



Children and Family Court Advisory and Support Service

2018-19 Annual Report and Accounts

An executive non-departmental public body

Children and Family Court Advisory and Support Service

2018-19 Annual Report and Accounts

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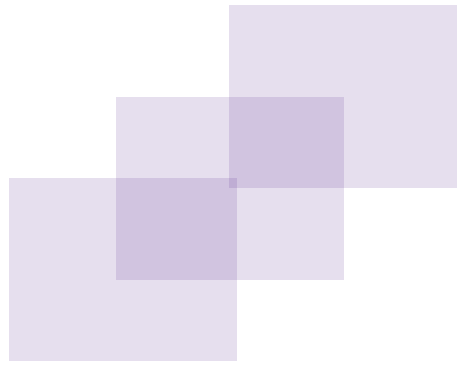
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A glossary of terms used in this report, and in the family justice sector more widely, is set out on page 89. This is based on the glossary produced by the Family Justice Young People's Board.¹

We have used the following format of listing proper nouns in full the first time it is used, with the acronym or initialisation then set out in brackets. We then use the acronym or initialisation.

All months should be read as falling within the period this report covers (1st April 2018 to 31st March 2019) unless otherwise specified.

¹ - The Family Justice Young People's Board (FJYPB) comprises over 60 children and young people aged between seven and 25 years old who have had direct experience of the family justice system or have an interest in children's rights and the family courts. The FJYPB works to ensure that the family justice system remains child-centred and child inclusive by promoting the voice of the child.



Section 1

The performance report

Overview

- Introduction from the Chair of the Cafcass Board and Interim Chief Executive
- Who we are and what do we do
- Demand for our services in 2018-19
- Maintaining the quality of our work while moving forward
- A child's journey through our service, in public and private law
- Our commissioned services through the year
- The quality of our practice through the year
- Our strategic contribution to the family justice sector

Introduction from the Chair



This year Cafcass was primed to further develop and shape its future. Cafcass has used the Ofsted rating of 'Outstanding' in March 2018 as a springboard to continue making improvements both within the organisation, and the wider family justice sector. The Board has observed innovation in practice, as well as a consistently high quality of work with children and families. Cafcass has also had a key role in the sector work which is underway to understand and tackle some of the current issues facing the family courts.

Firstly, I would like to extend my warmest thanks and appreciation to our former Chief Executive Anthony Douglas, who ended nearly 15 years of service with Cafcass shortly after this reporting period. The impact, often direct and personal, that he has had on the lives of children and families during his time with Cafcass would be impossible for me to sum up, but this quote from a young person goes some way to capturing the essence... "from friendship to mentorship to leadership, you have guided this [Family Justice Young People's] Board to success in every possible way you could." His contribution was acknowledged as a recipient of the 'Outstanding Contribution Award' at the Social Worker of the Year Awards in November.

I would also like to thank Julie Brown, Director of Resources, who has served since May as Interim Chief Executive and Accounting Officer. She has been supported by Christine Banim, National Service Director and Teresa Williams, Strategic Director. The Board has been fully supportive of this approach as have our sponsor department, the Ministry of Justice (MoJ). I am pleased that we have appointed a permanent Chief Executive.

In November, Anthony and I introduced plans to refresh the Cafcass Strategic Plan. Our aim is to maintain continuous improvement in our casework, against a challenging backdrop of increased demand and constrained resources, as well as engaging with families and the wider support system to bring about better outcomes for children and families. We shared the initial thinking around the priorities for our practice, our people and our partners, that the new strategic plan will cover at our January public Board meeting. I was pleased with the positive response from attendees to Cafcass' approach for this refresh and the commitment from interested parties to work together to help deliver our shared objectives.

This year the composition of the Board changed. Three new Board members were appointed by the MoJ, and one member was newly co-opted to the Board. I have hugely welcomed the range of experience and knowledge our new members have, building on membership which provides both appropriate challenge and support to the organisation. We will be aligning our member roles to the key priorities set out in the strategic plan.

As ever, the Board is aware of the ongoing pressures our staff have been under through continued high demand. Our programme of office visits remains a vital means of connecting with local teams to see the impact of this first hand and help inform and shape our strategic response. I hope staff also enjoy this opportunity to get to know our members and share their views.

Finally, at a time of ever-increasing workloads and expectations, both I and other Board members want to extend our personal thanks to all Cafcass colleagues for the immense effort and professionalism they have demonstrated over the past year and now into the next.

Signed: Edward Timpson CBE, Chair of Cafcass Board.

A handwritten signature in black ink, which appears to be 'Edward Timpson'. The signature is written in a cursive, flowing style. It is positioned to the right of the typed name and is enclosed within a thin black rectangular border.

Introduction from the Interim Chief Executive



I am introducing this report at a point of transition for the organisation, as we move from one Chief Executive to our next and as we refresh our strategic direction for the coming years. But the constant remains the dedication and commitment of our workforce to supporting the 133,850 children and young people we worked with this year. I am pleased to report that we continued to meet our Key Performance Indicators this year, during which we saw fluctuations in public law demand and overall increases in private law demand.

It has been a year where we have continued to improve the resources we provide to our practitioners, to better meet the needs of the families we support. We have done this in a collaborative way, drawing on the collective expertise of our practitioners and those working in the field to shape our strengthened Child Impact Assessment Framework (CIAF) in October. This framework places the impact of parental separation on a child at the centre of our assessment. Responding to the needs of children as digital natives, we have introduced our interactive children's app 'How it looks to me'. And, reflecting the way we all now manage most aspects of our lives via a smartphone or tablet, we are building an online version of the Separated Parents Information Programme.

We co-sponsored and played an active role in two judicially-led working groups, looking at how the Public Law Outline and Child Arrangements Programme could be reformed. The combination of a commitment to act quickly but accepting that a long-term view is necessary, is very much welcomed by Cafcass. We have also formed an internal Public and Private Law Strategy Group to review and make decisions about ongoing and future strategic projects that will help us manage demand and improve outcomes for children and families in the family justice system, and inform our contribution to external initiatives.

We are working with the Nuffield Family Justice Observatory to open up access to the knowledge and data we hold as a national organisation to help provide a picture of what is happening across the family courts. We closed the year by bringing together experts from Northern America and the UK for a conference considering co-parenting and how we can equip parents who have separated to still maintain an effective relationship, in various forms, to meet the needs of their children.

I would like to thank our sponsor department, the Ministry of Justice. And to thank Edward and our Board: their recent contributions through their portfolio leads, such as working with our Communications team, are welcome and provide the right balance of challenge, new thinking and support. On behalf of our senior leadership team I would like to thank Anthony for his determination to steer every single member of staff to be the best they can be, and do all that they can do, for the children and families who come through our door each year.

Finally, I would like to thank our staff, all of whom have worked tirelessly this year, as they do every year. The levels of engagement from teams, both operational and corporate, to help shape our refreshed strategic plan and to contribute to improvements in Cafcass and the wider family justice system have been phenomenal, especially when considering the challenges of delivering the day job. Their contribution continues to improve our organisation and we would not be where we are without this ongoing commitment.

Signed: Julie Brown, Interim Chief Executive of Cafcass.

A handwritten signature in black ink, appearing to be 'Julie Brown', written in a cursive style.

What we do

Cafcass stands for Children and Family Court Advisory and Support Service. We aim to make sure that children's voices are heard in the family courts and that decisions are taken in their best interests. We operate within the law set by Parliament (Criminal Justice and Court Services Act 2000) 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 may be asked by the court to work with families in two main areas:

- Private law, including child arrangements for children after parents have divorced or separated. In these cases, a Cafcass social worker will be appointed by the court to act as a Family Court Adviser (FCA). Their job is to provide information to the court that is needed for a safe decision to be made about arrangements about who the child lives with or spends time with.
- Public law, including care and adoption cases where the local authority (LA) has serious concerns about the safety or welfare of a child. In these cases, a Cafcass social worker will be appointed by the court to act as a Children's Guardian. Their job is to check the LA's plan and make sure that it is the best possible for the child.

We work within the strategic objectives agreed by our sponsor department, the MoJ, and contribute to wider government objectives relating to children. We also have our own strategic priorities and a national business plan which set out what we are aiming to achieve.

Our strategic priorities for this reporting period focused on five areas:

- Quality: continue with further improvements to the quality of our work.
- Diversity: build further on our understanding of diversity in casework, always seeing the uniqueness of each child we have responsibilities towards.
- Influence: use our influence positively as the voice of the child, and the eyes and ears of family courts.
- Family justice innovation: implement our part of the family justice reform and bring innovation to our services.
- Efficiency and effectiveness: continue to pursue efficiency and effectiveness in all services, looking to make further savings in our budget, while still providing the best outcomes for children.

We have been reviewing these priorities over this reporting period and will be launching a refreshed strategic plan for the next three years in summer 2019.

We are a non-departmental public body (NDPB) accountable to the Secretary of State at the MoJ. Our Chief Executive is supported by three Directors. Going into the next reporting period, one Director is our Interim Chief Executive, supported by the two other Directors pending the arrival of a permanent Chief Executive. Our Corporate Management Team (CMT) is accountable for the running of the organisation. Our Operational Management Team (OMT), led by the National Service Director, meets monthly to manage performance of Cafcass operational staff. Monthly service area meetings take place to cascade information from OMT and CMT to staff. We also have a range of internal boards and groups managed by CMT. For more information on our organisational structure please see Section 2 of this report.

Demand for our services 2018-19

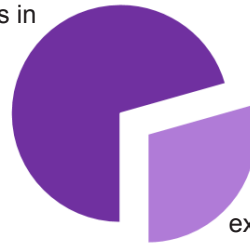
Children we worked with

In total this year we worked with



children and young people. This is 5% (6,388) more children and young people than last year.

94,515 children were referred to us in new cases



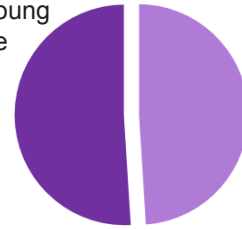
and, 39,335 children were in existing cases.

In our private law work we worked with 65,378 children and young people in new cases.

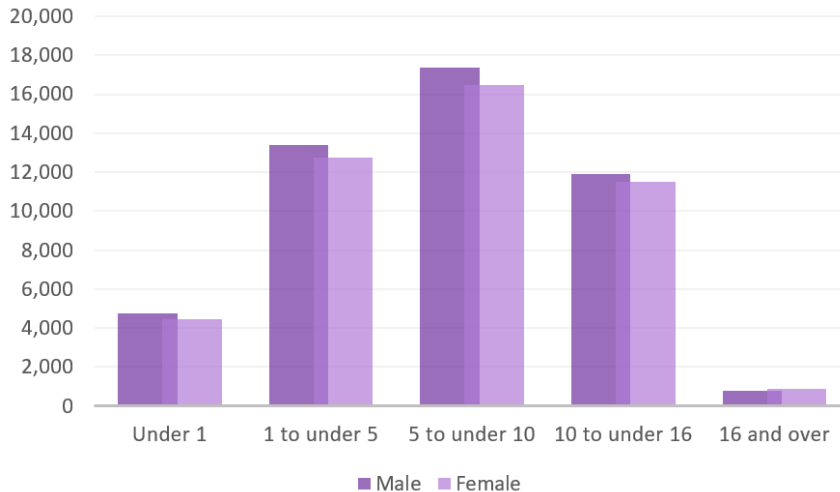


In our public law work we worked with 29,137 children and young people in new cases.

Within all new cases 51% of children and young people were male



and, 49%² female.



69,201 children and young people we worked with in new cases were 10 years old and under.

² - As of March 2019, Cafcass has introduced additional gender options to case recording which allows for non-binary and trans identifications. There is not sufficient information to report at this time.

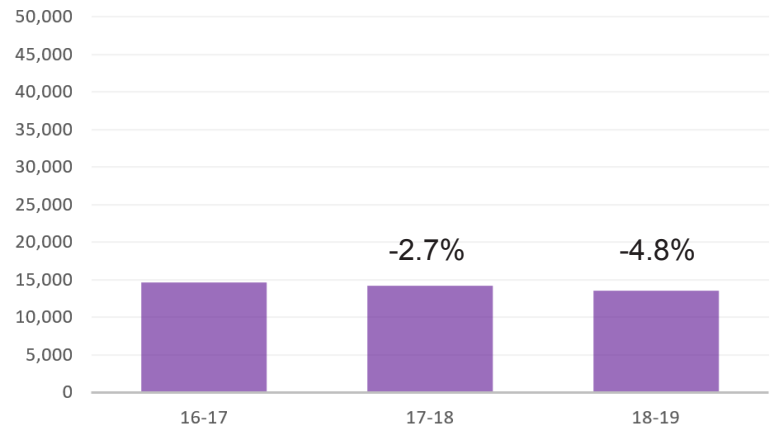
Our caseload

In total this year we received

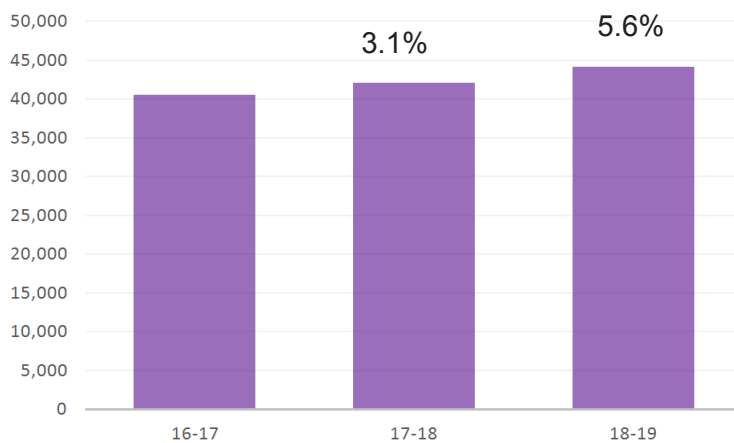
62,537

new cases, representing an increase of 3.1% compared with 2017-18.

Care applications



Private law cases



Our total number of open cases at year end was

35,205

representing an increase of 10.2% compared with 2017-18.

Care applications received in 2018-19 are 4.8% lower than the demand in 2017-18 and 7.3% lower when compared to the demand in 2016-17.

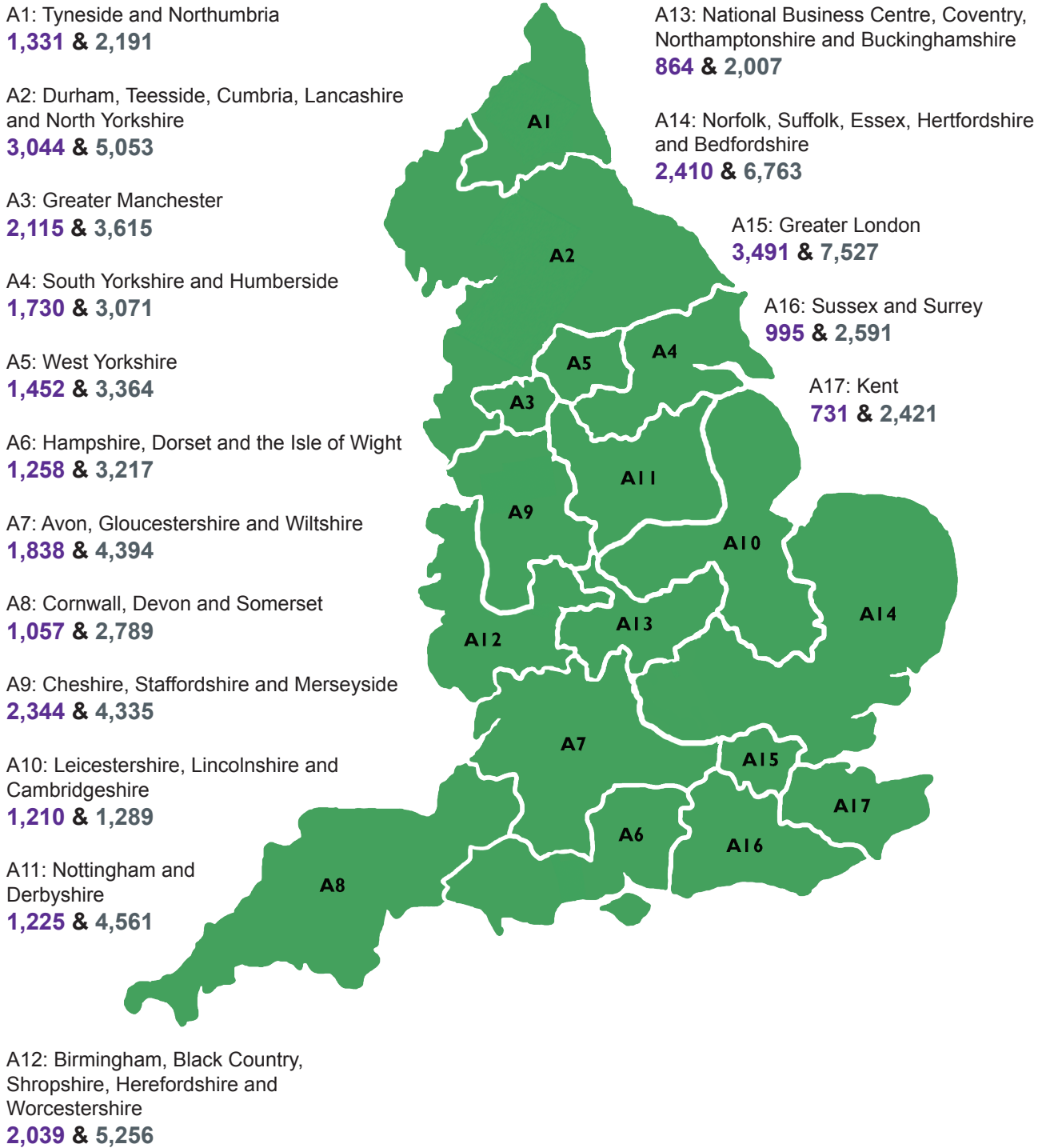
In terms of the private law cases, the new cases received in 2018-19 are 5.6% higher than 2017-18 and 8.9% higher than the cases received during 2016-17.

