had brought about an agreement in the most unlikely circumstances given the intransigence of his client, a respondent mother.”

“The real benefit of Family Resolutions is that it gives people an opportunity to change for the better over time, not in the pressured environment of a court building.”

The Family Justice Council

Following public consultation in 2002, the Family Justice Council was established in July 2004 to promote better and quicker results for families and children who use the family justice system. The Council is made up of 19 volunteer members representing professionals, academics and users plus ten members from government departments and agencies. Jane Booth, Corporate Director represents CAFCASS. Chaired by the President of the Family Division the Council meets every three months to advise on how the family justice system can be improved. The main aim is to encourage an interdisciplinary approach to monitor the effectiveness of the system and advise on reforms necessary for continuous improvement.

“There is a significant interest among Council members in CAFCASS and the challenges we face. The Council is focusing on establishing locally based Family Justice Councils during 2005, which will play an important role in co-ordinating improved services for children and families within local communities.”

– Jane Booth, Corporate Director, Service Models

Working with the ADSS

We reached an agreement with the Association of Directors of Social Services (ADSS) to work together in identifying ways to improve the service provided to children in the family courts. A draft joint policy statement was agreed in February 2005, setting out that ADSS and CAFCASS will work together to:

- Safeguard and promote the well-being of children
- Establish common principles for joint working
- Agree the basis for liaison between CAFCASS, ADSS and local Social Services
- Develop specific guidelines for areas of work where both CAFCASS and local Social Services are involved
- Influence public policy to promote the common aims of both organisations (e.g. work together to ensure that delays for children's cases are kept to a minimum)

The Service User Interest Group

The Service User Interest Group is chaired by Baroness Pitkeathley, and includes representatives from service user groups and organisations with an interest in our work.

Membership includes Association of Shared Parenting, Children's Legal Centre, Families Need Fathers, Fathers Direct, Grandparent's Association, National Association of Child Contact Centres, NCH, National Family & Parenting Institute, National Youth Advocacy Service, One Parent Families, ParentLine Plus, UK Family Mediation Services, and Women's Aid.

During the year the group met quarterly to discuss issues of mutual interest and developments within CAFCASS and the other member organisations. We are interested in further extending membership of the group and will be inviting new members to join us in the forthcoming year.

Fathers' Rights Groups

Fathers' rights in private law contact and residence disputes have been high on the public agenda following high profile campaigning by Fathers-4-Justice. Efforts are being made to improve relationships with all groups representing fathers' rights and to increase constructive engagement through channels such as attendance at conferences, the Service User Interest Group and exploring the possibilities of strategic partnerships.

INVESTING IN STAFF

Our most valuable asset is our staff. The work is personally demanding and often traumatic. All staff can be affected at one time or another by working with high levels of distress and conflict in families and in child protection work. How do we keep our workforce sustained, refreshed, and able to work to full capacity?

Great emphasis was placed by the incoming Chief Executive on supporting front-line staff and giving them the tools to do a difficult job to the highest possible standard. Communication between senior management and front-line staff was dramatically increased and this will continue as part of our core culture. A more enabling and empowering culture was promoted in a number of tangible and specific ways, such as implementing greater budgetary delegation across the organisation.

More still needs to be done to improve communication and to put in place a greater number of learning, training and development programmes at all levels of the organisation. 2005-06 will be a transitional year in which a revised learning and development strategy is put in place, ready for full implementation in April 2006. Existing programmes will continue during 2005-06.

Research

Practitioners are kept up to date on the latest thinking and research on children and families by Harriet Bretherton, our Research Co-ordinator. She achieves this through a quarterly digest, regular updates in the staff monthly bulletin and on the intranet and an annual research conference.

"Research is so important because children deserve a service that is as effective as it can be. We owe it to children to do what works."

—Harriet Bretherton, Research Co-ordinator.

We have enlisted the help of Research in Practice, the largest children and families research implementation project in England and Wales, to help the service disseminate information as effectively as possible. This gives practitioners access to a collaborative network of contributing agencies, a range of learning events and publications designed to make research more accessible.

We have also forged strong links with a number of universities:

- Professor Elaine Farmer of Bristol University's Centre for Family Policy and Child Welfare is completing some research into children who are placed with family and friends. She has run a series of seminars to share her findings on kinship care with practitioners
- Liz Trinder, senior lecturer at the Centre for Research at the University of East Anglia, has been commissioned by the Department for Constitutional Affairs to evaluate the methods of in-court conciliation that produce the best outcomes for children. We have supported this research and the findings will be announced in the summer of 2005
- Two Bristol University PhD students are in the early stages of undertaking research, funded by the Economic and Social Research Council with a contribution from CAFCASS. Beverley Prevatt-Goldstein is undertaking a study into the experiences of Black and minority ethnic families who are CAFCASS service users. She also attends meetings of the National Equality and Diversity Steering Group. Gillian Macdonald is analysing the experiences of families and children where there has been a history of domestic violence

“During the past year, two pieces of research have had a great impact on me in terms of thinking more about children’s voices being heard in proceedings. One was the NSPCC publication *Your Shout*, lead by Judith Timms. Among the many fascinating pieces of feedback from children, it was particularly interesting to note that children aged 11 and under were more likely to consider that they were listened to (55%) than those aged 12-15 (37%) or those aged over 16 (41%). Those figures highlight for me the difficulty in having ascertained older children’s feelings but then finding I cannot agree with them – which is often the case in public law – and can be experienced by the child as feeling they have not been heard or even consulted.

“The other research was from Beth Neil at the CAFCASS Research Conference in June 2004, when she reported on her study into contact after adoption. It has long been considered that post adoption contact was for the older child where there had been a substantial relationship with birth parents. Beth Neil’s research turned another piece of conventional wisdom on its head for me as her study showed that very young children can successfully have post adoption contact with birth parents when there had been no relationship to speak of between them.”

–Hoonie Feltham, Family Court Adviser, Oxford

Employee Assistance Programme

As part of the Employee Assistance Programme, our employees can call Confidential Care, a free confidential advice line which offers support and counselling 24 hours a day, seven days a week, year round.

INVESTING IN EQUALITY AND DIVERSITY

We recognise that society is enriched by diversity. By actively and consciously valuing diversity we seek to enrich ourselves as a public sector organisation, providing a high quality service and fair and equal treatment to all our staff and service users.

We have made significant strides during 2004-05 in raising the profile and outcomes of diversity work in CAFCASS. A revised Diversity Policy was launched in February 2005, providing a more accessible reference that supports and underpins all the work we are doing.

The National Equality and Diversity Steering Group (NEDSG) was reviewed to give it a more task-based focus. Representatives of regional diversity fora, which actively champion diversity at team, regional, and national levels, attend five meetings a year. New terms of reference were drafted and a work plan put in place. The NEDSG will provide leadership in the development of policies, procedures and practice to promote equality of opportunity and diversity in employment and service delivery as a mainstream activity.

Ownership of diversity starts at Board and National Management Team level and diversity workshops were held to develop partnership and relationship building between the Board and the National Management Team in the context of diversity. Harry Marsh, who has a solid and varied background in diversity issues, was appointed as diversity lead on the Board.

Making a Difference

Clement Benjamin, one of our Family Court Advisers, was born on the islands of St. Kitts/Nevis in 1955. He came to England, aged 12, with two of his brothers, to join his parents who had arrived six years earlier with two of his other siblings.