Demand has risen significantly in our private law work and has decreased slightly in our public law work. The overall trend has seen the public law demand plateaued at a higher level in the last 3 financial years.

As with previous years, this has meant we have had to continue to work under pressure. Last year in March 2018 we received an 'Outstanding' rating from Ofsted, and this year we have focused on continuing to develop and innovate, while maintaining the quality of our work against the rising demand for our services.

Numbers of children in new cases received by service area

- Number of children in public law cases
- Number of children in private law cases



Maintaining the quality of our work while moving forward

Maintaining the quality of our work

Despite the continued increase in demand, we have continued to meet all our Key Performance Indicators (KPIs).

For both public and private law, we measure the percentage of 'open' (ongoing) cases which have an allocated Cafcass practitioner (KPI1 and 3). For public law, we measure how quickly a Cafcass practitioner is allocated to a case (KPI 2). For private law, we measure how many section 7 court reports are completed by the date the court has set (KPI4). More detailed information on how we have performed throughout the year is set out on pages 29-33.

Developing our strategic plan

Our current Strategic Plan covers the five-year period to 2020 and focuses on the work we needed to do to move towards outstanding in the quality, efficiency and effectiveness of our work, in our approach to diversity, and in our approach to innovation, influence and reform. We were delighted to achieve our 'Outstanding' Ofsted rating well before the end of the period covered by our current plan. This, together with the arrival of a new Chair and Director of Strategy, provided an excellent platform for revisiting our strategic focus.

Our new strategy will cover the next three years and will be published in autumn. It has been developed with significant input and engagement from our staff across all parts of the organisation, from the FJYPB, and from our family justice system partners, as well as wider stakeholders. Ongoing engagement with each of these groups is a key feature of our new strategy which recognises the importance of working together to improve outcomes for all the children we work with as part of a wider family justice system. Our work over the next three years will be focused on:



As a data rich organisation, we will continue to invest in our own analytics and feedback mechanisms so that we can better demonstrate the difference we make to children and families; but we will also work with external partners – including the research community, through the Nuffield Family Justice Observatory – to develop the evidence base, tools and resources that will support improvements in the family justice system.

Spotlight on Child Impact Assessment Framework

The Cafcass Child Impact Assessment Framework (CIAF) was launched in October 2018 to bring together existing guidance and tools, as well as a small number of new tools, into one comprehensive framework.

The framework was informed by an internal reference group comprising approximately 40 practitioners from across the country and led by Sarah Parsons, Assistant Director and Principal Social Worker for Cafcass. The framework was tested internally at points ahead of its launch and feedback was sought from every team to inform its development. It also benefited from the input of a range of sector experts and family justice stakeholders, including the judiciary, lawyers, academics, therapists, parent groups, children's advocacy groups, charities, and the FJYPB. These stakeholders shared their views on the framework's content through workshops and other mechanisms. Their feedback, along with that of the reference group, is reflected in the final version.

The CIAF emphasises that safeguarding principles and child impact are at the heart of our assessment process, with assessments starting and ending with the question 'What is happening for this child?'. The guidance sets out how children may experience parental separation and helps Cafcass private law practitioners understand and act on their assessment of the child's lived experience to inform their child impact analysis and recommendations to court.

The framework has been structured into four guides which practitioners can use in conjunction, depending on the issues in each case. Cafcass FCAs are now using these pathways to assess different case factors, including:

- Domestic abuse where children have been harmed directly or indirectly, for example from their experience of intimate partner violence or the impact of coercive control.
- Conflict which is harmful to the child such as a long-running court case or mutual hostility between parents which can become intolerable for the child.
- Child refusal or resistance to spending time with one of their parents or carers which may be due to a range of justified reasons or could be an indicator of the harm caused when a child has been alienated by one parent against the other for no good reason.
- Other forms of harmful parenting due to factors like substance misuse or parental mental health difficulties where these are assessed as harmful to the child.

The guides provide practitioners with an evidence base and clear terminology to support accurate and analytical report writing which can provide the court with the best possible understanding of what is happening for the child. The framework has also been referenced by judges, lawyers and local authorities, which is helping to promote a common understanding of complex and contentious issues in the family justice sector while maintaining a focus on the impact on the child.

“ Accurate early identification of the problematic family dynamic faced by children is crucial to protecting children from abuse, harmful conflict and other parenting problems. I feel I can use the CIAF to achieve this and create better outcomes for children. ”

Cafcass practitioner

“ I will be using this in every report I write, and it will help make my analysis and recommendation as evidence based and as accurate as possible which will hopefully contribute to the best possible outcomes for the child/ren. This really increases my knowledge and confidence. ”

Cafcass practitioner

Next steps

Our work programme for the next year will commit us to making further improvements. We will continue to make steady advances to our work, with the added extra confidence that our current work approach is having the right results, as we did this year.

Managing risk

Our Strategic Risk Register (SRR) contains the key strategic and thematic risks to achieving the organisation's strategic objectives, together with those that take on a priority during the year. The SRR is aligned with our Key Performance Indicators and corporate work programme, to draw out the specific improvement initiatives and activities that mitigate risk.

The SRR is reported on a rolling basis thereby acknowledging the continuous changes to the risk environment, including uncertainty identified in our environment analysis, and mitigating activities.

These are considered through various meetings from operational to Board level that review and recalibrate the level of risk reflected in the register.

Key issues and risks that could affect us in delivering our objectives during 2018-19 were identified as:

- grant funding
- quality of work
- rises in demand
- workforce capacity
- effective commissioning services & partnership working
- service user and workforce engagement
- failure to protect the personal/sensitive data of service users.

See Section 2, Risk management and profile, for further detail on risk management.

A child's journey

Here we show the journey a child and their family have taken in a **public law** case with Cafcass over the last year.

Adam's point of view, age 8

The process

Our performance

"I wanted to go to school, I liked playing with my friends, but my mum and dad didn't always take me. Most of the time I just stayed home with them, they had lots of friends round and it was sometimes a bit scary. One day I remember mum and dad shouting, something about social services, I got scared so I didn't say anything to them."

The LA had made an application for Adam to be placed in care, due to neglect by his parents. In care cases the Cafcass worker is called a Children's Guardian. Their most important role is to make sure children are safe and to help ensure that decisions made about them are in their best interests.

We received **13,536** care applications last year relating to 22,008 children and young people.

"Social services decided I should stay with my grandma for a bit, that's when Cafcass got involved. Dani, my Cafcass worker, spent time with me, she asked me about my feelings and helped me write a letter to the judge. Dani also checked that my gran was able to keep me safe and made sure that social services were helping mum and dad sort things out."

Dani is Adam's Children's Guardian. Dani reviews the LA's work and proposes that Adam should live with his Grandma, whilst Alex's mum and dad sort things out at home.

Our auditing activity, the recent external inspection and feedback received from the judiciary has told us that the child's voice is more powerful and heard more fully by using their direct quotes in reports. Direct work material is embedded into court reports, promoted by the delivery of specific training on contemporary techniques in direct work with children.

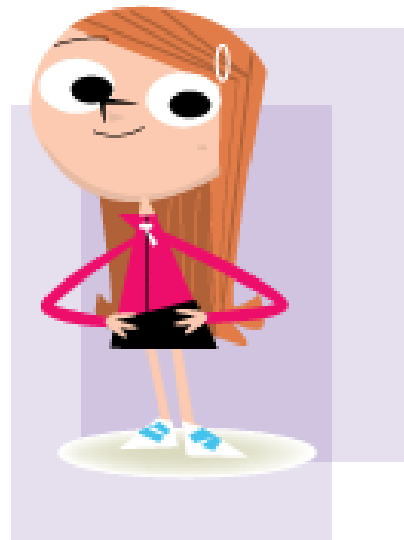
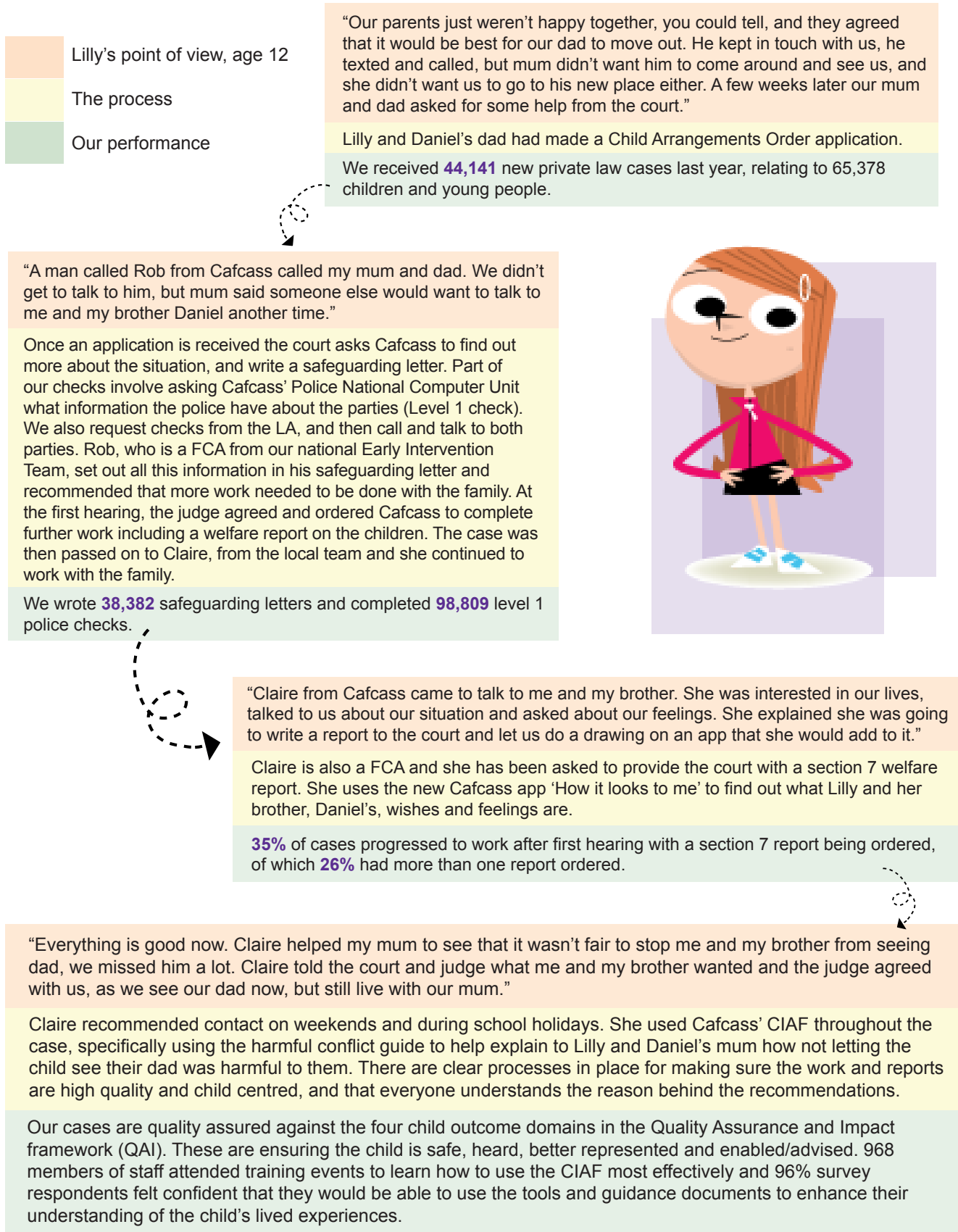


"Mum and dad worked really hard and after a while I got to go home. I go to school every day now; the house is much calmer and we are all a lot happier."

The court makes the final decision after taking all the information and evidence into account and the judge was satisfied that it was safe for Adam to return home. Throughout her work Dani kept a clear record of what she did and why. This information may be important to Adam later on in his life.

We have developed training on writing to children involved in court proceedings. It explains how important it is for children to know the outcome of their cases for when they are older.

Here we show the journey a child and their family have taken in a **private law** case with Cafcass over the last year.



Commissioned services

Our National Commissioning Team (NCT) works in partnership with providers to deliver programmes for the family courts that help parents resolve private law cases. These are delivered through third sector and private service providers.

Court ordered interventions

Supervised and supported child contact intervention (CCI) programmes

CCI interventions enable safe contact to take place, often after a long break. During these interventions, a key focus is on dispute resolution, helping parents develop sustainable long-term arrangements for them and their children. 2,238 families were referred to CCI and £2m was spent. Furthermore, £0.45m in grants were given to 175 centres who offer supported contact.

DNA testing service

This service delivers certainty for those making decisions in private law, with Cafcass overseeing the process. DNA testing is used in cases where the findings will be essential and determinative in reaching a swift and beneficial decision about arrangements for the child. £23,000 was spent on this DNA service. 490 court orders were processed, and 725 DNA samples collected.

Court ordered activities

Separated Parents Information Programme (SPIP)

This programme helps parents to focus on the needs and wishes of their children and emphasises practical steps to handling emotions and improving communications after separation. £2.5m was spent on SPIPs and 25,078 parents were referred to attend. The current face-to-face programme has been identified by the NCT as a priority for review. The key role of the programme cannot be underestimated but it is the consensus that now is the time for a refresh. NCT and MoJ have been working together to consider how to respond to the increasing appetite for an online/app version of the SPIP that would offer additional digital content to the range of options available to parents.

Domestic Abuse Perpetrator and Safe Contact Programmes (DAPP)

These programmes challenge harmful behaviours and support change. They also offer a support service for those at risk of abuse. £1.2m was spent on these services and 909 referrals were made for DAPP and support services.

“ I am able now to understand the impact of my negative behaviour, emotions and beliefs on others by placing myself in their shoes. I am able now to process any anger in a positive way by eradicating it from my mind and using the breathing and time out techniques. ”

DAPP participant

Out of court options

Parenting Plan and Getting it right for children

These are dispute resolution tools that can be used by parents away from court, helping them listen to their children's views and make child-focused arrangements.

Its use is encouraged within CCI activities. £0.01m was spent on these out of court options. 36,802 Parenting Plans were ordered from our warehouse and print supplier. The Parenting Plan is also available to download via our Cafcass website in a range of different languages.

Quality of our practice

The National Improvement Service (NIS) has a key role in quality assurance and promoting consistency through a national overview of practice across the organisation. This quality assurance programme is undertaken collaboratively with operational managers and other internal corporate teams.

How our work is quality assured

NIS focuses on supporting quality improvement in frontline work to help Cafcass provide the best service possible to children and young people. Below is a summary of the work carried out by NIS and teams this year to support the quality of our practice, ensuring value added impact on the best outcomes for all children, in all cases.

1. Further standardising practice and application of the QAI

The framework is used by our Service Managers and Practice Supervisors and is underpinned by a methodology that considers both the impact of our work upon children's outcomes and compliance with the organisation's policy expectations.

We continually test the thresholds within the framework through local area benchmarking sessions. Last year we held 38 benchmarking sessions across the organisation. The learning identified from the sessions was incorporated into a quarterly learning log and this learning also informs the national training plan to ensure quality, and identifies areas requiring practice improvement.

2. The quality of our work

In 2018-19 a total of 10,273 case file audits were carried out. 72% (7,366) were graded as either 'good' or 'outstanding', a 6% increase compared to 2017-18 (66%). Work graded as not meeting the required standards was 5% (481 cases) which was a decrease of 2% compared to 2017-18 (7%).

Cafcass expects all eligible practitioners to have two case file audits completed every three months. Compliance has improved during the year, from 80% at the end of March 2018 to 94% at the end of March 2019 and now consistently exceeds the 90% target, which provides greater confidence in evidencing the quality of our work. The proportion of high quality work has therefore risen, along with a reduction in work that required improvement compared to 2017-18, despite an overall case demand increase of 3.1%.

3. Thematic audits

Thematic audits are commissioned by the National Service Director or through OMT. Last year, eight thematic audits were carried out to inform a focus on improvement or make recommendations for further service development. These audits focused on areas of practice and performance including: the effectiveness of child impact analysis reports compared to traditional section 7 working; the effectiveness and suitability of position statements; the quality of support provided by managers to improve productivity; the accuracy of grading in quality assurance – specifically those carried out by Practice Supervisors; and the value added by use of experts in public law proceedings. We also contributed to a thematic audit carried out by Croydon LSCB in response to the number of serious incidents involving vulnerable young people, particularly cases involving gang activity and children missing from home/residential placements.

4. Area Quality Review (AQR) programme

The current three-year AQR programme began in November 2018 and will be completed in October 2021, by which time all operational areas will have been subject to a review.

As part of the ongoing refresh of the programme, improvements have been identified, the main ones of which are establishment of a Performance Learning Review (PLR) audit team, and the addition of a HR manager to the AQR team to contribute to the PLR review.

During 2019-20 it is intended that an independent review of the AQR model will be undertaken to ensure it remains fit for purpose and is being informed by national public and private sector learning. Through the Head of Practice group, a shorter AQR model has been developed which can be used locally at team level and will also be tested during 2019-2020.

Our commitment to improving quality

In the 2018 inspection, Ofsted rated our service as ‘Outstanding’. Ofsted did however also provide recommendations to enhance the quality and outcomes for all children we work with.



| | |
|--|--|
| <p>‘Further improve the quality of recording in case plans and contact logs to ensure that management direction is explicit and prioritised.’</p> | <p>A new digital case planning tool within the current case recording system was launched in February 2019, redesigned by practitioners to improve ease of use, and enables practitioners to plan and reflect on relevant work in each individual case. The new format supports consideration of diversity issues in its widest sense and ensures evidence of management oversight, triggered automatically at key stages in each case.</p> |
| <p>‘Strengthen the consistency of management recording in performance and learning reviews (PLRs) to ensure that areas for development are clearly articulated and evaluated.’</p> | <p>The national PLR audit carried out in summer 2018 further informed the continuous improvement and consistency of management oversight of quality and staff development. Recommendations were delivered at the National Service Manager conference in October and focussed on:</p> <ul style="list-style-type: none"> • how managers support individual development to achieve optimum performance and productivity, • identifying key individual improvement areas and training, coaching and support to ensure every member of staff can consistently support the best possible outcomes for children we work with. <p>Other improvements that have been made to support improved management oversight:</p> <ul style="list-style-type: none"> • Automated triggers built into the system to review case plans, specific to case types and stages, including review of all cases at early stage of case planning. • Updated PLR to include quality data measures to monitor progress quarterly. • Improved use of PLR actions to cover all areas to improve and track progress. |

Cafcass PLR

A review of the effectiveness of our PLR system began in September 2018 with a working group represented by all roles, in addition to consultation through an all-staff survey. Developed in-house, the system facilitates a two-way interactive process between staff and managers that captures a range of information regarding health and wellbeing, workload, learning and performance. The new self-assessment process is now undertaken by all staff and enables an open and supportive discussion with managers throughout the year. Feedback has informed the second phase of improvements to Cafcass PLR in May 2019, in addition to extending role specific self-assessments to non-operational staff and managers.

The system is now well established, with over 11,500 PLR reviews having been completed since the launch. The system continued to be enhanced throughout the year in line with staff feedback.

Ensuring the child's voice is heard

Representing the voice of the child is an important aspect of our work and we continue to consider effective ways to engage with children and young people. Children are born as 'digital natives' and we must ensure we continue to develop our technology to engage in relevant ways.



Last year saw the launch of our interactive app, 'How it looks to me' (the 'Voice of the child') which was developed by Dubit (research agency and digital development studio) in conjunction with practitioners from the Leeds office, National Improvement Service and Cafcass IT.

From February to April 2019 Practice Supervisors have undertaken training on this new app, in addition to the others also available (This Much! and Backdrop), called 'Creating high impact direct work with children'. Practice Supervisors will then share this off-the-shelf training with local teams.

FCAs involved in the early use of the app are telling us that the concept, look and feel of the app is intuitive and making a great impact for staff and children. All feedback received to date is that the app positively helped engage children, and helped them share their wishes, feelings and emotions.

“ I used this with a young lad last week who has a significant number of communication difficulties – the app was so easy for him to use that I really think it gave him a confidence boost/reduced his anxieties about what we were going to be doing in the session. For him, being able to concentrate on the app and the opportunity to use the text part to share information he was nervous about (without the need to give me eye contact) was great. He (and his sister the following day) both loved the emoji stickers and in particular the animals! ”

Practitioner

Practice Supervisors

The national programme to develop and enhance the Practice Supervisor (PS) role continues. Based in their local team, the PS has an important role, with Service Managers and Heads of Practice, to continuously improve our practice within Cafcass. The priority areas for 2018-19 included train-the-trainer sessions to ensure that PSs are delivering effective training in team workshops, further developing coaching skills, and individual PS development plans which can then be used to build national models.

‘Supporting Performance Improvement’ is collaborative training, delivered with colleagues from HR, designed specifically for the PS role. This year has also seen a roll out of webinars to support a better understanding of the data available to the local teams and how the PS can use this data to improve practice and outcomes for children. This training is being delivered by colleagues in the Analytics team.

The PS national development is on-going and responds to the feedback provided by the PS group nationally and within the local development led by the area Heads of Practice. Three PSs were seconded to NIS for nine months on a part time basis undertaking various activities; benchmarking, auditing, coaching, delivering and developing training material. This secondment opportunity is also available for 2019-20.

FJYPB

The FJYPB has worked with Cafcass on a range of different projects and events to improve the quality of our work and to ensure the voice of the child is kept central at all times. This has included:

- playing a key role in refreshing the Cafcass strategic plan, including taking part in several internal webinars;
- participating in service area development days and Cafcass Board meetings;
- creating a network of FJYPB champions across Cafcass;
- contributing to AQRs, the FJYPB directly influence each area’s practice and ensure that each area is meeting national expectations and standards of child engagement;
- sitting on recruitment panels, including for Cafcass Board members;
- reviewing documents, including the updated Operational Framework;
- working closely with NIS to develop and produce an interactive and educational ‘voice of the child’ eLearning tool for all Cafcass staff. The eLearning not only includes information about the FJYPB but also explores a number of ‘real life’ scenarios to challenge how good practice can be applied
- working with Cafcass’ major stakeholders, including ongoing liaison with the MoJ;
- speaking at events such as Open Board meetings and the Co-Parenting for Children Conference; and
- a key contributor to the Board Effectiveness Review.

The FJYPB has developed a range of ‘top tips’ leaflets for FCAs and other professionals working with children and young people across the family justice system. The FJYPB has recently expanded their range of top tips to include:

- Top Tips for separated parents which are now included in welcome letters to parents. Other professionals have also endorsed the tips and have them available in court to use as a reference for parents in conflict.
- Top Tips for social workers.

The FJYPB held their sixth Voice of the Child conference on the 24th July 2018 in Manchester. The theme was ‘Resilience - Promoting the resilience of children and young people in family courts’. Several delegates from Cafcass attended the conference and learning was shared across the organisation.

The FJYPB has produced their own Annual Review which includes further information about their work in and its impact. The review also sets out the FJYPB’s priorities for 2019-20.

Supporting staff to deliver quality work

Learning and development

We offer continuous learning and development opportunities for our staff. In 2018-19:

eLearning:

Over 3,497 online courses were completed. This includes popular modules such as 'Child Sexual Exploitation', 'Social Media and Online Communication', and 'Protecting Information in Cafcass'.

The eLearning modules are regularly reviewed, such as the Child Sexual Exploitation eLearning which was updated with learning following a review of Serious Incident Notifications. New eLearning modules have been introduced on Coercive and Controlling Behaviour, and a collaborative module (co-developed with FJYPB) highlighting the Voice of the Child.



Resources:

230 resource packages available to staff were requested for delivery to teams – a 51% increase from the previous year. The most commonly requested packages were 'Defensible decision making', 'Contemporary practice in domestic abuse assessment' and 'Learning from Cafcass submissions to Serious Case Reviews'.

Face to face:

There were 3,416 participants in 306 face-to-face workshops. Learning via face-to-face workshops was delivered either internally by NIS and/or HR, or by external experts.

“ It has given me reassurance that I am on the right track with what I am doing, good additional information about support being offered by NIS which in turn will be helpful for me and for my staff to improve in practice. ”

Practitioner

Staff within our corporate functions also have access to professional and personal development, including management development, eLearning, and a range of role specific apprenticeships.

Core training:

The three core training modules (Recording and Planning, Risk and Impact and Interviewing and Reporting) have been updated to provide an engaging, practical and pertinent insight into child-centred casework. The revised modules have been well received as evidenced by the feedback from our new starters: most found the training useful or very useful. Most agreed the training increased their professional confidence, that it made them reflect on their current practice, and that they have embedded what they had learnt.

Dilemmas in public law:

This training looks at key decision-making stages in complex cases. The aim of the course is to identify valuable resources for self-directed learning. It is not designed to answer every question, but rather to raise questions which will encourage further research to inform decision-making in individual cases. The training consists of two standalone sessions: the first covering deprivation of liberty, and neglect; and the second on permanency, adoption and post-separation contact.

Library and Information Service

- Overall requests completed: 4,768.
- Sent out 8,920 items (books and articles/PDFs).
- Responded to 897 subject requests.

Popular subject requests included topics such as, 'Sibling placement in adoption and foster care'; 'The effects of domestic abuse on children'; 'Shared care/residence in private law'; and 'Contact with birth families in adoption and foster care'.

The Cafcass-RiP LIS Partnership was established in November 2018 to provide a full, remote Library and Information Service to Research in Practice³ (RiP). Cafcass LIS staff have already supported RiP colleagues with topic scopes on radicalisation, contact in public law, and residential child care.

Cafcass Legal

- Last year the legal advice line received 1,784 duty calls.
- This year's legal training topics included, 'Deprivation of liberty', covering the circumstances in which children can be confined and their liberty restricted for their own safety; 'The Gender Recognition Act', covering issues arising when working with transgender parents and children; and Re W (which is the name of the leading case) covering our role in assessing the circumstances in which it is in children's best interests to give evidence to the court.
- 22 legal roadshows (including those that took place in team meetings) were held throughout the year, with eight court skills training sessions taking place in the Royal Court of Justice.

Equality and diversity

We have added to our internal cohort of Practice Experts who help our social workers with complex cases and now have Practice Experts on issues including 'gangs', 'county lines' and 'child trafficking'. The Practice Expert on gangs and county lines has helped us produce a new eLearning module called 'Child Criminal Exploitation (CCE) and County Lines', helping our staff safeguard the young people we work with.

We have launched new diversity and inclusion eLearning modules for all our staff, each developed specifically for different roles, as it is important for our non-social work staff to develop their Diversity and Inclusion knowledge and skills.

IT



Moving our infrastructure to a cloud-based structure.

We have completed the transition of our technology to 100% cloud-hosted services. We have also migrated away completely from our previous long-running outsource contract to start working with a range of more flexible small/medium enterprises with a view to continue the improvements in the technology that supports the effective, flexible working of our staff.

³ - Research in Practice is an organisation that supports local authorities and others to embed evidence-based practice in their work with children and families.

Our mobile phone service has been completely overhauled and replacement contracts have begun for video conferencing, a new contact centre service, and support and development of our case management system. We have been working closely with Her Majesty's Courts and Tribunal Services (HMCTS) to implement an improved scanning service which allows us significantly earlier sight of new case work. Our focus is now on bringing the abilities of our new partners to bear on further improving the service across the whole organisation and supporting continuous business improvement. A key part of this is the project to review and update, or replace, our case management system.

Our strategic contribution to the family justice sector

Innovation

We continue to support innovation to try to influence reforms in the Family Justice System. The Cafcass Model Office supports several pilots, currently with a focus on private law reform in the following areas:

1) Support with making child arrangements

Offering a package of out-of-court dispute resolution services to parents who are assessed as suitable, to try and resolve their dispute without the need for either a safeguarding letter or a court hearing.

The pilot evaluation has collected evidence on the proportion of private law cases which may be suitable to divert from court, and the information required to make that assessment. It has also provided learning on engaging families with out-of-court dispute resolution options. For cases which did engage with alternative interventions, information has been collected on the key success factors which led to parents reaching a Parenting Agreement.

2) Co-Parent Hub

Cafcass is currently trialling a new online solution which aims to support parents through their child arrangement proceedings and beyond. This includes an interactive quiz and resources, information on out-of-court services, and an online Parenting Plan which parents can jointly work on together.

3) Cafcass Positive Parenting Programme (CPPP)

The CPPP provides structured sessions to parents in high conflict cases. The aim of these sessions is to promote change, improve communication between parents and reduce the emotional harm experienced by children subject to entrenched parental conflict.

The pilot began in November 2017 and a review was completed in July 2018, which shows initial positive findings. A further implementation phase is underway and this will be evaluated in 2019.

4) Child Impact Analysis

The concept was to create a framework to ensure cases are focussed on the impact on the child rather than the adult dispute. The work was evaluated in September 2018 with key learning incorporated into the roll out of the Child Impact Assessment Framework.

Cafcass Innovations Teams are also progressing and supporting the following digital innovations:

1) C100 scanning

A joint Cafcass and HMCTS project to trial the centralised processing of new C100 applications started in October 2018. Forms are sent directly to a central location from applicants where payment is processed and documents scanned and sent electronically to Cafcass and HMCTS at the same time, on day one. This has meant that Cafcass receives the C100 seven working days earlier on average.

2) Digital C100

Cafcass has been supporting the MoJ with a project to fully digitise the C100 application. This service aims to be both easier service users while also raising awareness of out of court dispute resolution options by providing suitable information. The digital C100 will continue to be tested throughout 2019.

3) Public Law Portal

Cafcass is supporting HMCTS in its recent Public Law and Adoption project. This project will transform the public family law function to enable users, including local authorities, to start and manage cases online for all public family law and adoption cases.

Collaborative working/influence

Cafcass continues to engage with the Department for Work and Pensions (DWP) on their Reducing Parental Conflict Programme which aims to ensure proven interventions are more widely available to reduce parental conflict and improve child outcomes; and persuade local authorities to make services to help address parental conflict a part of mainstream provision for children. Cafcass also sits on DWP's quarterly Cross Government Delivery Group for the programme and has appointed local leads to support DWP Integration Leads to implement the programme at local level.

Cafcass collaborated with MoJ/HMCTS and DfE on a one-off data share project that has resulted in a database of child-level data linked from across the MoJ, the DfE and Cafcass' management information systems. The data share was set up partly as a response to the Family Justice Review, published in November 2011. The Public Law Applications to Orders (PLATO) tool is the first output from the Children Family Justice Data Share (CFJDS). Developed by the MoJ, PLATO enables analysis of the conversion rate between applications and orders made in public law Children Act cases, both across geographical regions and for trends over time.

Research

Our data is a valued source of information across the family justice system and we are supporting the work of the Family Justice Observatory, established by the Nuffield Foundation, to improve the use of data and evidence in family justice. Cafcass and Cafcass Cymru have agreed to partner with the Nuffield Family Justice Observatory, and have put in place data sharing agreement to deposit our top level structured case data with the Secure Anonymised Information Linkage (SAIL) databank at Swansea University on a six-monthly basis; and over time the ambition is to link to other (health, education, DWP, children's social care) data. Anonymised data available to the Nuffield Family Justice Observatory team to undertake priority analyses for the family justice system (including Cafcass/Cymru) but also to academic researchers who pass the SAIL approvals panel. Key to the design of this approach is a 'link once, use many times' model.

The work to establish these safe data sharing arrangements has been our focus this year, with fewer research projects carried out 'in house' as a result.

Internal research

We published a study on the experience of Muslim children who are removed from home.

External research

Publications of external research involving Cafcass this year included (www.cafcass.gov.uk/about-cafcass/research-and-data/external-research-supported-cafcass):

- Scoping data on infant pathways in care proceedings: Professor Karen Broadhurst (Lancaster University).
- Cross-border child safeguarding – practical challenges, effective social work practice and outcomes for children: Children and Families Across Borders.

- Outcomes for children before and after care proceedings reform: Professor Judith Masson (Bristol University) and Professor Jonathan Dickens (University of East Anglia).
- Supervision orders and their contribution to family justice, children's services and child outcomes: Professor Judith Harwin (Lancaster University)
- Born into Care: Professor Karen Broadhurst (Lancaster University)
- Siblings and child law proceedings: Professor Daniel Monk and Dr Jan Macvarish (Birkbeck)

Influence timeline

The below highlights some of the key areas of work where we have demonstrated our influence.



March 2018: We were rated as **'Outstanding' by Ofsted.**

June: The **Family Justice Board was re-established** and held its first meeting.

October: We **developed and launched a new assessment framework** to support our practitioners in assessing the harmful impact of a range of complex case factors on the children we work with in private law.

November: The **first combined meeting of the Cafcass Public and Private Law Working Group.**

November: **Cafcass-RIP Library and Information Service Partnership started.**

January 2019: **Public and Private Law Working Groups** (judicial & Cafcass initiated) **underway.**

March: Cafcass and the Association of Family and Conciliation Courts (AFCC) **held a Co-parenting for Children Conference** in London. Over 100 professionals from family justice and health and social care backgrounds came together, to discuss best practice in co-parenting.



June: We gave a **presentation to the Ministry of Labour and Social Affairs of the Kurdish Regional Government**, on our structure and function.