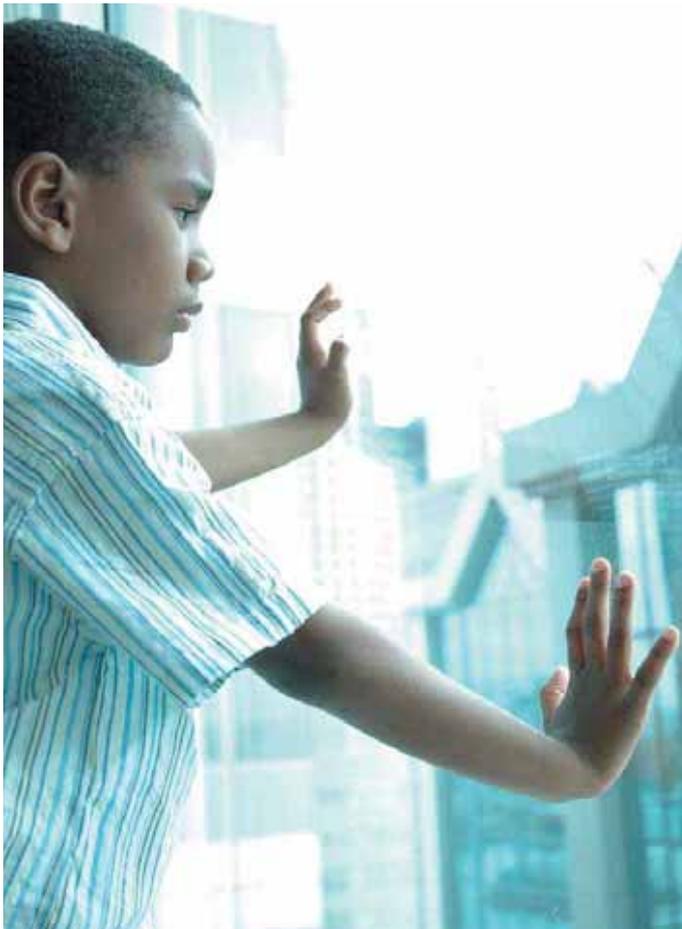
“Perhaps it was my childhood experiences that sensitised me to the needs of the children and families who CAFCASS support. I wanted to make a difference to the lives of vulnerable children and as a Family Court Adviser I believe I am.

“I became aware of the disproportionate numbers of black children in the care system. I knew then it was in the field of child welfare that I wanted to make a difference. I started my social work career in 1977 and obtained my professional qualifications in 1981. I did a variety of social work jobs, but it was when I became a Guardian ad Litem in 1991 that I felt I could really influence the outcomes for children.

“The title has changed, but the role remains the same. We ensure every decision taken throughout the proceedings is right for the child, keeping their welfare, needs and rights at the heart of our decision making. It is a highly rewarding job although not without its challenges.

“Many of these children are black and that places a special responsibility on me and other black Family Court Advisers to be vigilant to attitudes and practices within the child welfare system that may work against black children and their families. Of course we all have a general duty to combat discrimination against any service user group.

“I am halfway through a post graduate Master of Social Work degree, sponsored by CAFCASS. It is quite a challenge as it means studying while holding down a demanding job. However, in order to progress and continue giving a high quality service to my employers and to our service users, it is important for me to continue my development.”



section 6 >>
CHIEF EXECUTIVE'S REPORT

2004-05 was a year of great change in CAFCASS. A new Board, Chief Executive and National Management Team were in place and working well together by the end of the year. Inevitably, a new team brought with them new ideas, and it was my job to ensure we struck the right balance of change and continuity. I think we have succeeded in this, although there is a long way to go. In many ways it was a year of continuing discovery of all that still has to be put in place before we can truly call ourselves the world-class service the children and families we work with deserve. Nevertheless, 2004-05 saw considerable achievements and improvements, which are set out in this report.

Whilst demand in public law went down slightly, the time and resources needed in many individual cases increased, and demand continued to vary dramatically in many parts of England and Wales, reflecting local trends and circumstances. The capacity created by the reduction in demand for conventional private law reports was taken up by an increase in new Rule 9.5 cases, which offered a far higher level of service to children in the most hard to resolve private law cases.

The year saw many changes in practice, with local teams piloting new early intervention initiatives. During the year, we began to drive a programme of decentralisation forward, placing an emphasis on local service delivery and the role our local teams can play in local children's services partnership working. We reduced the number of head office staff and plan to release resources to our regions for them to strengthen their infrastructures to handle all operational service requirements. The role of the new National Office was evolving into a slimmed down corporate team, concentrating on resource allocation, performance management, strategy, and service leadership.

These changes trailed even bigger changes planned for 2005-06, which are being developed as a set of strategies for the next five years – CAFCASS 2010. This will be launched early in 2006. A new Performance Management framework, which will comprise new appraisal documentation, competencies, and a quality assurance programme, will be issued in July 2005.

CAFCASS was allocated a budget of £107 million in 2004-05, which represented a £12 million increase to its 2003-04 budget. This was in order to further reduce the backlog of unallocated cases. It was decided to sustain this increase into 2005-06. The budget of £107 million represents a 12.6% increase over the period 2003-04 (£95 million) to 2005-06 (£107 million).

Despite this, significant budget pressures remain. To address this, a Budget Task Force has been created, which I lead, to assist budget holders to live within their 2005-06 budget allocation. The Budget Task Force has identified a range of short term actions to control and/or reduce spend in 2005-06. Our budgetary position will be regularly reviewed with DIES. The next task will be to identify a different professional model for CAFCASS, which will enable us to operate more comfortably within our resource allocation whilst still allocating sufficient funding to essential infrastructure support.

New ways of working will be set out in a draft Professional Strategy, which is planned for release towards the end of the summer with a three month consultation period to follow. This strategy will bring together many of the best practice examples already up and running in many parts of the country, and focus on the working practices required to eliminate delays and backlogs from the service once and for all. This does not mean we have sufficient resources to deliver the level of service we think the children we represent deserve, but it is our primary duty to spend the resources we do have in the most cost-effective way, until such time as more funding becomes available. We will be setting out for the users of our services what can and cannot be done within the current resource level.

This report sets out much of the exciting work underway in CAFCASS, especially the ways in which we are attempting to see our services through the eyes of the children receiving them. This challenges much of what we do, and we will be the stronger for it.

During the year, we had to ensure the risks involved in such a major change programme were understood within the organisation and successfully managed. These risks included the strain on the overall capacity of the organisation arising from such a scale of change, and the relocation of some national functions from London to regions, such as national complaints management from London to the South West regional office in Taunton, and learning and development from London to the North West regional office in Manchester. An underlying concern I have is that many basic systems and processes in CAFCASS are still not working properly. Sustained attention will be paid to upgrading these in 2005-06, so that performance in a number of areas continues to improve. I also have to ensure we develop more capacity to respond successfully to many of the challenges we face.

The fact that our two top priorities for 2005-06 are to launch a new professional strategy which deals with underlying delays and backlogs once and for all, and to identify efficiency savings of £4 million which we will need to do to remain within budget, demonstrate we are above all a front line social work organisation with the pressures that go with that. By the same token, the reason we will be successful is that we have a workforce totally committed to the professional task of representing the 100,000 children a year we work with in the best possible way, and in a way which produces a tangible benefit and improvement in their lives.

CAFCASS is a unique service. It is going to be a great one.