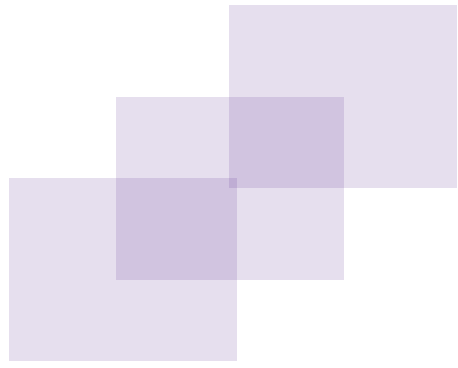
July: **The Family Justice Young People's Board hosted its sixth annual Voice of the Child conference** in Manchester, the first ever to be held outside of London. The conference was child-led and focused on the theme of resilience.



December: In our response to the Ministry of Justice's consultation on reforming the legal requirements of divorce, **we supported the removal of fault-based divorces**, to move the focus away from blame to making arrangements for the child that are in their best interests.

March: **Family Justice Board Conference**

March: Cafcass **contributed to new report on supervision orders and special guardianship orders.**



Section 1.1

The performance report

Performance analysis

This section covers:

- the financial commentary
- how we have performed against our Key Performance Indicators this year
- our sustainability report.

Financial commentary

In 2018-19, Cafcass received grant funding of £120.496m from Central Government, plus £0.618m for depreciation.

We also drew down from the sponsor separate additional funding of £1.792m for contact services.

A summary of how we spent our budget is shown below and further details are provided within our 2018-19 Accounts in Section 3.

| | Total budget (£000) |
|---|---------------------|
| Staff costs | 98,893 (72.0%) |
| Self employed contractors | 2,552 (1.9%) |
| Agency staff | 2,946 (2.1%) |
| Other operating charges | 29,986 (21.8%) |
| Depreciation and asset write downs | 618 (0.4%) |
| Partnerships costs | 2,478 (1.8%) |
| Total spend reported including CCI | 137,473 |

The Cafcass Statement of Financial Position as at 31st March 2019 shows net liabilities of £237.301m, including the pension liability of £230.381m. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from Cafcass' other sources of income, may only be met by future grants or grants-in-aid from Cafcass' sponsorship department. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.

The pension deficit at 31st March 2019 has increased compared with 31st March 2018 due principally to the financial assumptions that underpin this and so drive the estimation of the future liability. These assumptions are proposed by scheme actuaries and scrutinised by the Audit and Risk Assurance Committee. They are considered to be reasonable and reflect a range of broader economic factors.

The total of trade payables as at 31st March 2019 is £0.226m (£0.298m as at 31 March 2018).

Interest and late payment charges of £nil has been paid or claimed by creditors under the Late Payment of Commercial Debts Act (£nil in 2017-18).

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

Non-financial information including social matters, respect for human rights, anti-corruption and anti-bribery matters

Our Operating Framework reflects the rights of children to be heard and represented in judicial proceedings which affect them, as set out in the United Nations Convention on the Rights of the Child (UNCRC), and the Council of Europe's 2010 'Guidelines on Child Friendly Justice'.

When considering permanence options for children who live in England but are nationals of other countries, our practitioners make recommendations about the child's welfare in accordance with Article 8 Human Rights Act 1998 (the right to respect for private and family life) and Article 20 UNCRC (when considering care outside of the family, due regard shall be paid to the child's ethnic, religious, cultural and linguistic background).

Cafcass also promotes an anti-fraud culture and asks staff to be vigilant to the risk of fraud. If staff suspect there may be any actual or potential instances of this, they must talk to their manager or use our Whistle Blowing Policy.⁴ The Cafcass Whistleblowing Policy is much wider than financial fraud, and applies to all aspects of Cafcass accountability.

Key Performance Indicators: how we have performed

How we measure performance

Cafcass has four Key Performance Indicators (KPIs) which are agreed with our sponsor department. These cover our work in both public and private law cases.

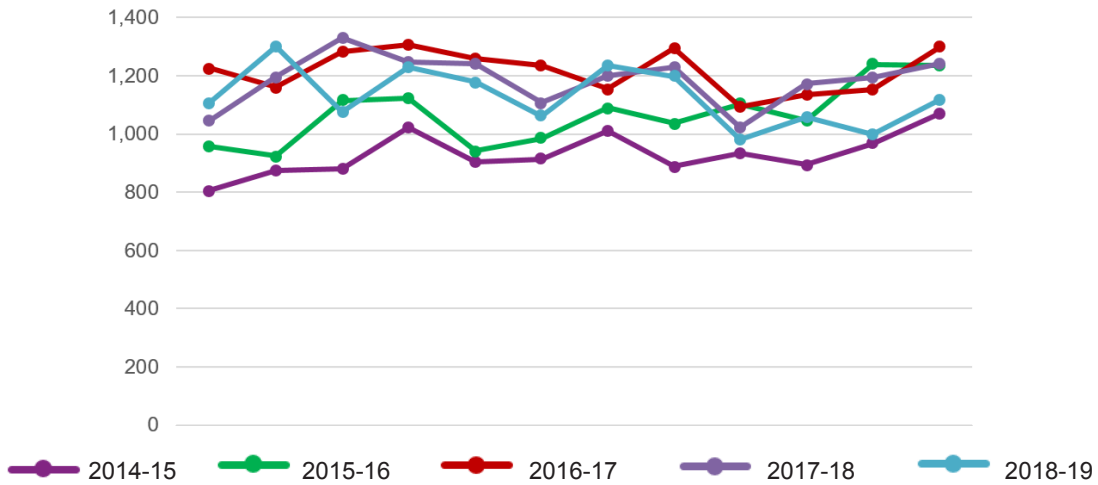
For both public and private law, we measure the percentage of 'open' (ongoing) cases which have an allocated Cafcass practitioner – a Children's Guardian in public law care cases (KPI 1) and a Family Court Adviser in private law cases (KPI 3). We measure this because work can only be started on a case once an individual practitioner is allocated to it. We aim for at least 97% of cases to be allocated.

For public law, we measure how quickly a Cafcass practitioner is allocated to a case (KPI 2). We measure this because we recognise that unnecessary delay negatively impacts children in public law proceedings, who need safe and stable outcomes as quickly as possible. We aim for allocation within three days.

For private law, we measure how many section 7 court reports are completed by the date the court has set (KPI 4). We measure this because we recognise the importance for families of receiving our reports on the agreed date so that proceedings can progress and children have safe and stable arrangements as quickly as possible. We aim for at least 97% of reports to be filed on time.

4 - <https://www.cafcass.gov.uk/download/2378/>

How we have performed in public law
Care applications received



| Rise in demand | New cases | 'Open cases' | Case duration |
|--|---|--|--|
| <p>Received 13,536 care applications</p> <p>4.8% lower than 2017-18</p> <p>&</p> <p>7.3% lower than 2016-17</p> | <p>We received on average 1,128 new care applications per month.</p> | <p>In light of the decrease, the total stock of open care cases has decreased by 2.2% (227 cases) when compared to March 2018 and -0.8% (77 cases) when compared to March 2017.</p> | <p>On average, S31 applications (Care and Supervision) took 31 weeks to conclude. In the same period 2017-18 the average duration was 29 weeks.</p> |

Other public law case types

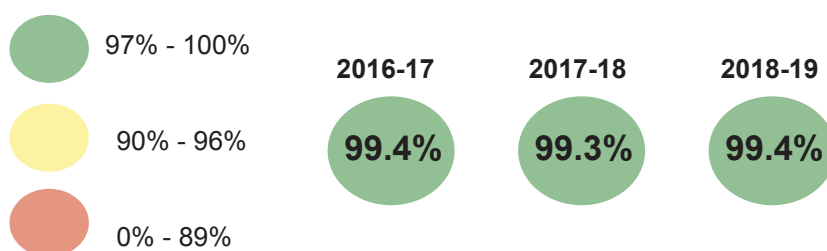
Our public law work also involves 'Non-Care' cases, which are set out below. The number of open 'Non-Care' Public Law cases was 2,293 at the end of March 2019, compared to 2,297 at the end of March 2018, a change of -0.2% (4 cases).

| Number of applications received | | | |
|---|---------|---------|-------|
| Public law application type | 2017-18 | 2018-19 | Trend |
| Placement Order applications | 2,396 | 2,356 | 1.7% |
| Adoption applications involving Cafcass | 1,158 | 1,075 | 7.2% |
| Special Guardianship applications | 876 | 830 | 5.3% |
| Standalone Supervision Order applications | 733 | 749 | 2.2% |
| Cafcass witnessing consent in respect of relinquished babies and children | 90 | 61 | 32.2% |

Public law KPIs

We continued to meet our allocation targets in public law (KPI 1 and KPI 2).

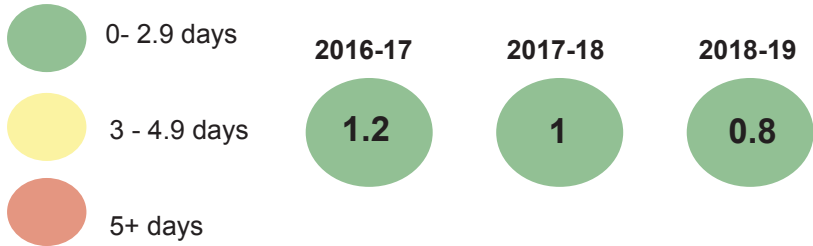
KPI 1: the proportion of open public law care workload allocated to an appointed Children's Guardian



Performance against this indicator improved slightly when compared to the same period last year (99.3%).

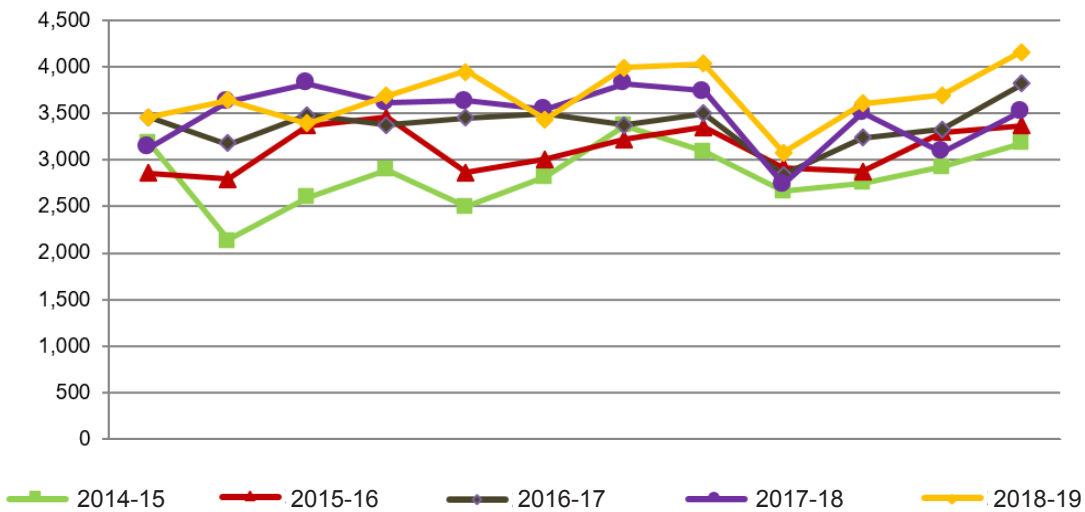
All service areas met this target over the 2018-19 period as a whole with all service areas recording 100% for the full period.

KPI 2: the timeliness of allocation to an appointed Children’s Guardian, for all care applications received



Performance against this indicator has improved compared to the same period in 2017-18 (1 days) and remains well within the 3-working day target. National performance exceeded the Green band in each individual month in 2018-19. 17 out of 18 Service Areas achieved the Green band and 1 was in Amber for 2018-19 with an average of 3.2 days.

How we have performed in private law
Private law applications received



Rise in demand New cases ‘Open cases’ Case duration

Received **44,141** private law cases
 higher than 2017-18
5.6%

&

higher than 2016-17
8.9%

We received on average **3,678** new private law applications per month.

The overall number of open private law cases has **increased by 18%** from 19,334 in March 2018 to 22,818 at the end of March 2019.

On average private law cases in 2018-19 took **19 weeks to conclude**, which is one week higher than the duration of cases closed in 2017-18.

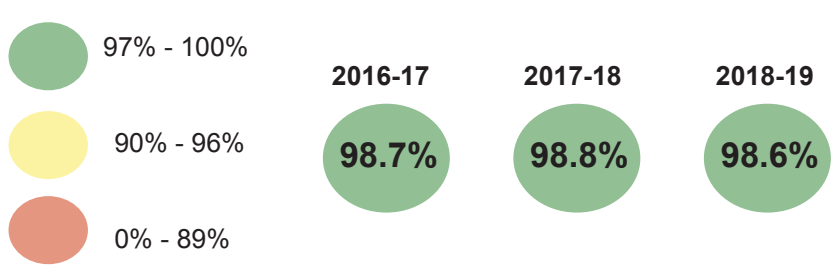
Private law case types

- The number of Rule 16.4 appointments, in which children are separately represented by a Children’s Guardian working alongside a solicitor, has increased from 2,251 appointments (2017-18) to 2,556 new appointments (2018-19), an increase of 13.5% (305 appointments). We have maintained effective liaison with local judges to ensure that such appointments are only reserved for the exceptional cases where there are circumstances of significant difficulty and only made after consultation by the court with the local Cafcass manager.
- Parental Order applications increased by 6.8% (from 280 in 2017-18 to 299 in 2018-19).
- Family Assistance Orders decreased by 5.7% (from 407 in 2017-18 to 384 in 2018-19).

Private law KPIs

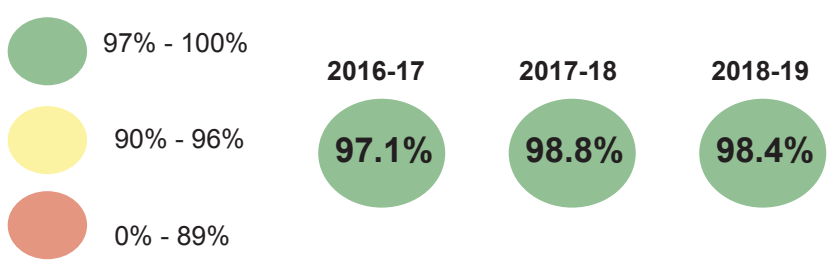
We continued to meet our targets for ensuring cases have an allocated practitioner in private law (KPI 3) and for completed section 7 reports within court-ordered timescales (KPI 4).

KPI 3: the proportion of open private law workload allocated to a Family Court Adviser



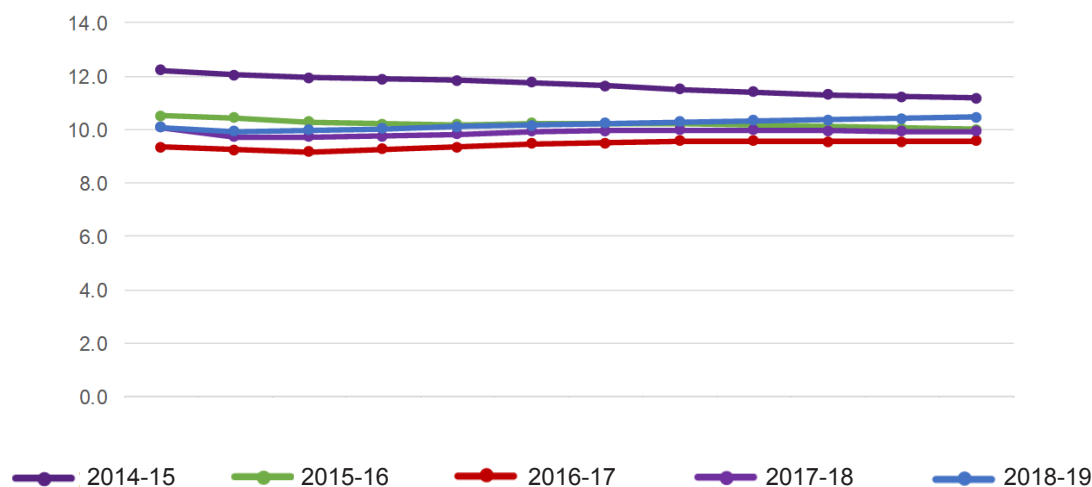
Performance against this indicator has decreased slightly compared to the same period in 2017-18 (98.8%) but remains well within the 97% to 100% target. All service areas met this target over the 2018-19 period as a whole with some areas showing 100% for the full period.

KPI 4: the proportion of section 7 reports that meet their agreed filing times



Performance has decreased since the same period in 2017-18 (98.8%) but overall remains within the target of the Green band. 14 of the 17 service areas exceeded the Green level in 2018-19. The remaining 3 areas performed at Amber level ranging from 96.6% to 96.9%. On average, reports that were not filed on time were filed 2.3 working days after their due date.

Filing times of section 7 reports (in weeks)



Compliments, complaints and other correspondence

Complaints and compliments

We take account of feedback and use learning from positive and negative experiences to improve the service we provide. Where things have gone wrong, we aim to put things right wherever possible.

- We received 1,457 complaints from adult parties. This means we received four complaints for every 1,000 open cases. We completed 96% of responses to these within our target of 15 working days.
- We received 25 complaints from children.
- We received 525 compliments from adults, and 78 from children.

We have established a service user engagement group which is considering ways in which we could improve communications throughout the case journey, encourage feedback on a more systematic basis, and develop a forum for adult family members who have been parties to public or private law cases to work with us on improving the service.

Other correspondence

- We received 214 Freedom of Information requests, with 100% responded to within the required timescale.
- We received 253 subject access requests, with 94% responded to within the required timescale.
- We received 208 enquiries made by MPs on behalf of their constituents.
- This year the PHSO did not propose to investigate any complaints about Cafcass. We received three final reports and we complied with all of the recommendations made. It has been more than two years since the Parliamentary and Health Services Ombudsman (PHSO) fully upheld a complaint about Cafcass.

Sustainability report

Cafcass is committed to sustainable practices which consider our environmental, economic and social impact.

Sustainability Steering Group

We have a Sustainability Steering Group, chaired by the Director of Resources, which monitors our progress and promotes these values within Cafcass.

Performance against our Greening Government Commitments (GGC)

We have met, or are on track to meet, the five GGC target areas. Each target area contains specific targets; these targets, and our performance, are set out in tables below⁵. Our overall reductions can be partly attributed to the reduction in our number of offices⁶.


Target area 1: reduce our emissions


We continue to achieve lower greenhouse gas emissions, already exceeding the 2020 target.

We continue to reduce travel-related emissions and its related costs even further, mainly through our flexible working policy, our video conferencing enabled laptops and our encouragement of staff to travel ‘sustainably smart’. This has been complemented by our continued policy change from 2015-16 to limit business-critical situations and ensure travel is booked in advanced wherever possible. There has been a decrease in domestic flights last year compared to previous years. This has been due to targeted discussions around sustainability issues with key groups which has impacted on the wider community.

Smart meters are still used to ensure accurate billing for utilities and our expenditure on energy has reduced.

 Target met

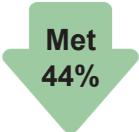
 Target on track to be met

 Target not yet met

*Data has been compared with 2013-14, as baseline 2009-10 data not held.

**Data has been compared with 2016-17 previous three years.

***Includes credit of £28,000 which distorted the figure.

| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|---|--|---------|---------|---------|--------------------|---|
| Reduce greenhouse gas emissions by at least 32% | Scope 1 and 2 emissions: site based, leased transport and supplied energy (tonnes CO ₂ e) | 324 | 358 | 508 | 2,298 | |
| | Scope 3 emissions: business travel using non-owned transport (tonnes CO ₂ e) | 1,450 | 1,313 | 1,208 | 884 | |
| | Total emissions (tonnes CO ₂ e) | 1,774 | 1,671 | 1,717 | 3,182 |  |

5 - GGC targets are for achievements by 2020 compared to 2009-10 baseline figures. Target and trend data is therefore set out in relation to baseline figures; where baseline figures are not held, target and trend data compares current data to 2013-14. Cafcass 2009-10 figures were calculated according to measures at our previous sponsor department, the Department for Education. A comparison of the last three years may provide more accurate information on our progress.

6 - Number of offices: 90 (2009-10, baseline); 40 (2015-16); 37 (2016-17); 36 (2017-18); 36 (2018-19).

| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|---------------------|--------------------|---------|---------|---------|--------------------|-----------------|
| Reduce energy usage | Electricity (MWh) | 712 | 489 | 804 | 3,380 | Met 81% |
| | Gas (MWh) | 473 | 570 | 622 | 2,913 | |
| | Total energy (MWh) | 1,185 | 1,059 | 1,426 | 6,293 | |

| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|---|---|---------|---------|---------|--------------------|-------------------|
| Reduce number of domestic flights by at least 30% | Domestic air travel (number of flights) | 91 | 103 | 115 | 0 | Not yet met 21%** |

| Financial indicators | | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Trend |
|-------------------------|----------------------------------|---------|---------|---------|--------------------|----------------|
| Energy and travel costs | Total energy (£000s) | 135 | ***97 | 155 | 338 | 61% |
| | Official business travel (£000s) | 642 | 788 | 622 | 719 | £203,000 saved |
| | Domestic air travel (£000s) | 6 | 7 | 21 | 0 | |
| | Total travel (£000s) | 783 | 834 | 643 | 1,057 | 25% |
| | | | | | | £274,000 saved |

Target area 2: improve our waste management

We have substantially reduced our overall waste generated and have achieved reductions in the proportion of waste sent to landfill, although this has not yet met the 2020 target. Our waste management data is currently calculated using some estimated data due to diverse lease arrangements across our 36 offices.

Recycling is encouraged in all offices and all confidential paper waste is recycled under a national scheme. As part of our social impact practice, IT equipment that is no longer needed is disposed of ethically by donating it to schools or charities where possible.

| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|--|---|---------|---------|---------|--------------------|--|
| Reduce landfill proportion to under 10% of overall waste | Hazardous waste (tonnes) | 0 | 0 | 0 | 0 | Landfill: 32% of total waste |
| | Non-hazardous waste: landfill (tonnes) | 16 | 17 | 31 | 44 | |
| Increase proportion of waste which is recycled | Non-hazardous waste: reused/recycled (tonnes) | 15.5 | 14.5 | 42 | 263 | Not yet met |
| | ICT waste: recycled (tonnes) | 5.4 | 2.3 | 0.5 | 0 | Recycled proportion: 68% of total waste |
| Reduce overall waste | ICT waste: reused (tonnes) | 4.3 | 2.4 | 0.3 | 0 | Not yet met |
| | Total waste (tonnes) | 41.2 | 36.2 | 68 | 307 | Total waste 87% Met |


| Financial indicators | | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Trend |
|------------------------|--|----------|----------|----------|--------------------|----------------------|
| Waste management costs | Non-hazardous waste: landfill (£000s) | Not held | Not held | Not held | 5 | |
| | Non-hazardous waste: reused/recycled (£000s) | 3.4 | 4 | 7 | 17 | 80% £13,600 saved |
| | Total disposal (£000s) | 14 | 15 | 22 | 92 | 84% £77,000 saved |


| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|------------------------------------|---------------------------|---------|---------|---------|--------------------|-----------------|
| Reduce paper usage by at least 50% | Paper consumption (reams) | 2,707 | 2,618 | 3,529 | Not held | * Met |

| Financial indicators | | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Trend |
|----------------------|---------------|---------|---------|---------|--------------------|-----------------------|
| Paper costs | Paper (£000s) | 7.1 | 7 | 8 | Not held | 79% £20,900 saved* |

Target area 3: reduce our water use

Our use of water has met the GGC target and has remained steady over the last three years. Following the deregulation of water companies, we have a plan to tap into the deregulated suppliers to see if any savings can be further achieved.

| Target by 2020 | Indicator | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Target progress |
|---|---|---------|---------|---------|--------------------|--|
| Reduce water usage to 3m ³ per FTE | Total water consumption (m ³) | 793 | 752 | 855 | Not held | *  On track |
| | Water consumption per FTE (m ³) | 1.99 | 2.49 | 3.05 | Not held | |

| Financial indicators | | 2018-19 | 2017-18 | 2016-17 | Baseline (2009-10) | Trend |
|----------------------|---------------------------------|---------|---------|---------|--------------------|---|
| Water costs | Water supply and sewage (£000s) | 7.8 | 7 | 13 | 31 |  77% £23,200 saved |

Target area 4: buying 'greener' products and services

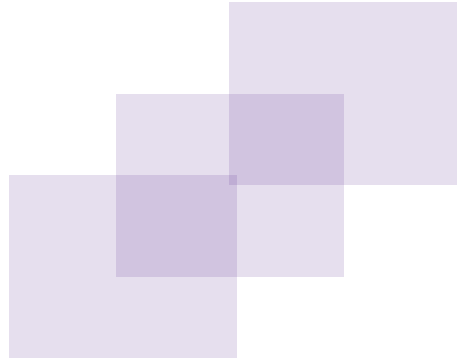
We are committed to meeting the Government Buying Standards (GBS) best practice specifications wherever possible which help deliver sustainable procurement to meet GGC targets. All common goods and services are procured by the Crown Commercial Service, which streamlines procurement processes, provides value for money, and establishes 'framework agreements' to include a sustainable product that meets the GBS mandatory levels.

Target area 5: being transparent and open

We report our sustainability data to MoJ quarterly and an annual return is completed at the end of each financial year.

Biodiversity Action Planning is not relevant to the Cafcass estate as we do not own any open spaces; we consider climate change within the Sustainability Steering Group.

Sustainable procurement: we are on track to meet the 2020 government target of 33% of procurement spending to reach small and medium-sized enterprises (SMEs); spend with SMEs currently remains at 23% of our spend with suppliers. All our contracting requirements over £25,000 are advertised on the Contract Finder website and are open to the SME market.



Section 2

The accountability report

Corporate Governance report

This section reviews and evaluates the governance, risk and control arrangements in place in Cafcass. It also sets out how we are organised and who is responsible for managing and running Cafcass, including our Chief Executive, our Chair of the Board, members of the Board, and our Corporate and Operational Management Teams.

- The Directors report
- Statement of Accounting Officers Responsibilities
- Governance statement

The Directors report

The Directors present their annual report, together with the financial statements and auditor's report. The Chair of the Cafcass Board is Edward Timpson. The Board is made up of non-executive members, listed below, who have been appointed in accordance with the Membership, Committee and Procedure Regulations 2005.

Cafcass Board membership:

1. Edward Timpson CBE (commenced 9 April 2018)
2. Francis Plowden (Audit and Risk Assurance Committee Chair)
3. Fay Selvan
4. Stuart Smith (Performance and Quality Committee Chair)
5. Caroline Corby
6. Deep Sagar
7. Paul Grant
8. Joanna Nicolas
9. Catherine Doran (commenced 14 May 2018)
10. Mandy Jones (commenced 14 May 2018)
11. Sally Cheshire CBE, Deputy Board Chair (commenced 14 May 2018)
12. Sophie Humphreys OBE (commenced 01 November 2018)

Board Advisors Simon Hackett (Academic Adviser) and Sir Mark Hedley (Judicial Adviser) left during 2018.

Register of interests

Board members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest; a register of interests can be found on our website.⁷

Personal data related incidents

Cafcass agrees that no unauthorised disclosure of personal data is acceptable, but acknowledges that the risk cannot be entirely eliminated. There is a commitment from Cafcass, the Board and Audit and Risk Assurance Committee to continue the work to focus on mitigation and there are improvements in place to lower the number of data breaches. The overall number of data breaches remain low considering the high volume of applications and number of communications of personal data by post and email to service users or stakeholders. In total, there were 301 data breaches in 2018-19. This reflects incidents in a very small proportion of cases: 0.5% of cases received in 2018-19⁸ (and a far smaller percentage of total communications). Most incidents are unavoidable and occur as a result of incorrect contact information being provided to Cafcass by third parties. Cafcass has robust breach detection, investigation and reporting procedures in place. All breaches are taken seriously and are recorded, responded to, with actions, learning and improvement points identified.

On 25 May 2018, the General Data Protection Regulation (GDPR) came into force in the UK. The GDPR is a regulation designed to protect citizens' right to data privacy and to reshape the way organisations approach data protection. The regulation mandates data controllers to notify a personal

⁷ - <https://www.cafcass.gov.uk/about-cafcass/our-management/>

⁸ - In 2018-19, Cafcass received 62,537 new cases which represents a 3.1% increase compared with to the same period in previous year. Further detail on our information assurance processes is set out in the governance statement.

data breach to the supervisory authority (the ICO) unless the breach is unlikely to result in a risk to the rights and freedoms of natural persons. As a result of the breach notification requirement, Cafcass is obliged to refer more incidents to the ICO than in previous years.

In 2018-19, 56 personal data breaches at Cafcass fell within the legal requirement for reporting to the ICO⁹ which represents 18% of all breaches. Cafcass has reviewed its policy and procedure as a result of the introduction of the GDPR and following advice from an internal audit report. The increased scrutiny by the ICO resulted in a reprimand being issued to Cafcass and recommendations were made by the ICO. Several of those recommendations were implemented before the ICO's letter was received and other changes put in place to strengthen our response to data breaches. We continue to liaise with the ICO on developing efficient strategies to further reduce the number, and mitigate the impact, of data breaches.

Reducing the incidence of data breaches remains a priority for Cafcass and we continue to make organisational efforts to reduce the number of incidents through developments to policies, procedures and training. Cafcass has developed targeted training on data breaches and made the decision to appoint a Data Assurance Manager to oversee further improvement in data security and management, in the expectation that this post will be filled in mid-2019.

The statement of Accounting Officer's responsibilities

Under the Criminal Justice and Court Services Act 2000, the Secretary of State has directed Cafcass to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Cafcass and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Principal Accounting Officer of the Ministry of Justice has appointed the Chief Executive as Accounting Officer of Cafcass. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Cafcass' assets, are set out in 'Managing Public Money' published by the HM Treasury.

As far as the Accounting Officer is aware, there is no relevant audit information of which Cafcass' auditors are unaware. She has taken all steps possible to make herself aware of any relevant audit information and to establish that Cafcass' auditors are aware of that information.

9 - Article 33 of the GDPR states that data controllers shall without undue delay and, where feasible, not later than 72 hours after having become aware of it, notify a personal data breach to the supervisory authority unless the personal data breach is unlikely to result in a risk to the rights and freedoms of natural persons.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable. She takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The governance statement

Cafcass is an executive non-departmental public body (NDPB) for which I, Julie Brown, am the Interim Chief Executive and the Accounting Officer. I am personally responsible and accountable to Parliament for the organisation and quality of the work carried out by Cafcass, including its use of public money and the stewardship of its assets.

There have been no material changes in our governance framework during the financial year. Our governance arrangements satisfy the requirements of the main principles of the Corporate governance in central government departments: Code of Good Practice that are relevant to Cafcass. I consider our Governance Framework to be effective.

I consulted with, and received assurances from, the outgoing Accounting Officer prior to completing this statement.

The Ministry of Justice

As a NDPB, Cafcass is accountable to our sponsoring department, the MoJ. We work within the strategic objectives agreed with MoJ. We agree an annual National Business Plan with MoJ which reflects our statutory duties, our contribution to MoJ targets, and our plans to deliver efficiency targets. In 2018-19, regular meetings have been held between Cafcass and MoJ where performance against these requirements has been scrutinised. We work closely with MoJ on policy development and we contribute in agreed, defined ways to MoJ policy objectives for the family justice system.

The Cafcass Board

The Board use their expertise and experience to establish the organisation's strategic aims and objectives. Their work is supported by two Committees.

- Audit and Risk Assurance Committee (ARAC): provides assurance to the Board and Accounting Officer on audit, risk and control issues.
- Performance and Quality Committee: Supports the Board in overseeing the performance of services, the quality of casework and the impact of that work on service users, Cafcass and the courts.

The Board and its sub-committees formally met on a quarterly basis during the year and two meetings were open to members of the public to attend.

Following the arrival of the new Chair of the Board a review of the Committee structure and Board timetable was undertaken. The output of the review was the consolidation of the Performance Committee and Quality Committee into a single 'Performance and Quality' Committee. The impact of this change, and some changes to the Board schedule, meant a reduction in the number of Performance and Quality Committee meetings for the year (from 4 to 3). The changes to the Board and Committee meeting timetable also impacted some members' availability to attend meetings due to prior diary commitments.

The Family Justice Young People's Board (FJYPB) works across the family justice system to promote the voice of the child in family court proceedings and is integral to the family justice reform process. A representative of the FJYPB attends each meeting and provides an update about their work. There is also a Remuneration Committee which is convened as and when needed.