Anthony Douglas
Chief Executive



annex 1 >>
HOW WE ARE ORGANISED

HOW WE ARE ORGANISED

The CAFCASS Board

- Baroness Pitkeathley OBE,
Chair
- Baroness Howarth of Breckland OBE,
Deputy-Chair
- Gillian Baranski
- Jennifer Bernard
- Margo Boye-Anawoma
- Erica De'Ath OBE
- Mark Eldridge
- Harry Marsh
- Richard Sax
- Nicholas Stuart CB
(Co-opted to the board)*
- Judith Timms OBE
- Professor Jane Tunstill

National Management Team

- Anthony Douglas,
Chief Executive
(appointed on 1 September 2004)
- Jane Booth, Corporate Director,
Service Delivery Models
- Sherry Malik,
Corporate Director, Strategy
and Performance
- Nicholas Maude,
Corporate Director, Resources
(appointed 26 July 2004)
- Lamorna Wooderson,
Corporate Director, Partnerships
- Jonathan Tross CB,
Chief Executive
(secondment ended 31 July 2004)
- Jonathan Kalemera,
Director of Finance
(resigned 9 July 2004)
- Anne Chan MBE,
Director of Operations
(resigned 31 July 2004)

- Sarah Carrington,
Director of Human Resources
(resigned 30 September 2004)
- Charles Prest,
Director of Legal Services and
Special Casework
(resigned 1 January 2005)

Audit Committee

- Nicholas Stuart CB – Chair
- Jennifer Bernard
- Margo Boye-Anawoma
- Mark Eldridge
- Baroness Howarth of Breckland OBE
- Judith Timms OBE

GENERAL CONTACT DETAILS

We can be contacted at the national office address:

CAFCASS
 8th floor
 Wyndham House
 189 Marsh Wall
 London E14 9SH

Further information is available on our website www.cafcass.gov.uk, including our 2005-07 Business Plan.

We have the following leaflets that explain the work we do:

- The Role of CAFCASS
- The Children's Guardian
- The Children and Family Reporter
- The CAFCASS Officer in Adoption

We also have a series of six leaflets for children and young people that explain the roles of the Children and Family Reporter and the Children's Guardian.

Copies of the CAFCASS Service Principles and Standards and Comments, Compliments and Complaints policy are available on request from CAFCASS offices and are published on our website.

* Co-opted means to add to the Board with the agreement of existing members where a skills audit identifies that the right balance has not been met in a Board with regard to its membership in terms of age, ethnicity, gender, skills, experience and background.



annex 2 >>
ACCOUNTS 2004-05

FOREWORD

1 Introduction

The Children and Family Court Advisory and Support Service (CAFCASS) is an executive Non-Departmental Public Body that was established by the Criminal Justice and Court Services Act 2000 (the Act), Chapter 43, Chapters II (sections 11-17) and III (sections 18-25) and schedule 2 (paragraphs 1-19).

Responsibility for CAFCASS formally transferred from Department for Constitutional Affairs (DCA) to Department for Education and Skills (DfES) on 12 January 2004.

2 Statement of Accounts

The statement of accounts of CAFCASS for the year ended 31 March 2005 has been prepared in a form directed by the Secretary of State for Education and Skills with the consent of the Treasury in accordance with the Accounts Direction dated 12 April 2002 given under schedule 2, paragraph 13(2) of the Act.

The accounts are audited by the Comptroller and Auditor General, who is appointed by Statute. The audit fee is £63,000 (2003-04 £87,000) and includes no fees for any non-audit services during 2004-05 (2003-04 £nil).

3 Going Concern

The balance sheet at 31 March 2005 shows net liabilities of £0.503m. 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' sponsoring department, the Department for Education and Skills. 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.

Grant-in-aid for 2005-06, taking into account the amounts required to meet CAFCASS' liabilities falling due in that year, has already been included in the department's estimates for that year, which have been approved by Parliament, and there is no reason to believe that the department's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for preparation of these financial statements.

4 Statutory Background

CAFCASS was established on 1 April 2001. Its primary duties, as set out in the Act, in respect of family proceedings in which the welfare of children is or maybe in question, are to safeguard and promote the welfare of the child, give advice to any court, make provision for children to be represented and provide information, advice and support for children and their families.

CAFCASS does this by providing reports in private law proceedings, Children's Guardian Reports in public law proceedings, reports in adoption proceedings, mediation, and attendance at non-privileged directions appointments.

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. In particular this includes holding land and other property, entering into contracts, investing and accepting gifts.

5 Principal Activities

CAFCASS provides a Private Law Service in relation to Private Law Children Act 1989 cases (i.e. applications for parental responsibility, residence, contact etc) when these matters are in dispute between the child's parents.

CAFCASS also supports important work on **non-privileged directions appointments** which help people reach agreed settlements; **family assistance orders** which continue involvement after the final decision of the Court to help ensure the arrangements work well; and the many **mediations** which help families reach voluntary agreement.

Further, CAFCASS has continued to support in excess of 260 different projects provided by our partners in the voluntary sector, in particular providing Contact Centres and Mediation services. We did so at a cost of £1.094m (2003-04: £1.104m) in the year. Contact Centres are neutral venues where children in separated families can enjoy contact with one (or both) parents and sometimes other family members in a comfortable and safe environment when there is no viable alternative.

CAFCASS provides a Public Law Service, representing children, in relation to Public Law Children Act 1989 applications for local authority care or supervision orders and other care related proceedings.

6 Results for the Year

The Income and Expenditure Account shows an operating deficit for the year amounting to £3.448m (2003-04: £0.692m). Note 13 to the balance sheet also shows an overdrawn cash position in the cashbook of £0.445m (2003-04: £0.603m in deficit).

7 Fixed assets

In line with Treasury requirements, all fixed assets are included in the balance sheet at depreciated current replacement cost.

The most significant addition to fixed assets during the year was IT equipment costing £0.570m.

In 2004-05 the Audit Committee revised the fixed asset capitalisation threshold:

- The Fixed Asset capitalisation threshold was increased from £1,000 to £2,500
- IT assets that fall below the £2,500 threshold are bulked together and recorded as bulked assets and capitalised
- Previously capitalised assets, which are not expected to have continuing value, were expensed in year

8 Future Developments

The draft 2005-07 Business Plan (to be approved by the Secretary of State for Education and Skills) identifies a number of priority areas, within each of our two broad areas for action in 2005-07

Transforming services – modernising practice

- Improving outcomes for children in line with *Every Child Matters* (being healthy, staying safe, enjoying and achieving, making a positive contribution, economic well being) by modernising our practice
- Mainstreaming race equality and diversity in all our work, in particular in teams
- Developing a more highly trained and skilled workforce
- Supporting children and families and improving our services through working effectively with all our partners

Transforming the organisation

- Becoming a more strategic organisation
- Strengthening leadership and management at all levels
- Developing a workforce strategy to recruit and retain a flexible workforce which better reflects the communities we serve and makes CAFCASS the employer of first choice for professionals in our sector
- Being more efficient and adding value in all we do

9 CAFCASS Members

The Chair and Members of the Board are appointed under Chapter 43, schedule 2, paragraphs 1-4 of the Act and the rules governing this are covered in The Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) Regulations 2000 (Section 4(B)), The Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) (Amendment) Regulations 2001. Further Amendment Regulations came into effect on 1 April 2005.

10 CAFCASS Members' Responsibilities

CAFCASS Members have corporate responsibilities relating to the governance of CAFCASS as a Non-Departmental Public Body as set out in the Framework Document and, therefore, for ensuring that CAFCASS complies with any statutory or administrative requirements for the use of public funds.

Other important responsibilities of CAFCASS 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 DfES; and
- Ensuring that CAFCASS operates within the limits of its statutory authority and any delegated authority agreed with DfES and in accordance with any other conditions relating to the use of public funds.

Members of CAFCASS (including the Chair) must adhere to CAFCASS' Code of Practice and Rules of Conduct for Members of CAFCASS.

11 Employment of Disabled Persons

CAFCASS follows the Civil Service Code of Practice on the Employment of Disabled People, which aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career advancement with CAFCASS is based solely on ability, qualifications and suitability for the work.