Meetings attended per member out of those eligible to attend

| Board member | Board | ARAC | Performance and Quality Committee |
|--|--------|--------|-----------------------------------|
| Edward Timpson CBE (commenced 9th April 2018) | 4 of 4 | n/a | n/a |
| Francis Plowden | 3 of 4 | 5 of 5 | n/a |
| Fay Selvan | 4 of 4 | n/a | 3 of 3 |
| Stuart Smith | 3 of 4 | n/a | 3 of 3 |
| Caroline Corby | 3 of 4 | 4 of 5 | 2 of 3 |
| Deep Sagar | 3 of 4 | 4 of 5 | 2 of 3 |
| Paul Grant | 4 of 4 | n/a | 2 of 3 |
| Joanna Nicolas | 1 of 4 | n/a | 1 of 3 |
| Catherine Doran (commenced 14 May 2018) | 4 of 4 | 4 of 4 | 1 of 1* |
| Mandy Jones (commenced 14 May 2018) | 4 of 4 | n/a | 3 of 3 |
| Sally Cheshire CBE (commenced 14 May 2018) | 4 of 4 | 3 of 3 | n/a |
| Sophie Humphreys OBE (co-opted member appointed on 01 November 2018) | 2 of 2 | n/a | 1 of 1* |

*Attended as an observer

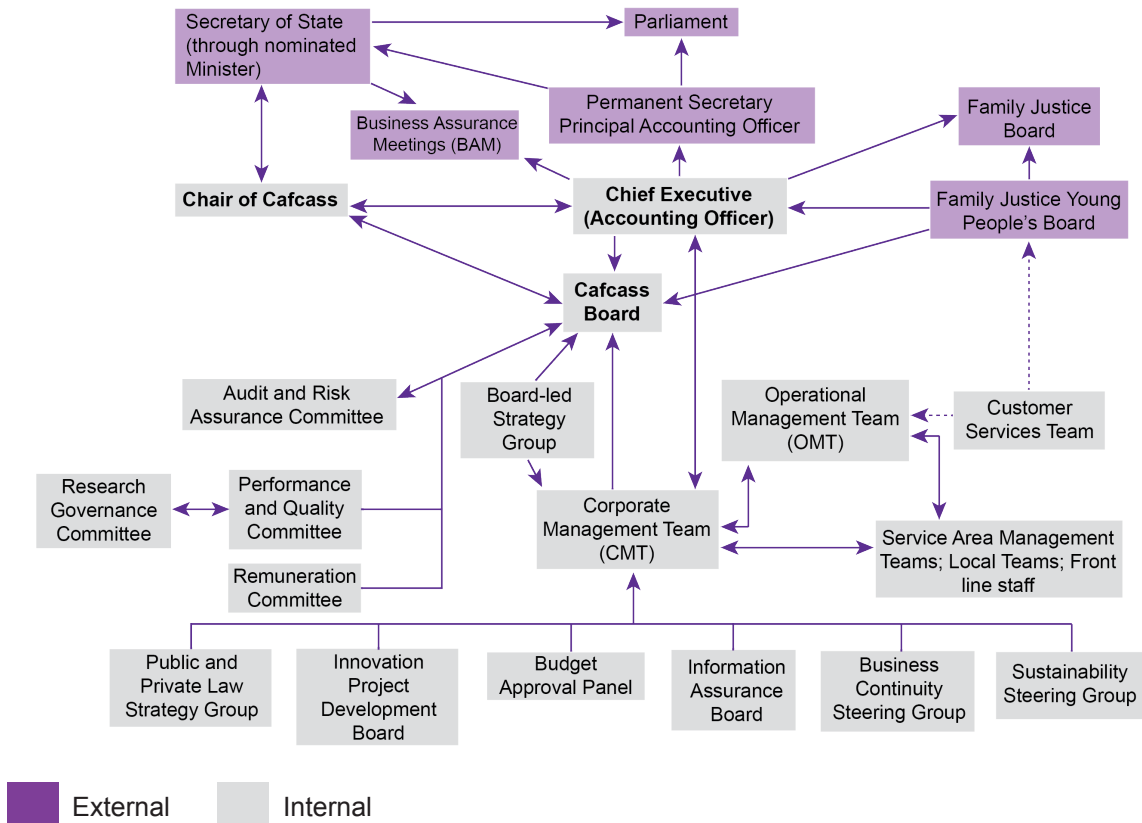
Internal management structure

The Chief Executive was supported during the year by three Directors and together they make up the Corporate Management Team (CMT): the Director of Strategy, the Director of Resources and the National Service Director. CMT meets weekly and collectively lead and manage the organisation. At the time of writing the role of Chief Executive is being held on an interim basis by the Director of Resources, with elements of the role held across the three Directors on a distributed leadership basis. This interim arrangement was agreed with the Board and the Permanent Secretary of the Ministry of Justice. A permanent Chief Executive has been appointed, and is anticipated to start in autumn.

The Operational Management Team (OMT) is led by the National Service Director. Its membership is made up of the Assistant Directors, operational Heads of Practice, and representatives from teams which directly support operational services including Finance, Human Resources and Business Analysis. OMT meets monthly to manage performance across the country. The Directors of Strategy and Resources meet regularly with their managers to review performance across their respective portfolios.

Service Area Meetings take place locally every month in each service area to translate the corporate and operational agenda into local actions. Local team meetings complete this cascade structure and process, which includes the learning both from mistakes and from best practice. Periodical meetings within the specialist functional teams also take place for the same purposes.

We have internal boards and groups which are managed by members of the CMT to ensure that we keep abreast of regulations and requirements in line with good governance principles: a Public and Private Law Strategy Group, an Innovation and Programme Delivery Board, a Board Strategy Group, an Information Assurance Board, a Business Continuity Steering Group, a Budget Approval Panel, and a Sustainability Steering Group.



In June 2018, the Chief Executive, Anthony Douglas, announced his retirement. His last day in service was agreed as 30th April 2019. An initial recruitment process commenced in September 2018 but failed to complete. This was largely due to the need to secure approvals required prior to advertising under the ‘Guidance for the approvals of senior pay’ published by HM Treasury and the Civil Service. Failure to secure the relevant approvals before advertising has resulted in the imposition of a financial sanction (£0.500m) on MoJ (which was then transferred to Cafcass) by HM Treasury. Cafcass conducted an internal governance review at the request of the Chair of the Board, and a number of improvements have been made to prevent such a recurrence.

The Board’s Performance

The Chair of the Cafcass Board is Edward Timpson CBE and the deputy Chair of the Board is Sally Cheshire CBE. During the year, the MoJ appointed Sally Cheshire, Mandy Jones and Catherine Doran as Board members. Sophie Humphreys OBE was also appointed by the Board as a co-opted Board member.

During 2018-19 the Board has continued to govern and perform its role effectively. Board member lead roles align the skills of Board members to key priorities in the Strategic Plan. Board members will continue to work closely with members of the CMT to provide strong leadership to achieve our priorities.

I am confident that the quality of the data used by the Board is robust. All reports prior to submission to the Board are subject to rigorous quality assurance processes by senior managers. The effectiveness of the systems that generate the financial and performance data contained within the

reports is evidenced through positive internal audit and inspection results.

None of the results received this year were of a low or inadequate opinion. We aim to keep reports clear, concise and focused on the purpose of the Board's reviewing. An example of this is our Performance Dashboard, which provides an overall high-level position and assessment of our performance against our strategic objectives and risks and is aligned with the corporate work programme which drives the actions needed to meet our objectives.

Assurance arrangements

The Audit and Risk Assurance Committee (ARAC) has oversight of the organisation's governance, risk and internal control frameworks. It receives reports on matters of assurance and oversees the preparation and publication of the financial statements each year.

The ARAC oversees the internal audit programme work and delivery arrangements. The Head of Internal Audit role and internal audit programme are provided through the Government Internal Audit Agency.

Internal audit

The planned programme of audit work was met during the year which included five final audit reports, all but one of which were rated Substantial. Cafcass was given an overall assurance of Substantial.

Rating - Substantial

- Review of ECMS - May 2018
- Business Planning – September 2018
- Review of Interpreters and Translation Services – October 2018
- Attendance Management – January 2019
- Workload Management – February 2019
- Talent Management – February 2019

Rating - Moderate

- Data Breaches – October 2018

Strategic and business plans

We maintain a strategic plan which sets out the priorities for the organisation. We have a dashboard for the national business plan and strategic plan which tracks and reports on the performance of relevant activities. This is updated quarterly and monitored by the CMT and the Cafcass Board. CMT conducts a review of key work priorities for the coming year and these are shared with the Board at their planning day in April each year. During the year the Director of Strategy has worked closely with Board members to co-ordinate a programme of activities to facilitate a refresh of the current strategic plan, due to be launched in autumn 2019.

Business continuity planning

Business continuity planning creates resilience within our processes and tools (such as IT systems) so that we can continue to deliver our service effectively during unexpected disruptive events. Each Cafcass site has a continuity plan in place. Our Business Continuity Steering Group and Incident Management Team support this work.

Risk management and profile

Our risk management policy sets out our approach to risk management and clearly outlines our responsibilities in the management of risk throughout the organisational structure, including how risk is escalated.

Our strategic risks are captured in a risk register which is reviewed at every meeting of the ARAC and Performance and Quality Committee (for those risks where they are the lead Board Committee) and quarterly by the Board. Our register identifies the risks to the achievement of our strategic priorities and objectives. The mitigations are categorised using a three-line of defence model: operational controls, management monitoring, and independent assurance. We also conduct a separate risk assessment of the wider environment in which we work, to provide more transparency around our understanding and management of risks outside the organisation, which do or could impact on our work. During the year, we identified a number of noteworthy areas within our strategic risk profile:

- The in-year funding situation was in the most part manageable, but only through the constant vigilance of budget managers and their management of the tension between workforce capacity, the ability to allocate incoming work but within the envelope of resources available. Funding for subsequent years remains an area of risk as the level of demand continues to place pressure on the service, driving a need to maintain resources if quality and performance are not to be compromised.
- Our assessment of the risk to maintaining quality of casework remained consistent during the year, notwithstanding the continual increase in demand and the consequent increase in individual workloads.
- The assessment of residual risk relating to private law demand was increased to Red part way through the year and remains so, to acknowledge the continued rise in both demand and complexity of cases and the absence of any measures to change this position in the short or medium term. While demand in public law has not followed the same trajectory, the extended duration of cases and their inherent complexity is nonetheless a feature in common with private law.
- Our risk relating to workforce capacity followed the private law risk assessment to Red. The ability to recruit both permanent and flexible workforce to maintain capacity in light of demand has reached the limits of the possible in a small number of areas.
- Our risk relating to the complex re-procurement of our core IT services reduced from Amber to Amber/Green following the transition from the previous managed service provider during the year. While there have been some inevitable legacy issues still being resolved, the transition programme concluded within both target timescales and cost.

Information Assurance

Our position statement on Cafcass' information assurance arrangements is as follows:

- The National Child Care Policy Manager remains the Senior Information Risk Owner (SIRO) for Cafcass and is supported in this role by the Information Assurance Officer and Head of IT, who is our Chief Information Officer.
- Colleagues from a range of departments including HR, IT Security and Legal successfully delivered necessary activities such as updating policies and contracts to ensure Cafcass is compliant with the GDPR.
- An internal audit on data breaches formed part of the audit programme for 2018-19. Cafcass received an audit rating of 'Moderate'. Of the three areas assessed, two areas were assessed as 'Substantial', with the third area being 'Moderate'.
- The quarterly Information Assurance Board (IAB) meetings have in attendance Cafcass' Information Asset Owners, who monitor and assess any information management associated risks. The IAB reviews the log of data breaches and monitors any changes in the trends, nature and volume of breaches.
- A data breach report is presented to ARAC twice yearly for further scrutiny and oversight.
- Information stored electronically, which involves all current case information, is considered to be appropriately secure as we maintain compliance with recommended government security levels.

This is audited independently and all electronic devices are encrypted.

- We continue to use Egress Switch which allows personal sensitive information to be sent securely via email to service users and external agencies.
- Cafcass has IT, Information Assurance, and Case Recording and Retention policies which were reviewed and updated to ensure they reflect the GDPR and good practice.
- We promote awareness and good practice through regular news items and training. We have a Cafcass-specific training module ‘Protecting Information in Cafcass’ which is mandatory for all staff. Completion rates of the training are at 91% and are monitored by the IAB.
- Security incident returns are submitted quarterly to the MoJ. We report our position annually in relation to the Security Policy Framework and planned future work to the Cabinet Office via MoJ.
- We continue to self-assess at a high level of assurance.

We continue to promote good practice and ensure compliance through training and shared learning:

- New training on data breaches has been produced for Business Support teams and has been delivered to teams based at the National Business Centre.
- Cafcass launched an information assurance awareness campaign in March 2019 to deliver more regular information about information assurance and discussion about methods of continuing to reduce data breaches in the form of intranet news articles, webinars, posters and bitesize training on key data protection issues to promote key messages for staff.

Summary of other protected personal data related incidents in 2018-19

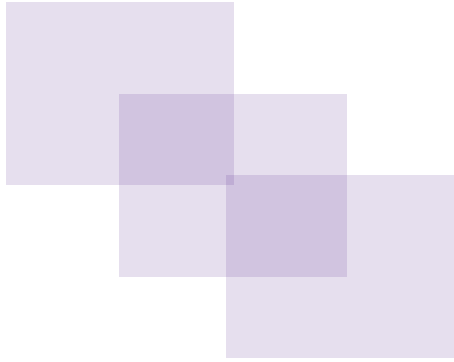
Data breaches reported internally according to Cabinet Office guidance, none of which fall within the criteria for reporting to the Information Commissioner’s Office.

| Category | Nature of incident | Total |
|----------|---|-------|
| I | Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Cafcass premises | 5 |
| II | Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises | 16 |
| III | Insecure disposal of inadequately protected electronic equipment devices or paper documents | 0 |
| IV | Unauthorised disclosure ¹⁰ | 278 |
| V | Other | 2 |

Overall conclusions

I consider that our governance framework is operating effectively and is proportionate to the risks and challenges facing us. We continue to prioritise our efforts and resources into supporting the frontline service. Our experience of the rise in new referrals, the complexity of the work and the growing levels of cases staying open longer creates the prospects of only greater challenges ahead. These challenges are not only how to maintain the quality of our work with children but also, equally importantly, how we can continue to sustain and ensure the resilience of the health and wellbeing of our staff. In this context, while the governance framework in place is working for now, I will continue to keep this under review.

¹⁰ - ‘Unauthorised disclosures’ are instances where personal data has been disclosed in error to the wrong person, but which has been recovered or securely destroyed in order to limit the impact of the breach.



Section 2.1

The accountability report

Remuneration and staff report

The purpose of this section is to set out the pay and benefits received by Cafcass Directors and Board members, our pay and pensions' policies, details of staff numbers and costs, and our policies supporting staff including equality and diversity commitments.

Remuneration policy

The remuneration for Cafcass Directors is recommended by a Remuneration Committee made up of three Cafcass Board members: the Chair, the Deputy Chair and the Chair of the Audit and Risk Assurance Committee (ARAC). MoJ reviews its proposals and also approves annual pay reviews and performance-related payments for the Chief Executive. Cafcass salaries are established by considering factors such as relevant external comparator pay levels, internal relativities, affordability, recruitment and retention risks, and political sensitivity. There is no planned change to this policy for the 2018-19 financial year. The remuneration for Cafcass Board members is determined by MoJ.

Service contracts

Cafcass' appointments of Directors are made in accordance with the Cafcass Recruitment and Retention Policy. This policy recognises that in order to provide a high-quality service to the children and families that we serve, it is vital that we recruit and retain people through fair and open competition who share our aims and values and have the requisite skills and abilities to perform to a consistently high standard.

Unless otherwise stated, staff covered by this report hold appointments that are open-ended. Members of Cafcass' Corporate Management Team (CMT) are required to provide four or six months' notice to terminate their contract. Early termination by Cafcass, other than for gross misconduct, would result in the individual receiving compensation by way of payment in lieu of notice, as set out in the individual contract of employment. No such payments were made to senior executives during the year.

Cafcass Board members are appointed by MoJ according to the Children and Family Court Advisory and Support Service (Membership, Committee and Procedure) Regulations 2005, which sets out all terms of appointment except remuneration, which is determined by the Secretary of State. Board members are statutory office holders and, as such, do not hold a contract of employment. Cafcass Board members are appointed on one, two or three-year terms.

Remuneration of Cafcass Board members and senior management

Remuneration includes gross salary, bonus payments (up to 10% performance-related pay applicable to some CMT members only), benefits-in-kind, and pension benefits (employer's pension contributions). More detail on these is set out below in the remuneration tables.

Single total figure of remuneration for Cafcass Board members¹¹

| Board members | Salary (£000) | | Bonus payments (£000) | | Benefits in kind (to nearest £100) | | Pension benefits (£000) ¹² | | Total (£000) | |
|--|--------------------------------|-------------------------------|-----------------------|---------|------------------------------------|---------|---------------------------------------|---------|--------------------------------|--------------------------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Baroness Claire Tyler of Enfield (Until 31st March 2018) | - | 30-35 | - | - | - | - | - | - | - | 30-35 |
| John Lakin (until 31st March 2018) | - | 10-15 | - | - | 200 | 3,200 | - | - | 0-5 | 10-15 |
| Francis Plowden | 10-15 | 10-15 | - | - | - | - | - | - | 10-15 | 10-15 |
| Fay Selvan | 10-15 | 10-15 | - | - | 2,600 | 2,500 | - | - | 10-15 | 10-15 |
| Stuart Smith | 10-15 | 10-15 | - | - | 2,000 | 1,700 | - | - | 10-15 | 10-15 |
| Nickie Aiken (until 30th November 2017) | - | 5-10 (10-15 annualised) | - | - | - | - | - | - | - | 5-10 (10-15 annualised) |
| Caroline Corby | 10-15 | 10-15 | - | - | - | - | - | - | 10-15 | 10-15 |
| Paul Grant | 10-15 | 10-15 | - | - | 1,200 | 2,200 | - | - | 10-15 | 10-15 |
| Deep Sagar | 10-15 | 10-15 | - | - | 1,100 | 1,000 | - | - | 10-15 | 10-15 |
| Sir Mark Hedley | 0-5 | 0-5 | - | - | - | 100 | - | - | 0-5 | 0-5 |
| Joanna Nicolas | 10-15 | 5-10 (10-15 annualised) | - | - | 200 | 4,000 | - | - | 10-15 | 10-15 (10-15 annualised) |
| Simon Hackett (until 31st December 2018) | 0-5 (0-5 annualised) | 0-5 (0-5 annualised) | - | - | - | - | - | - | 0-5 (0-5 annualised) | 0-5 (0-5 annualised) |
| Sally Cheshire CBE (from 14th May 2018) | 5-10 (10-15 annualised) | - | - | - | 1,200 | - | - | - | 10-15 (10-15 annualised) | - |
| Catherine Doran (from 14th May 2018) | 5-10 (10-15 annualised) | - | - | - | 700 | - | - | - | 5-10 (10-15 annualised) | - |
| Sophie Humphreys OBE (from 1st November 2018) | 0-5 (10-15 annualised) | - | - | - | - | - | - | - | 0-5 (10-15 annualised) | - |
| Mandy Jones (from 14th May 2018) | 5-10 (10-15 annualised) | - | - | - | 400 | - | - | - | 5-10 (10-15 annualised) | - |
| Edward Timpson CBE (from 9th April 2018) | 20-25 (20-25 annualised) | - | - | - | 2,600 | - | - | - | 25-30 (25-30 annualised) | - |

11 - This information has been audited.