12 Equality of Opportunity

CAFCASS is fully committed to providing equal opportunity for all staff. CAFCASS follows Civil Service guidelines providing that all eligible people must have equality of opportunity for employment and advancement on the basis of their suitability for the work. There is no discrimination on the basis of age, disability, gender, marital status, sexual orientation, race, colour, nationality, ethnic or national origin or religion.

Our aim is that CAFCASS should reflect a diverse, modern society at all levels to both bring in and bring on talent.

13 Diversity

2004-05 was a busy year for CAFCASS in terms of our focus on Diversity.

The Board and National Management Team held an away day on Diversity, the outputs from this day will form the basis of the CAFCASS Diversity Strategy, which is currently being developed.

The CAFCASS Diversity Policy was revised to incorporate recent legislative changes to Employment Equality (Religion or Belief Regulations 2003). Harassment & Bullying, which previously formed part of the Diversity policy, is now a policy in its own right and will be supplemented by a management guide. The revised policy was negotiated and agreed with our Trade Union partners. Senior managers and Human Resources staff have had a high level briefing on the revised policy which is currently being cascaded out to the regions. In addition the Diversity Monitoring of Service User policy and procedures were revised and launched nationally with regional road-shows.

A diversity awareness training programme has also been developed and has been piloted in three teams. It is envisaged that this training will be rolled out nationally in 2005-06.

The National Equality and Diversity Steering Group continued to meet quarterly and continues to link with the Regional Diversity forums, where the focus is on the local workforce and the communities they serve. The Steering group revised its terms of reference, emphasising a focus on a projects and specific areas of work.

14 Employee Involvement

Extensive work to review existing Human Resources related policies and develop new ones took place in the second half of 2004. The work was undertaken jointly with the recognised trade unions via the National Partnership Committee. A fundamental review was carried out to ensure that our policies are fit for purpose and legally compliant. New policies were also developed. These include the Management of Organisation Change and the Mobility Policy.

The new Chief Executive has visited every location in CAFCASS and has met over 1,000 staff. These face-to-face visits have been very useful in engaging front line staff more overtly with senior management and identified first hand a number of key themes regarding local needs, employee's expectation of CAFCASS and reinforced how changes in culture and performance will be driven.

An agreement was reached on workloads for Family Court Advisers following the detailed discussions and meetings of a multidisciplinary working group comprising management, staff and Trade Union representatives.

Work on key areas such as service manager workloads and a review of the administrative and clerical role across CAFCASS continues with active trade union and staff input.

The Partnership Agreement agreed in 2002 which set out a framework for CAFCASS' working relationship with our recognised trade unions is being reviewed with a view to developing a more efficient, less bureaucratic framework for handling the committee's business and eradicates duplicated effort.

15 Health and Safety

Following the resignation of our Health and Safety advisor in January 2005 we have appointed an interim consultant to take forward (in conjunction with the CAF/CASS Health and Safety Committee) our Health and Safety agenda, pending the conclusion of the national office restructure.

The Health and Safety committee has been instrumental in resolving issues raised by the Health and Safety Executive and continues to play an important part in improving CAF/CASS Health and Safety practices.

A strategic stock-take of Health and Safety was carried out in March and an action plan is in place to address the key Health and Safety objectives below.

- To raise the profile of Health and Safety at CAF/CASS
- Publicise ownership of Health and Safety issues by senior management
- To strengthen the Safety Management System (SMS)
- To enable regional and local management of Health and Safety
- To control, as far as is reasonably practicable, all significant risks with the potential to cause harm to CAF/CASS employees

A key area of focus is the managing and monitoring of work related stress. A review of current practices documentation has commenced, with a launch date planned for July 2005.

As part of our Estates programme, CAF/CASS commissioned a Planned Preventative Maintenance (PPM) survey, fire risk assessments will be undertaken for all premises as part of this exercise.

Additionally Health and Safety and Disability Discrimination Act surveys will be undertaken for a percentage of CAF/CASS premises across England. The outcome of the PPM survey will determine the future Estates work programme and the required involvement of the Health and Safety Advisor.

Estates will also be reviewing the accommodation strategy – Health and Safety input will be needed.

A draft Asbestos Policy was recently endorsed by the Health and Safety Steering Group. A one day awareness training for all Business Managers and Business Support Officers has been organised following this. The policy will be implemented in 2005.

16 Timeliness in paying bills

CAF/CASS' policy is to pay bills in accordance with contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the latter. In CAF/CASS' fourth year of operation, 78.9% (2003-04: 82%) of invoices were paid within 30 days of receipt, based on an analysis of all invoices.

In November 1998, the Late Payment of Commercial Debts (Interest) Act came into force, providing small businesses with a statutory right to claim interest from large businesses (and all public sector bodies) on payments that are more than 30 days overdue. Amended legislation (the Late Payment of Commercial Debts Regulations 2002) came into force on 7 August 2002 providing all businesses, irrespective of size, with the right to claim statutory interest for the late payment of commercial debts. No interest has been claimed by creditors under this Act.



Chief Executive and Accounting Officer
Date: 13 July 2005

STATEMENT OF THE RESPECTIVE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND OF CAF/CASS

The Secretary of State for Education and Skills is responsible to Parliament for the proper and efficient use of monies voted for the Grant-in-Aid paid to CAF/CASS. He exercises these responsibilities through his Department's Principal Accounting Officer, who has designated me – as the Chief Executive of CAF/CASS – as CAF/CASS' Accounting Officer.

As CAF/CASS' Accounting Officer, I am responsible to Parliament for CAF/CASS' expenditure. I have personal responsibility for the propriety and regularity of the public finances for which I am answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in my charge. I have responsibility for good management of public money in relation to the expenditure and income of CAF/CASS, and for ensuring that CAF/CASS' officers fully understand the principles which they should apply to expenditure.

I act in accordance with a range of general and specific responsibilities and other instructions and guidance issued periodically by the Department for Education and Skills, the Treasury and the Cabinet Office – in particular the Treasury's *NDPB Accounting Officer Memorandum (Annex 8.2 of Government Accounting)* and the Treasury document *Regularity and Propriety*.

I have the personal duty of signing CAF/CASS' statement of accounts and the further duty of being a witness before the Public Accounts Committee (PAC) to deal with questions arising from the statement of accounts, or from reports made to Parliament by the Comptroller and Auditor General under the National Audit Act 1983. I am also the Principal Officer for the purpose of handling cases involving the Parliamentary Commissioner for Administration.

Under schedule 2, paragraph 13 of the Criminal Justice and Court Services Act 2000 CAF/CASS is required to prepare accounts for each financial year in the form and on the basis directed by the Secretary of State for Education and Skills with the approval of Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of CAF/CASS' state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts CAF/CASS is required to:

- Observe the accounts direction issued by the Secretary of State for Education and Skills, with the consent of the Treasury, 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 have been followed and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that CAF/CASS will continue in operation.

STATEMENT ON INTERNAL CONTROL

Scope and Responsibility

As Accounting Officer, I have responsibility for maintaining a robust system of internal control that supports the achievement of CAF/CASS' policies, aims and objectives whilst safeguarding the public funds and CAF/CASS' assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

I was appointed to the position of Accounting Officer in September 2004. I received assurances from my predecessor over the adequacy of internal control prior to that date.

CAF/CASS is an executive Non-Departmental Public Body (NDPB). It is headed by a non-executive Board appointed by the Secretary of State for Education and Skills, as set out in the Act, varied by the Transfer of Functions Order, January 2004.