12 - This information has been audited.

Single total figure of remuneration for Directors¹³

| Directors | Salary (£000) | | Bonus payments (£000) | | Benefits in kind (to nearest £100) | | Pension benefits (£000) ¹⁴ | | Total (£000) | |
|---|---------------|--------------------------------------|-----------------------|---------|------------------------------------|---------|---------------------------------------|---------|--------------|----------------------------------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Anthony Douglas, CBE Chief Executive | 165-170 | 165-170 | 10-15 ¹⁵ | - | 100 | 100 | - | - | 175-180 | 165-170 |
| Julie Brown, Director of Resources | 130-135 | 125-130 | 5-10 ¹⁶ | 10-15 | 100 | 100 | 40 | 39 | 175-180 | 175-180 |
| Christine Banim, National Service Director | 110-115 | 110-115 | 5-10 ¹⁷ | 5-10 | 100 | 100 | - | - | 120-125 | 120-125 |
| Teresa Williams, Director of Strategy (from 1st March 2018) | 110-115 | 5-10 (10-15 annualised) | - | - | 100 | 100 | 32 | 3 | 140-145 | 10-15 (105-110 annualised) |
| Payments to past Directors ¹⁸ | | | | | | | | | | |
| Helen Watson, Director of Strategy (left on 20th August 2017) | - | 45-50 (125- 130 annualised) | - | - | - | - | - | 12 | - | 60-65 (135-140 annualised) |

Salary

'Salary' includes: basic salary, London Weighting, honorarium, overtime, market supplement (discretionary payment for some posts to aid retention and recruitment), buy-back of untaken annual leave, and Pay in lieu of Notice (PILON).

Bonus payments (performance related pay)

Performance Related Pay (PRP) is based on performance in the year. Targets are set annually and based on overall performance towards the achievements of the Business Plan objectives (stated below). Threshold performance would result in a PRP payment of no more than 10% of basic salary. Performance below threshold would result in no payment being paid.

PRP awards for Cafcass staff are determined by the Chief Executive and must be endorsed by the Remuneration Committee. PRP for the Chief Executive is determined by the Remuneration Committee and MoJ.

The strategic objectives that are relevant for PRP consideration are to:

- Show continuous improvement in our performance and in the quality of our work;
- Innovate and reform in public and private law, to use our resources to best effect;
- Develop an evidence base that analyses the diversity related needs of service users and, in turn, briefs and trains our staff to respond to these changes;
- Continue delivering savings packages required by innovating throughout all front and back office functions and across organisational boundaries;
- Use our unique position and insight to generate high impact and timely research to inform our own practice and influence that across the family justice system.

13 - This information has been audited.

14 - The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

15 - Related to performance in 2017-18 financial year but paid in 2018-19 following sponsor department approval.

16 - As above

17 - As above

18 - As above

Benefits in kind

The monetary value of benefits in kind covers any non-cash benefits provided by Cafcass and treated by HM Revenue and Customs as a taxable emolument. Board members' travel costs to the Cafcass National Office are reimbursed to them, which acts as a benefit in kind.

Pension benefits

This sets out the value of pension benefits accrued during the year which were paid by Cafcass as employer's contributions. The contribution rate from April 2018 is 16.2%.

Pension entitlements for Directors

Pension benefits are provided by the West Yorkshire Pension Fund (WYPF), to which Cafcass makes employer's contributions. Further information on the Cafcass pension schemes can be found in notes 1(f) and 22 in the Accounts, which are on pages 71 and 81.

The accrued pension at retirement age is the pension earned that the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age.

Cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. 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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The pension figures shown relate to the benefits that individuals have 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 includes the value of any pension benefit in another scheme or arrangement which the individual has transferred to the pension provider and for which the pension provider has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing of additional years of pension service in the scheme at their own cost.

The real increase in CETV effectively funded by the employer excludes increases due to inflation and contributions paid by the Director (including the value of any benefits transferred from another pension scheme or arrangement). It uses common market valuation factors for the start and the end of the period.

| | Real increase in pension and related lump sum at retirement age (£2,000 bands) (£000) | Total accrued pension at retirement age at 31st March 2019 and related lump sum (£5,000 bands) (£000) | CETV at 31st March 2018 (£000) ¹⁹ | CETV at 31st March 2019 (£000) ²⁰ | Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £000) ²¹ |
|--|---|---|--|--|--|
| Anthony Douglas, CBE, Chief Executive | - | - | - | - | - |
| Julie Brown, Director of Resources | 2.5-5 plus 0-2.5 | 25-30 plus 0-5 lump sum | 266 | 340 | 67 |
| Christine Banim, National Service Director | - | - | - | - | - |
| Teresa Williams, Director of Strategy | 0-2.5 plus 0-2.5 | 0-5 plus 0-5 lump sum | 2 | 30 | 28 |

Compensation on early retirement or for loss of office

No senior managers received compensatory payments in 2018-19²².

Fair pay disclosure

This shows the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce. This is based on full-time equivalent salaries.

Top to median staff pay multiple ratio

| | 2018-19 | 2017-18 |
|--|---------|---------|
| Highest earner's total banded remuneration (£000) | 175-180 | 165-170 |
| Median total remuneration | £42,039 | £41,558 |
| Ratio | 1:4.22 | 1:4.03 |

In 2018-19, nil (2017-18, nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £10,000 to £180,000 (2017-18, £10,000 to £166,000).

Staff report

Number of Senior Civil Service equivalent staff

Cafcass has 36 staff who are the equivalent of Senior Civil Servants (SCS): 22 members of the Operational Management Team and 14 senior managers in corporate teams (this excludes Directors, whose remuneration has been set out above).

| Salary band | Number of SCS equivalent within band as at 31st March 2019 |
|------------------------|--|
| £60,000-£70,000 | 19 |
| £70,000-£80,000 | 2 |
| £80,000-£90,000 | 4 |
| £90,000-100,000 | 10 |
| Total | 35 |

19 - This information has been audited.

20 - This information has been audited.

21 - This information has been audited.

22 - This information has been audited.

Staff numbers and costs

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

An analysis of staff numbers and costs is set out below, distinguishing between staff with permanent contracts, and staff who are flexible, agency, and self-employed contractors. All staff numbers are presented on an actual basis²³ as at the reporting date (31st March 2019) and reflect headcount; staff costs are presented on total cost during the reporting period (April 2018 – March 2019)²⁴.

Staff numbers (as at 31st March 2019)

| | Social worker | | Other | | Total | |
|------------------------------------|---------------|---------|---------|---------|---------|---------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Cafcass Board member | - | - | 13 | 9 | 13 | 9 |
| Corporate staff | - | - | 113 | 110 | 113 | 110 |
| Operational staff | 1,454 | 1,406 | 340 | 319 | 1,793 | 1,725 |
| Flexible staff (bank/sessional) | 55 | 56 | - | - | 55 | 56 |
| Agency staff | 34 | 79 | 25 | 53 | 59 | 132 |
| Self-Employed Contractors (active) | 123 | 124 | - | - | 123 | 124 |

Staff composition²⁵

| Staff | Female | Male | BME ²⁶ | Disability |
|---|------------------|----------------|-------------------|---------------|
| Directors | 3 | 1 | 0 | 0 |
| Senior Civil Service equivalent (excluding Directors) ²⁷ | 23 (65.7%) | 12 (34.3%) | 2 (8.6%) | 2 (5.7%) |
| Other Cafcass staff | 1,614 (83.9%) | 309 (16.1%) | 276 (14.4%) | 147 (7.6%) |
| Total staff | 1,640 (83.6%) | 322 (16.4%) | 279 (14.2%) | 149 (7.6%) |

23 - The figures show staff numbers based on headcount, not full-time equivalent (FTE)

24 - Staff costs information is audited. Spend based on full International Reporting Financial Standards (IRFS) stated cost, further information on which is set out in Section 3 Accounts.

25 - These figures are as self-reported by employed staff only; figures are not held for all employed staff as they may choose not to disclose the information.

26 - Black, Asian and Minority Ethnic

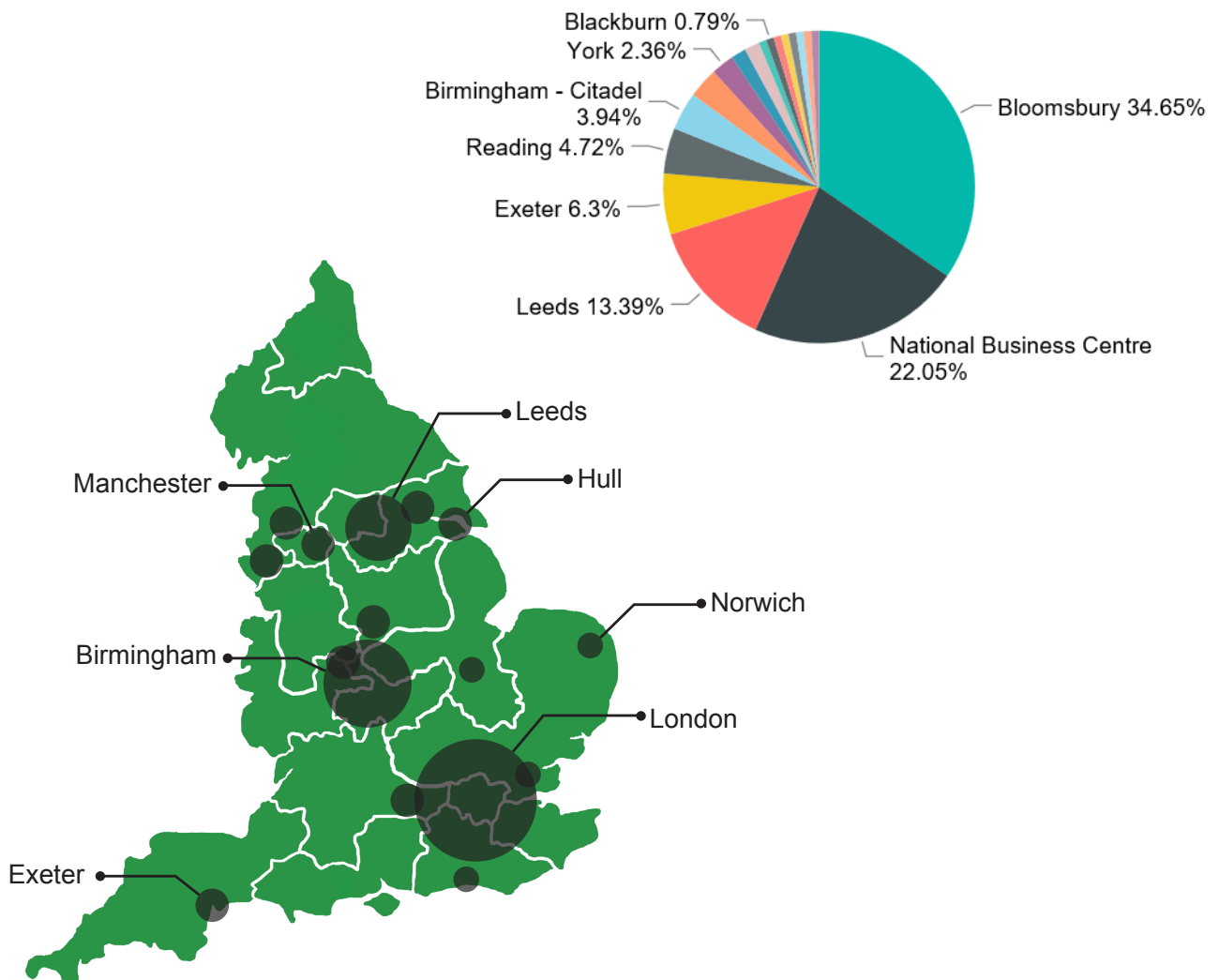
27 - 22 members of the Operational Management Team and 13 senior managers in corporate teams.

Staff costs

| | Cafcass Board Members | Corporate National Office Staff | Regional Staff | Total |
|-----------------------------------|-----------------------|---------------------------------|----------------|------------|
| Salaries and wages | 125.00 | 6,986.00 | 63,285.00 | 70,396.00 |
| Apprentice levy | - | 34.00 | 304.00 | 338.00 |
| Social security costs | 4.00 | 746.00 | 6,731.00 | 7,481.00 |
| Current service cost | - | 4,863.00 | 15,033.00 | 19,896.00 |
| Other pension costs | - | 20.00 | -60.00 | -40.00 |
| Past pension service costs/(gain) | - | 21.00 | - | 21.00 |
| Total payroll costs | 129.00 | 12,670.00 | 85,293.00 | 98,092.00 |
| Agency social worker costs | - | - | 2,946.00 | 2,946.00 |
| Other agency staff cost | - | 124.00 | 677.00 | 801.00 |
| Self-employed contractors | - | - | 2,552.00 | 2,552.00 |
| Inward secondees costs | - | - | - | - |
| Total staff costs | 129.00 | 12,794.00 | 91,468.00 | 104,391.00 |

Where our staff are based

The following shows where our corporate (non-practice) staff are based across the country.



Sickness absence data

Average number of working days lost due to sickness (AWDL)

| | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|--|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Social workers AWDL (excluding leavers) | 9.9 (8.3) | 8.7 (7.5) | 10.6 (9.0) | 7.6 (6.7) | 8.9 (7.6) |
| Non-social workers AWDL (excluding leavers) | 8.8 (8.0) | 8.7 (8.1) | 8.1 (7.1) | 7.1 (6.2) | 8.8 (6.4) |
| Overall AWDL (excluding leavers) | 9.6 (8.2) | 8.7 (7.7) | 10.0 (8.6) | 7.5 (6.6) | 8.8 (7.3) |

Staff policies

Cafcass has a range of policies and key strategies to ensure that we are supporting managers and staff effectively on a range of issues from employee relations, change management, workforce planning, health, wellbeing and engagement.

Diversity and Inclusion

Practice

This year we reviewed our training offer for social workers, to ensure diversity and inclusion is a clear priority theme running through. We have Diversity Champions and Child Exploitation Ambassadors in each service area, who promote diversity and inclusion at the frontline and nationally - sharing best practice; delivering training; offering support and advice and working on national strategy initiatives.

Staff

We are a 'Disability Confident Leader', which is the highest accreditation given by the Department for Work and Pensions. This demonstrates our commitment to employ, train and develop the careers of people with disabilities.

Our virtual Diversity networks have helped shape best practice, promoting awareness and providing support to their members. Along with the five initially launched, we now have a further group for staff who comprise a School Governor network. Our Diversity Networks were shortlisted for the Ministry of Justice Awards in 2018.



We keep our staff up to date with our quarterly Diversity and Inclusion newsletter, so we can share good practice and promote awareness of diversity topics. We also use staff blogs and intranet articles and promote various diversity 'awareness dates' throughout the year, engaging all staff to champion diversity and inclusion.

Staff wellbeing

We are committed to creating an environment where our staff feel engaged, motivated and able to provide the best possible service to the children and families we work with.

Our dedicated Health and Wellbeing (H&W) team offers a holistic wellbeing programme to the whole organisation. The programme is a foundation for our staff to be productive, build a positive work life balance, and maintain high levels of resilience in a high-pressured work environment.

The H&W team also contributes to supporting the Cafcass Management Development Programme, ensuring managers have the skillset and resources to support the wellbeing of staff in their teams.

New developments in 2018 include: the 'Optimising Wellbeing webinar series'; wellbeing quiz; 'Optimising Wellbeing research' and the 'Health and Wellbeing podcast'.

The number of employees who have been referred and are accessing the 1:1 wellbeing consultation service continues to grow. 160 members of staff received individual, expert support during 2018-19. This is a 18.5% increase on the previous year.



In 2018:

- We reviewed our approach to supporting mental health, using the core standards set out in the Farmer Stevenson Thriving at Work Report. Our current practices and support systems are exceeding these core standards. ('Thriving at Work: a review of mental health and employers,' October 2017)²⁸.
- We also joined the MoJ Mental Health Allies (MHA) Network, with the aim of continuing to improve the culture surrounding mental health, removing stigma and providing a supportive environment for staff who suffer from mental ill health. Similar to our existing Cafcass Mental Health First Aiders, MH Allies receive training to support individuals in a mental health crisis. Across the two programmes, we have 30 trained colleagues able to deal with a mental health crisis.
- We appointed a new Employee Assistance Programme (EAP) provider, PAM Assist. This is a positive step as we move in line with the MoJ contract and to a provider who can continue to provide the necessary support and advice to our employees with a sufficiently wide range of services to support emotional wellbeing.