The Department for Education and Skills (DfES) sponsors CAF/CASS and appropriate arrangements are in place to ensure that the DfES is fully informed of the business of CAF/CASS and that we, in turn, are informed of the DfES's requirements for CAF/CASS. A representative from DfES also attends the Audit Committee.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk 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 process designed to identify and prioritise the risks to the achievement of CAF/CASS' 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 throughout the year.

During the year, CAF/CASS has been able to put in place additional procedures that strengthen our systems of internal control. However, CAF/CASS still has further work to do before all its risk management and review processes are fully embedded.

Capacity to Handle Risk

As Accounting Officer, I am the primary owner of the Corporate Risk Register. The Chair of the Board and of the Audit Committee also play a key part in ensuring that the Board is aware of and is taking overall leadership of risk management in CAF/CASS.

I have provided a lead by revising the Corporate Risk Register to reflect those issues that could have a strategic impact upon CAF/CASS. The Corporate Risk Register was updated three times during the year. The most recent changes were in January and April 2005 and, therefore, could only have limited impact in facilitating the achievement of the Business Plan targets for 2004-05.

I have taken steps to extend budgetary delegation to front-line teams right across CAF/CASS. Although this has happened in the past in some regions, it constitutes a significant change to previous practice in others. Concomitant with this change I have ensured that the necessary training to support this change has been put in place. I have also ensured that appropriate monitoring systems were in place to sit alongside this increased level of delegation.

The Risk Control Framework

The Chief Executive and four Directors have executive responsibility for the management of CAF/CASS on a day-to-day basis and support the Board and CAF/CASS as a whole. All main Board meetings, which occur every six weeks, receive reports on performance, governance and risk issues, and reports from the Audit Committee. The Audit Committee, whose membership and Chairman are appointed from the non-executive Board Members, meets four times each year as a minimum.

I have observed since taking up my post that CAF/CASS had a very risk-averse culture. This had led to the development of controls that, in some cases, actually had the unintended consequence of increasing risk rather than reducing it. CAF/CASS needs to adopt a more risk-acceptance culture with controls to manage the risks in order to deliver its challenging remit. CAF/CASS' approach to risk management requires that risks be clearly linked to operational objectives. A framework has now been provided to manage risk with all risks being assigned to a risk owner. Top corporate risks are the subject of monthly review by the CAF/CASS Performance Board, and throughout the organisation, identified risks are required to be reviewed on a regular basis. The controls now in place are designed to be proportionate to the threat posed by the risk.

As an executive NDPB responsible to the Secretary of State for Education and Skills, CAF/CASS is obliged to observe the terms laid out in its Framework Document (including the Financial Memorandum) and the Act. This entails seeking authorisation before implementing certain decisions in accordance with these documents. Regular meetings were held with DfES to monitor this and the overall governance of CAF/CASS.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of this system is informed by the work of the Internal Auditors and the National Management Team within CAF/CASS who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board and the Audit Committee. A plan to address weaknesses to ensure continuous improvement of the system is being undertaken.

Management Group

At the time that I took up post, CAF/CASS had an executive team made up of the former CEO, four Directors and two Heads of Departments. I put in place a Corporate Decisions Group (National Management Team) with four Corporate Directors plus myself. The decisions taken by the group are published weekly on the intranet. Once a month the group meets with the Regional Directors of CAF/CASS for an extended meeting. These management groups allow me to have a more focused approach to decision-making and internal control. The extended group reviews the corporate risk register regularly and ensures that there is clarity over the ownership of risks and the related action plans.

Internal control bulletin

Throughout 2004-05 I have required that every cost centre is the subject of a process leading to an internal certificate that covers 16 control areas. Every cost centre submits returns that culminate in a certified annual return completed by every Regional Director and the National Office. The major issues to emerge in 2004-05 concerned local fixed asset records, fraud prevention methodology and gift/hospitality registers.

Risk questionnaire

At the time I took up my post, a questionnaire was circulated to all senior managers throughout CAF/CASS. This questionnaire enabled me to assess the extent to which the previous risk control framework was understood, and had become embedded throughout CAF/CASS. The questionnaire demonstrated that there was no common language surrounding risk in CAF/CASS and that as a result, there was significant potential for misunderstanding. In addition there was a lack of clarity over risk ownership. The questionnaire helped to focus the changes now made to the risk register. It has also impacted on the way in which the register is reviewed by the CAF/CASS Performance Board every month and informs the steps that I have introduced to embed risk management more securely throughout the organisation.

Audit Committee

A duly constituted Audit Committee has operated throughout the year and its terms of reference reflect best practice. The Audit Committee met five times in 2004-05. The attendance of the National Audit Office (NAO) at all these meetings provides a valuable opportunity to introduce their experience, views and advice on best practice. The committee has reviewed its procedures against NAO best practice guidance and concluded that it is demonstrably in compliance with that guidance in most aspects of its work.

Significant internal control problems

Based on the work of Internal Audit and other information, it is clear that CAF/CASS did not have adequate risk management and internal control processes to manage its achievement of the organisation's objectives in a number of areas for the whole of the year.

CAF/CASS underwent a major reorganisation during the year that did pose short-term risks and problems. These were properly identified and reported on internally. They are still being reviewed and managed in 2005-06 as CAF/CASS seeks to maximize the positive benefits from its reorganisation and change programmes.

CAF/CASS has succeeded in reducing the volume of outstanding audit recommendations by around three quarters during 2004-05. However four important areas of our work continue to have inadequate internal control processes. These were: Case Documentation, Risk Assessments, the Business Continuity Plan and the Case Recording System. The action plans currently in place will provide a sound basis for improved control in future years in three of these four instances. In the case of Business Continuity an action plan will be developed over the next six months.

As referred to by Internal Audit, the human resources area has not been subject to audit for three years. I recognised the importance of this area by extending the appointment of our interim Head of Human Resources. I wanted to give her sufficient time to facilitate the degree of change that I believed to be necessary in this area. I was also aware that HMICA were due to carry out an audit on human resources related matters during the course of 2004-05. I am confident that the work that is being done will put us in a substantially stronger position to meet the challenges of the future and I welcome the fact that the deferred internal audit work will take place in the first six months of 2005-06.

Areas of further work for 2005-06

CAF/CASS' priority is to strengthen the financial control and compliance culture across the organisation. We provided guidance and improved the information available to managers and undertook a significant programme of training during the course of the year to support this objective. We will continue to review the effectiveness of these actions in the coming year as well as providing internal training to new budget holders.



Chief Executive and Accounting Officer
Date: 13 July 2005

**CERTIFICATE AND REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements on pages 66 to 80 under the Criminal Justice and Court Services Act 2000. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 69 and 70.

Respective responsibilities of CAF/CASS, Accounting Officer and Auditor

As described on page 59, CAF/CASS and the Accounting Officer are responsible for the preparation of the financial statements in accordance with the Criminal Justice and Court Services Act 2000 and directions made thereunder by the Secretary of State for Education and Skills and for ensuring the regularity of financial transactions. CAF/CASS and the Accounting Officer are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Criminal Justice and Court Services Act 2000 and directions made thereunder by the Secretary of State for Education and Skills, and whether 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. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if CAF/CASS has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 60 to 63 reflects CAF/CASS' compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of CAF/CASS' corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by CAF/CASS and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to CAF/CASS' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, 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. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Children and Family Court Advisory and Support Service at 31 March 2005 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Criminal Justice and Court Services Act 2000 and directions made thereunder by the Secretary of State for Education and Skills with the approval of Treasury; and
- 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.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
15 July 2005

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2005

	Note	2004-05		2003-04	
		£000	£000	£000	£000
Income					
Grant-in-Aid	2	103,571		97,778	
Other operating income	3	190		132	
		103,761		97,910	
Expenditure					
Staff costs	4	65,987		58,773	
Contracted Guardian services	8	12,837		13,157	
Other operating charges	6	25,386		23,478	
Depreciation	7	1,866		1,956	
Partnership costs	9	1,094		1,104	
Cost of capital charge	1(i)	39		134	
		107,209		98,602	
Operating deficit	10	(3,448)		(692)	
Interest receivable and similar income	11	13		38	
Reversal of cost of capital charge	1(i)	39		134	
Deficit for the year		(3,396)		(520)	

All results arose from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2005

	Note	£000	£000
Deficit for the year		(3,396)	(520)
Net surplus on revaluation of fixed assets	18	188	25
Total recognised losses for the year		(3,208)	(495)

The notes on pages 69 to 80 form part of these financial statements.

BALANCE SHEET as at 31 March 2005

	Note	31 March 2005		31 March 2004	
		£000	£000	£000	£000
Tangible fixed assets	7		6,273		8,442
Current assets					
Debtors	12	1,473		1,448	
Cash bank and in hand	13	31		32	
		1,504		1,480	
Creditors: amounts falling due within one year	14	(7,730)		(5,851)	
Net current liabilities			(6,226)		(4,371)
Provisions for liabilities and charges	15		(550)		(309)
Total assets less liabilities			(503)		3,762
Capital and Reserves					
Deferred Government Grant Reserve	16		2,768		3,795
Income and Expenditure Reserve	17		(3,743)		(347)
Revaluation Reserve	18		472		314
			(503)		3,762

Anthony Dougherty

Chief Executive and Accounting Officer
Date: 13 July 2005

The notes on pages 69 to 80 form part of these financial statements.

CASH FLOW STATEMENT for the year ended 31 March 2005

	Note	2004-05 £000	2003-04 £000
Net cash inflow/outflow from operating activities		34	1,333
Returns on investments and servicing of finance			
Interest received	11	13	38
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	7	(603)	(428)
Disposal of Fixed Assets	6	713	-
Financing			
Loan (Paid Off)/raised		-	(83)
Increase/(decrease) in cash	13	<u>157</u>	<u>860</u>

Reconciliation of operating deficit to net cash inflow/outflow from operating activities

	Note	2004-05 £000	2003-04 £000
Operating deficit		(3,448)	(692)
Depreciation	7	1,866	1,956
Cost of capital charge		39	134
Downward revaluation of fixed assets	7	422	682
Increase in Deferred Government Grant	16	603	428
Release of Deferred Government Grant	16	(1,629)	(706)
(Increase)/Decrease in debtors	12	(26)	(310)
(Decrease)/increase in creditors	14	2,038	(111)
(Decrease)/increase in provisions	15	240	(170)
Expensing of fixed assets	7	454	22
Profit on disposal of Fixed Assets	7	(486)	-
Release of Revaluation Reserve against Downward Revaluation of Fixed Assets	18	(39)	-
Net cash inflow/outflow from operating activities		34	1,333

The notes on pages 69 to 80 form part of these financial statements.

NOTES TO THE ACCOUNT Year ended 31 March 2005

1 Accounting policies

These financial statements are drawn up in accordance with the Treasury's Executive Non-Departmental Public Bodies; Annual Reports and Accounts Guidance and applicable accounting standards. They are in a form as directed by the Secretary of State for Education and Skills with the approval of 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 fixed 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 so far as those requirements are relevant. The accounts are also consistent, where appropriate, with generally accepted accounting practice in the United Kingdom (UK GAAP).

b Going Concern

Parliament has voted grant in aid to CAF/CASS for the 12 months following the balance sheet date. Therefore, despite the balance sheet position of net liabilities, CAF/CASS operates as a going concern.

c Tangible fixed assets

Freehold land and buildings were valued externally by the Valuation Office Agency (VOA) as at 1 April 2005 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 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 tangible fixed assets, 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 Income and Expenditure Account to offset the total depreciation charged on that asset based on the revalued amount.

Any downward revaluation of fixed assets below the asset's depreciated historic cost is charged directly to the Income and Expenditure Account. Otherwise, it is offset against any balance in the Revaluation Reserve relating to that particular asset.

Tangible fixed 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. Furniture and fittings are not capitalised but fully expensed in the year of acquisition.

d Depreciation

Freehold land is not depreciated.

Depreciation is provided to write off freehold buildings and other tangible fixed assets by instalments 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 – 7 years
- computers & telecoms – 5 years
- vehicles – up to 4 years

e Pensions

Employees of CAF/CASS are members of the West Yorkshire Pension Scheme, which is funded on a pay-as-you-go basis. The amount charged to the Income and Expenditure Account 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.

A small number of CAF/CASS staff retained membership of the Principal Civil Service Pension Scheme (PCS/PS) by virtue of their earlier employment with one of CAF/CASS' predecessor organisations.

f Grant-in-Aid

Government grants receivable for revenue expenditure are credited to income in the year to which they relate. Government grants receivable for capital expenditure are credited to Deferred Government Grant Reserve and released to the Income and Expenditure Account in instalments over the lives of the assets purchased.

g Other income

Other income is generated from the award of court costs and accommodation receipts from other public bodies. Income is recognised on the issuing of an invoice which may be some months after the conclusion of a court case. All income is stated net of VAT.

h Insurance

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

i Operating Leases

Rentals under operating leases are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

j Cost of Capital Charge

As required by Treasury, a charge is made to the Income and Expenditure Account for the notional cost of capital. The notional capital charge, which reflects the cost of financing capital employed, is calculated at 3.5% (2003-04: 3.5%) of average net assets employed during the year excluding cash balances held by HM Paymaster General. In accordance with Treasury guidance the notional charge is credited back to the Income and Expenditure Account before determining the surplus or deficit for the year.

k Accounting for Value Added Tax

CAF/CASS 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.

2 Grant-in-Aid

	2004-05 £000	2003-04 £000
Total Grant-in-Aid received	102,544	97,500
Amount provided for capital expenditure credited to Deferred Government Grant Reserve	(603)	(428)
Released depreciation from Deferred Government Grant Reserve	1,630	706
	<u>103,571</u>	<u>97,778</u>

3 Other Operating Income

	2004-05 £000	2003-04 £000
Other Income	144	22
Award of Court Costs	46	110
	<u>190</u>	<u>132</u>

4 Staff Costs

	CAF/CASS Members £000	Corporate Head- Quarters Staff £000	Regional Staff £000	Total £000
Salaries and Wages	128	4,246	48,579	52,953
Social Security costs	10	381	3,978	4,369
Other pension costs [see note 5]	-	547	5,423	5,970
Total payroll costs	138	5,174	57,980	63,292
Temporary staff costs	-	481	1,995	2,476
Seconded costs	-	190	29	219
Total staff costs	138	5,845	60,004	65,987
Average numbers employed	2 [†]	71	1,681	1,754

	CAF/CASS Members £000	Corporate Head- Quarters Staff £000	Regional Staff £000	Total £000
Salaries and Wages	156	2,439	44,679	47,274
Social Security costs	12	212	3,637	3,861
Other pension costs [see note 5]	-	177	5,044	5,221
Total payroll costs	168	2,828	53,360	56,356
Temporary staff costs	-	455	1,505	1,960
Seconded costs	-	230	227	457
Total staff costs	168	3,513	55,092	58,773
Average numbers employed	2	68	1,624	1,694

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

The remuneration for the National Management Team and CAF/CASS Members is shown on page 72. Remuneration includes gross salary, allowances and, for the National Management Team, employer's contributions to the West Yorkshire Pension Scheme. Pension benefits are not provided for Board Members.

None of the Members or the National Management Team received benefits in kind.

[†] This figure represents the Whole Time Equivalent of the 12 Board members.

	Salary, including performance pay	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/05 and related lump sum	Real increase in CETV after adjustment for inflation and changes in market investment factors		
				CETV at 31/3/04	CETV at 31/3/05	
2004-05	£000	£000	£000	(nearest £000)	(nearest £000)	(nearest £000)
Jonathan Kalemera Finance Director Resigned: 9 July '04	23	0-2.5 plus 0-2.5 lump sum	0-5 plus 10-15 lump sum	29	39	5
Charles Prest Director of Legal Services Resigned: 1 Jan '05	118*	0-2.5 plus 2.5-5.0 lump sum	0-5 plus 10-15 lump sum	32	42	4
Sarah Carrington Human Resources Director Resigned: 30 Sept '04	71*	0-2.5 plus 0-2.5 lump sum	0-5 plus 5-10 lump sum	29	34	2
Anne Chan MBE Director of Operations Resigned: 31 Jul '04	72*	0-2.5 plus 0-2.5 lump sum	0-5 plus 5-10 lump sum	26	30	2
Nicholas Maude Corporate Director (Resources) Appointed: 26 Jul '04	57	n/a	0-5 plus 0-5 lump sum	n/a	5	n/a
Anthony Douglas Chief Executive Officer Appointed: 1 Sept '04	83	n/a	25-30 plus 80-85 lump sum	n/a	422	n/a

*These include payments in respect of compensation for loss of office.

	Salary, including performance pay	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/05 and related lump sum	Real increase in CETV after adjustment for inflation and changes in market investment factors		
				CETV at 31/3/04	CETV at 31/3/05	
2004-05	£000	£000	£000	(nearest £000)	(nearest £000)	(nearest £000)
Lamorna Wooderson Corporate Director (Partnerships)	81	0-2.5 plus 2.5-5.0 lump sum	0-5 plus 10-15 lump sum	33	45	8
Sherry Malik Corporate Director (Strategy & Performance)	81	0-2.5 plus 5.0-7.5 lump sum	10-15 plus 35-40 lump sum	144	171	23
Jane Booth Corporate Director (Service Delivery Models)	78	0-2.5 plus 5.0-7.5 lump sum	15-20 plus 50-55 lump sum	260	294	29

The former Chief Executive, Jonathan Tross, was on secondment to CAF/CASS until 31 July 2004. The Cabinet Office was responsible for the payment of salary, allowances and pension contributions and these costs to CAF/CASS have been included within secondee costs.

Carmel Hesketh was appointed interim Head of Human Resources in August 2004 and is paid by an Agency (£0.110m in 2004-05).

Columns 4 and 5 of the above table show the members 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.

A CETV is the actuarially assessed capitalized value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the Civil Service (CS) Vote 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.

Board Members	Basis of Appointment	Appointed	Remuneration £000	
			2004-05	2003-04
Baroness Pitkeathley OBE	Part time		41	13
Richard Sax	Part time	30 April 04	9	3
Baroness Howarth of Breckland OBE	Part time	30 April 04	9	3
Professor Jane Tunstall	Part time	30 April 04	9	3
Nicholas Stuart CB	Part time	30 April 04	9	3
Gillian Baranski	Part time	30 April 04	3	
Jennifer Bernard	Part time	30 April 04	9	
Margo Boye-Anawoma	Part time	30 April 04	9	
Erica De'Ath OBE	Part time	30 April 04	9	
Harry Marsh	Part time	30 April 04	9	
Judith Timms OBE	Part time	30 April 04	9	
Mark Eldridge	Part time	30 April 04	0	

5 Pension costs

CAFCASS participates in the West Yorkshire Pension Scheme and the Principal Civil Service Pension Scheme (PCSPS). The West Yorkshire Pension Scheme is a multi-employer defined benefit scheme in which CAFCASS' share of the underlying assets and liabilities is not identified.

The contribution rate determined by the independent fund actuaries, Mercer Human Resource Consulting, is 11.9%. This is based on service to CAFCASS and ill health retirements. The rate for 2005-06 is 12.3%. Employer's contributions to the Scheme for the year amounted to £5.97m (2003-04: £5.2m). 1,900 (2003-04: 1,878) employees participated in the scheme during 2003-04. Actuarial valuation for transferred service has been requested but will not be available for some months [refer to Note 20].

The last independent actuarial valuation of the West Yorkshire Pension Scheme was on 31 March 2004 and revealed that the scheme was 82% funded in relation to past service. The valuation is based on assets and liabilities at 31 March 2004. Following the Actuarial valuation the revised employer contribution rates are as follows:

2005-2006	12.3%
2006-2007	12.8%
2007-2008	13.2%

The revised target employer contribution rate at the end of a six-year phasing in period is 14.5%. Based on further phasing between 2008-2009 and 2010-2011, this means that the total rate will be payable by 2010-2011.

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. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2004-05, employers' contributions of £56,557 (2003-04: £41,000) were payable to the PCSPS at one of four rates in the range of 16.2% to 24.6% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates will remain the same next year, subject to revaluation of the salary bands, but will increase from 2005-06. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

11 employees participated in the PCSPS during 2004-05 (2003-04: 10) and none of these individuals were in a partnership pension account or a stakeholder pension.

6 Other Operating Charges

	2004-05	2003-04
	£000	(Restated) £000
Accommodation costs	8,322	6,849
Outsourced accounts and payroll services	2,804	2,747
Office supplies, printing and stationery	2,060	2,005
Recruitment costs	651	579
Travel and subsistence	4,418	4,461
Vehicle expenses	427	387
External consultancy	697	755
Legal costs	1,151	1,610
External audit costs	63	87
Internal audit costs	111	93
Telecommunications and postage	1,681	1,355
Fuel and utilities	225	254
Total training cost	1,131	665
Downward revaluation of fixed assets	383	682
(Profit)/Loss on sale of assets	(486)	22
Assets suffering impairment	453	-
(Decrease) in doubtful debts provision	-	(7)
Movement in provisions	454	104
Other costs	841	830
	25,386	23,478

Prior year figures have been restated to disclose training cost separately from other cost, as this is now a significant item of expenditure.

7 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold land, buildings and improvements	Computer and Telecoms Equipment	Other Assets	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2004	2,914	1,459	9,117	91	13,581
Additions	-	-	570	33	603
Disposal	(270)	(44)	-	-	(314)
FAR Expensing	-	-	(1,851)	-	(1,851)
Revaluation	149	4	(736)	(1)	(584)
At 31 March 2005	2,793	1,419	7,100	123	11,435
Depreciation					
At 1 April 2004	145	413	4,512	69	5,139
Charged in year	32	169	1,650	15	1,866
Disposals	(13)	(44)	-	-	(57)
Impairment	-	-	(1,397)	-	(1,397)
Revaluation	(6)	-	(382)	(1)	(389)
At 31 March 2005	158	538	4,383	83	5,162
Net Book Value					
At 31 March 2005	2,635	881	2,717	40	6,273
At 31 March 2004	2,769	1,046	4,605	22	8,442

The cost of additions to fixed assets is funded through [Capital] Grant-in-Aid [see Note 16].

Permanent diminutions charged to the Income and Expenditure Accounts of £0.383m include diminution of Computer and Telecommunications Equipment.

Freehold land at 31 March 2005 was valued at £0.865m [2003-04: £0.874m].

Property assets were independently valued by the Valuation Office Agency as at 1 April 2005 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.

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].

Fixed Assets suffering impairment with a Net Book Value of £0.454m were expensed in year.

8 Contracted Guardian Services

In 2004-05 we contracted the services of 468 self-employed guardians of which amounts paid amounted to £12.837m in the year [2003-04: £13.157m]. As self-employed contractors, Guardians are responsible for meeting travel, office and all other expenses related to their work, as well as related tax and national insurance liabilities.

9 Partnership costs

Partnership costs represent the cost of services totalling £1.094m [2003-04: £1.104m], provided by CAFCASS through third party organisations such as Contact Centres and Mediation Centres.

10 Operating Deficit

CAFCASS' payments for 2004-05 were met primarily from the cash funding available from the Department for Education and Skills.

11 Interest receivable and similar income

	2004-05	2003-04
	£000	£000
Interest received on staff loans	13	38

12 Debtors

	31 March 2005	31 March 2005
	£000	£000
Other debtors	257	237
Prepayments and accrued income	1,216	1,211
Total	1,473	1,448

Within other debtors is a balance of £0.040m (2003-04: £0.110m) representing long-term debtors for outstanding car loans.

Intra-government balances

Balances with Central Government bodies	168
Balances with NHS Trusts	-
Balances with Public Corporations	-
Balances with bodies external to Government	1,305
Total	1,473

13 Analysis of changes in cash

	1 April 2004	Cashflow	31 March 2005
	£000	£000	£000
Cash	32	(1)	31
Bank	(635)	159	(476)
Total	(603)	158	(445)

14 Creditors: amounts falling due within one year

	31 March 2005	31 March 2004
	£000	£000
Overdrawn Cashbook	476	635
Trade Creditors	2,300	3,392
Other Creditors	36	22
Taxation and Social Security	787	707
Accruals and Deferred Income	4,131	1,095
Total	7,730	5,851

Other Creditors include the March 2005 supplementary payroll.

Intra-government balances

Balances with Central Government bodies	787
Balances with NHS Trusts	-
Balances with Public Corporations	-
Balances with bodies external to Government	6,943
Total	7,730

15 Provisions for liabilities and charges

	2004-05	2003-04
	£000	£000
Balance of provision at 1 April	309	479
Provision utilised in year	(216)	(275)
Provision reversed unused in year	(2)	(204)
Increase in provision	459	309
Balance of provision at 31 March	550	309

The above provision represents potential liabilities that CAF/CASS, in accordance with FRS 12, considers should be recognised at the balance sheet date.

Truth & Reconciliation Initiative

The Truth and Reconciliation exercise commenced in November 2004 to address high levels of staff dissatisfaction and low trust with the organisation on a range of long running employee relations' issues. The objective of the initiative is to explore resolution, conciliation and where possible agreement to enable closure and the growth of a genuinely united, forward-looking and committed workforce through a stronger psychological contract between staff and CAF/CASS as an employer. The outcome of the exercise has had a financial impact in the 2004-05 financial year.

Employment Matters

The increase in provision includes a number of headquarter and regional service managers' new cases relating to employee claims, estimated staff harmonisation costs, estimated National Insurance and tax liabilities.

The timing and amount of any payments in respect of the provisions established is uncertain but based on the best estimates available.

16 Deferred Government Grant Reserve

	31 March 2005	31 March 2004
	£000	£000
Opening Balance	3,795	4,073
Deferred Grant-in-Aid provided	603	428
Release to Income and Expenditure Account	(1,630)	(706)
Closing Balance	2,768	3,795

The cost of assets purchased during 2004-05 has been deducted from grant income and transferred to the Deferred Government Grant Reserve (see note 2).

Depreciation on assets purchased by way of the grant has been offset by an equal amount released back to the Income and Expenditure Account from the Deferred Government Grant Reserve.

17 Incomes and Expenditure Reserve

	31 March 2005	31 March 2004
	£000	£000
Balance at 1 April	(347)	173
Deficit for the year	(3,396)	(520)
Balance at 31 March	(3,743)	(347)

18. Revaluation Reserve

	31 March 2005	31 March 2004
	£000	£000
Balance at 1 April	314	289
Upward revaluations of Freehold Land and Buildings	227	25
Downward revaluations of Freehold Land and Buildings	(39)	-
Revaluation released to Income and Expenditure	(30)	-
Account on sale of assets	-	-
Balance at 31 March	472	314

19. Commitments

Capital commitments

There were no capital commitments as at 31 March 2005.

Operating lease commitments

At 31 March 2005, CAF/CASS was committed to making the following annual payments in respect of non-cancellable operating leases expiring:

	2004-05		Total
	Land and Buildings	Other	
	£000	£000	£000
Within 1 Year	326	524	850
Between 2 and 5 Years	5,029	762	5,791
Over 5 Years	12,955	5	12,960
	18,310	1,291	19,601
	2003-04		
	Land and Buildings	Other	Total
	£000	£000	£000
Within 1 Year	300	52	352
Between 2 and 5 Years	4,397	1,000	5,397
Over 5 Years	15,361	-	15,361
	20,058	1,052	21,110

Other Commitments

CAF/CASS has a three-year contract with Unisys Ltd which commenced on 1 April 2003 to provide finance, payroll and IT managed services. The commitment in 2005-06 is £2.750m (including VAT). The contract provides for a possible extension of an additional two years.

20 Contingent liabilities

Transferred Pensions

When CAF/CASS was formed on 1 April 2001, it inherited transferred staff from 117 previous employers, who together held pensions at other Local Government Pension Schemes.

West Yorkshire Pension Fund (WYPF) did not receive details of all the transferred employees earlier pension schemes. These details were sent during 2004-05.

The potential shortfall or contingent liability depends on the level of payments received from the other Local Government funds relative to the liabilities in relation to the pension promise inherited by CAF/CASS on transfer to the WYPF. WYPF's Actuary, Mercer Human Resource Consulting, produced a proposal for payments, which was circulated to all the Administering Authorities. The Proposal sought to enable agreement to be reached on a suitable basis and method with which to calculate the transfer payments to WYPF. The Fund's Actuary and WYPF have not yet completed this work.

Nothing has been provided for in the accounts until further information to the proposals becomes available.

21 Related party transactions

CAFCASS is an executive non-departmental public body that is sponsored by the Department for Education and Skills (DfES). DfES as such is regarded as a related party.

During 2004-05, CAFCASS had various material transactions with DfES, including the receipt of £102.544m grant funding from DfES.

There were no related party transactions with Board Members or the National Management Team during the year other than those associated with remuneration for normal duties.

22 Post balance sheet events

The Children and Family Court Advisory Support Service (CAFCASS) is a non-departmental public body (NDPB) sponsored by the Department for Education and Skills (DfES). CAFCASS has 10 regional offices that operate throughout England.

Up until 31 March 2005 CAFCASS' remit also covered services throughout Wales but responsibility for those services have now transferred to the National Assembly for Wales and are now known as CAFCASS Cymru.

The Assembly already has responsibility for the vast majority of children's services in Wales, and in recognition of this and in the interests of consistency, the UK Government and the Welsh Assembly Government has decided that the transfer of CAFCASS Cymru would be appropriate. Transfer took place under the Government of Wales Act 1998 with effect from 1 April 2005 and the service is now established as a unit of the Assembly, with appropriate operational and professional independence.

23 Financial instruments

Financial Reporting Standard 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which government departments are financed, CAFCASS is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which Financial Reporting Standard (FRS) 13 mainly applies. 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.

As permitted by FRS 13, debtors and creditors, which mature or become payable within 12 months from the balance sheet date have been omitted from the disclosures.

Fair values

There is no difference between the book value and fair value of any of CAFCASS' financial assets and liabilities as at 31 March 2005.

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.

Foreign Currency Risk

CAFCASS is not exposed to any significant foreign currency risk.

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