Workforce development

Cafcass' Workforce Development Strategy sets out the key people priorities that will contribute to the delivery of our strategic objectives to 2020. There are four key themes for us as an employer, which enable us to provide an outstanding service to children and families.

Talent attraction

Our Recruitment and Retention Policy sets out how we aim to achieve best practice and ensure that Cafcass employs and retains a highly skilled, credible and motivated workforce.

In keeping with previous years, in 2018-19 talent attraction was a key priority as we sought to have the organisational capability and capacity in place to meet with rising demand for services.

In 2018-19 we:

- Supported the organisation to increase salaried/permanent headcount by 71 (3.75%) and in turn reduced temporary/agency headcount by 73 (-55.3%), which helps ensure our resources deliver best return on investment while helping to ensure continuity for service users, managers and staff alike.
- Extended use of systems and services that had previously been identified as having a significant, positive impact on: the speed of the recruitment and selection process, and the experience of recruiting managers, as well as candidates applying to Cafcass; and the timescale between candidates being offered employment and commencement.

²⁸ - www.gov.uk/government/publications/thriving-at-work-a-review-of-mental-health-and-employers

- Launched an 'onboarding' platform to support engagement with new starters prior to joining, as well as contributing to their 'day one readiness'.

Our now established approach to recruitment saw Cafcass win the 'Best Frontline Recruitment Campaign' award at the PPMA Excellence in People Management Awards in April 2018 as well as being shortlisted for a Recruitment and Professional Development award at the Children and Young People Now Awards and also a Recruitment and HR accolade at The Guardian Public Service Awards.

Supporting our people

Our continued focus on supporting staff to be well and perform at work has been recognised by a number of award shortlists and wins, including being short-listed for wellbeing awards by MoJ and winning Best Total Wellbeing Strategy at the Reward and Employee Benefits Association (REBA) awards.

Highlights this year include:

- Broadening the range of resources to help staff to be aware of and improve their Health and Wellbeing. This includes new guidance, webinars and podcasts on a range of topics including body image, nutrition and sleep.
- Further raising awareness of mental health and creating a working environment that removes the stigma attached to discussing poor mental health.
- Sharing our good practice with other key stakeholders, such as Cafcass Cymru.

People development

- The new Onboarding platform is now launched, which supports newly appointed staff during the period from offer of employment to start date. The aim is to provide essential information that will prepare new starters for their role at Cafcass and help them to settle in once they start.
- Our Emerging Talent Programme identifies, develops and retains our highest performers by enabling them to realise their potential and progress within Cafcass. Since the programme was introduced in 2013, 398 people have participated, with 1 in 3 colleagues who enter the programme achieving a role change or promotion either during their time on the programme or once they have completed it. For those whose aim is not career progression, the programme offers a source of job enrichment by providing opportunities to take on different areas of work.
- Cafcass' approach to talent management received the highest level of internal audit assurance in January 2019 for its effectiveness.
- Management and team development has been a priority over the last 12 months - recognising the vital role that managers play in creating a positive work environment. This has included a new workshop for newly appointed managers. At team level, the increased workload has brought into sharp focus the positive impact good team morale can have. Delivery of strengths-based team workshops has helped to create space for teams to recognise their successes and plan for the future, building on their collective strengths.
- A series of apprenticeships, ranging from Business Administration to Leadership & Management have been offered to existing staff through our successful Apprenticeship Programme. These provide an opportunity to achieve an accredited qualification whilst upskilling existing staff. We have also recruited new staff onto Business Administration apprenticeships and have provided a pathway for future development and retention. All apprenticeships are fully funded via the Apprenticeship Levy with progress monitored internally and by our external apprenticeship providers.
- We currently have 17 members of staff studying for an apprenticeship. Three are appointed into specific apprentice roles, 14 are existing staff members including Service Managers, colleagues from Corporates and Business Services and the NBC.
- We have injected new talent into some of our corporate teams with the recruitment of 10 graduates into a two-year graduate development programme. The graduates are already having significant impact within their teams contributing to projects such as implementation of a new learning system, evaluating the impact of learning and developing our new strategic plan.

Rewarding Performance

It is our aim to recognise and reward the contribution of colleagues in a way which encourages all to perform to their best and achieve their potential, and to retain the best talent in the organisation.

We have maximised what we are able to pay to staff via our annual pay award and have implemented a pay award for 2018-19 which provides a consolidated 1.16% increase for all staff; the best outcome we have been able to achieve in any of the last five years.

Health, safety and wellbeing

We work with managers to ensure that working environments are safe, workloads are manageable and that staff are equipped and supported to carry out their roles. We are committed to creating an environment that enables staff to feel engaged, motivated, and able to provide the best service possible to the children and families we work with.

In 2018-19:

- Our proactive, preventative approach includes providing individuals and teams with information and tools to improve their health and wellbeing. This has been done via open workshops, webinars and team development days covering topics such as mindfulness, focus and nutrition.
- We reviewed our Health and Safety policies and have consolidated policy and guidance relating to risk to staff from violence, aggression and harassment into three key documents, with supporting eLearning courses, to ensure up-to-date guidance for managers on how they can and should support staff following threatening or abusive behaviour.
- Following the implementation of revised procedures and guidance for managing violence and aggression towards staff, 22 risk assessments were undertaken during 2018. 55 incidents in total were reported, 33 of which were related to violence and aggression. We are in the process of developing an electronic health and safety management system, AssessNET, that will enable staff to report incidents directly into the system using their smartphones or computer. Compliance with statutory estates related health and safety requirements remains high and the process for monitoring these will be improved following introduction of AssessNET.

Staff engagement

Cafcass recognises the importance of strong staff engagement, particularly when workloads remain high. It is a priority at organisation and team level to create a culture where staff feel trusted and valued to do their job well.

Our Management Development Programme provides learning and support to existing, new and aspiring managers on developing their team and maintaining a strong team ethos, which is particularly important given flexible working by team members.

We value the views and expertise that our workforce brings to Cafcass and encourage wide involvement in the development of new services, policies and approaches. Development of new IT systems and applications includes involvement of cross-organisational working groups and examples for 2018-19 include the new case plan and Voice of the Child apps. We have also asked all staff to provide feedback, on a team and individual level, on the creation of our new strategic plan and organisational values, through a network of local strategic plan champions.

The 'Caflon' initiative has continued during autumn 2018, with 52 events taking place so far across the organisation. The number of events has increased each year with 36 (2015), 38 (2016) and 49 (2017), which shows staff still enjoy taking part. The fundraising total for the Children in Need appeal has also been exceeded – £6,380 raised against a target of £2,500.

This year's events include walking, kayaking, a national 'Quizathon' and a 'couch to 5km run', to name a few. Caflon encourages staff from different teams and service areas to come together, have fun and compete head-to-head. But most importantly it continues to boost staff morale, engagement and health and wellbeing.



Situational supervision and regular Performance and Learning reviews are the primary mechanism for managers to discuss wellbeing, achievements and learning with their team members. During 2018/19 we have made improvements to this process based on feedback from staff to make this more interactive and useful for all. A review of the effectiveness of performance and learning reviews is also now included in the Area Quality Reviews of service areas.

Expenditure on consultancy

Cafcass incurred no costs for consultancy across 2018-19.

Off-payroll engagements

Cafcass conforms to relevant regulations in respect of tax arrangements for all off-payroll appointments and this includes an assessment of employment status as required under IR35. Where engaged through an intermediary Cafcass notifies the assessment of employment status and where relevant instructs that required deductions for income tax and national insurance are made. Cafcass had liaised closely on these matters during 2017-18 with both the taxation team at MoJ and with HMRC to ensure a compliant approach. There have been no known instances of non-tax compliant off-payroll engagements (brought to the attention of the organisation) as at 31 March 2019.

Exit packages

A summary of exit packages for employed staff through compensation schemes is set out below.

| Exit package cost band | Number of compulsory redundancies | | Number of other departures agreed | | Total number of exit packages by cost band | |
|---------------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|--|-----------|
| | 2018-19 | (2017-18) | 2018-19 | (2017-18) | 2018-19 | (2017-18) |
| Less than £10,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £10,000-£25,000 | 1 | (0) | 0 | (0) | 1 | (0) |
| £25,000-£50,000 | 1 | (0) | 0 | (0) | 1 | (0) |
| £50,000-£100,000 | 0 | (0) | 0 | (1) | 0 | (1) |
| £100,000-£150,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £150,000-£200,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| Total number of exit packages by type | 2 | (0) | 0 | (1) | 2 | (1) |
| Total resource cost (£000) | 62 | (0) | 0 | (59) | 62 | (59) |

Pension costs

Cafcass participates in the West Yorkshire Pension Fund (WYPF) scheme and the Principal Civil Service Pension Scheme (PCSPS). The WYPF scheme is a multi-employer defined benefit scheme in which Cafcass' share of the underlying assets and liabilities are identified.

The current contribution rate was previously determined by the independent fund actuaries at the time of the 2016 revaluation, Aon Hewitt Limited. The contribution rate for 2018-19 is 16.2%. Aon Hewitt Limited is the currently appointed fund actuaries. The contribution rate is based on a combination of future service and the effects of past service deficits and ill health retirements. Employer's contributions to the scheme for the year to March 2019 amounted to £14.054m (costs relating to the voluntary early retirement programme were £0.021m) with 2,009 employees participating in the scheme (2017-18: employer's contributions £12.988m, voluntary early retirement costs nil, participating employees 1,946).

The last independent actuarial valuation of the WYPF scheme was on 31st March 2016 and revealed that the scheme was 87% funded in relation to past service. The valuation is based on assets and liabilities at 31st March 2016. Following the actuarial valuation, the revised employer contribution rates for Cafcass have been set as follows:

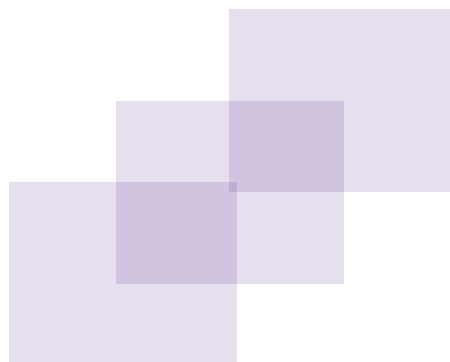
| | Contribution rate % | Additional cash contribution |
|---------------------|---------------------|------------------------------|
| Year 2017-18 | 16.2% | £3.1268m |
| Year 2018-19 | 16.2% | £3.2284m |
| Year 2019-20 | 16.2% | £3.3333m |

The PCSPS is an unfunded multi-employer defined benefit scheme for which Cafcass is unable to identify its share of the underlying assets and liabilities. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. A full actuarial valuation was carried out as at 31st March 2012 and revised contribution rates applied from 1st April 2015. Full details can be found at www.civilservice.gov.uk/pensions.

For 2018-19, employer's contributions of £0.037m (2017-18: £0.041m) were payable to the PCSPS at 20.9% to 22.10% of pensionable pay, based on salary bands. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred and reflect past experience of the scheme.

Trade Union Facility Time

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 14 | 11.57 |
| Percentage of time | Number of employees |
| 0% | 0 |
| 1 - 50% | 14 |
| 51 - 99% | 0 |
| 100% | 0 |
| Percentage of pay bill spent on facility time | Figures |
| Total Cost of Facility Time | £100,401.51 |
| Total Pay Bill | £92,300,586 |
| % of Pay Bill Spent on Facility Time | 0.11% |



Section 2.2

The accountability report

Parliamentary Accountability and Audit report

This section shows how we have spent the money provided to us by Parliament. It also shows that our annual report and accounts have been audited.

Our accounts

The Statement of Accounts of Cafcass for the year ending 31st March 2019 has been prepared in a form directed by the Secretary of State with the consent of the Treasury, in accordance with the Accounts Direction dated 12th April 2002 given under Schedule 2, paragraph 13(2) of the Criminal Justice and Court Services Act 2000.

The Accounts are audited by the Comptroller and Auditor General, who is appointed by statute. The audit fee is £62,000 for 2018-19 (£52,000 2017-18). There have been no non-audit services during 2018-19.

Financial commentary on how we spent our budget is set out in Section 1.1.

Treatment of pension liabilities

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

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

The assets of the WYPF, which is a defined benefit scheme, are held separately from those of Cafcass. The scheme assets are measured at realisable value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the Statement of Financial Position. The movement in the scheme surplus/deficit

is split between operating charges (within staff costs) and reserves in the case of actuarial gains and losses. Net interest receivable on pension scheme assets is shown in operating cash flows.

Long-term liabilities

There have been no significant changes in the organisation's long-term liabilities.

Remote contingent liabilities²⁹

There are no remote contingent liabilities.

Long-term expenditure trends

There have been no significant changes in the organisation's long-term expenditure trends.

Regularity of expenditure: losses and special payments³⁰

| | 2018-19 | | 2017-18 | |
|--|-----------|-----------------|-----------|-----------------|
| | £000 | Number of cases | £000 | Number of cases |
| Losses statement | | | | |
| Administrative write-offs | 3 | 1 | 5 | 2 |
| Fruitless payments ³¹ | 46 | 19 | 56 | 30 |
| Total value of losses | 49 | 20 | 61 | 32 |
| Special payments | | | | |
| Compensation payments | 5 | 1 | 0 | 0 |
| Total special payments | 5 | 1 | 0 | 0 |
| Total losses and special payments | 54 | 21 | 61 | 32 |

There were £0.054m of losses and special payments charged to the Accounts as at 31st March 2019 (2017-18: £0.061m). The actual cash amount paid in the period was £0.059m (2017-18: £0.102m).³²

These payments were made in accordance with HM Treasury guidance.

Signed: Julie Brown
Interim Chief Executive and Accounting Officer
Date: 12th June 2019



29 - This information has been audited.

30 - This information has been audited.

31 - The majority of these payments related to non-attendance at court.

32 - The last year cash amount has been restated to £0.115m from £0.478m. The amount £0.478m included severance payments which should not have been included as losses and special payments.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Children and Family Court Advisory and Support Service (Cafcass) for the year ended 31 March 2019 under the Criminal Justice and Court Services Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Cafcass' affairs as at 31 March 2019 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Criminal Justice and Court Services Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of Cafcass in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cafcass' ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Board and the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Criminal Justice and Court Services Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cafcass' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Board and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the Criminal Justice and Court Services Act 2000; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

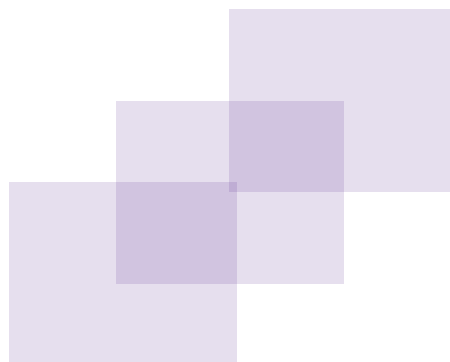
I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
19 July 2019
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



Section 3

2018-19 Annual Accounts

Financial Statements

Statement of Comprehensive Net Expenditure for year ended 31st March 2019.


| | | 2018-19 | | 2017-18 | |
|---|------|---------|----------------|---------|----------------|
| | Note | £000 | £000 | £000 | £000 |
| Expenditure | | | | | |
| Staff costs | | 98,872 | | 90,744 | |
| Past pension service cost | 4 | 21 | | 0 | |
| Total staff costs | 4 | 98,893 | | 90,744 | |
| Self-Employed Contractors and agency staff | 20 | 5,498 | | 12,165 | |
| Depreciation and amortisation | 7/8 | 618 | | 452 | |
| Partnerships | 21 | 2,478 | | 2,158 | |
| Other expenditure | 5 | 25,245 | | 21,048 | |
| | | | 132,732 | | 126,567 |
| Income | | | | | |
| Income from activities | 3/6 | (75) | | (143) | |
| | | | (75) | | (143) |
| Net expenditure | | | 132,657 | | 126,424 |
| Net interest cost | 22 | | 4,816 | | 4,636 |
| Net expenditure after interest | 3 | | 137,473 | | 131,060 |
| Other comprehensive expenditure | | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | | (3) | | (25) |
| Net gain on revaluation of intangible assets | 8 | | (12) | | (31) |
| Loss/(gain) on re-measurement of pension benefits | 22 | | 20,562 | | (2,625) |
| Total comprehensive expenditure for year ended 31st March 2019 | | | 158,020 | | 128,379 |

The Notes on pages 69 to 87 form part of these Accounts.

Statement of Financial Position as at 31st March 2019.

| | Note | 31st March 2019 | | 31st March 2018 | |
|--|------|------------------|------------------|------------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 7 | 1,340 | | 1,506 | |
| Intangible assets | 8 | <u>312</u> | | <u>749</u> | |
| Total non-current assets | 3 | | 1,652 | | 2,255 |
| Current assets | | | | | |
| Trade and other receivables | 11 | 4,010 | | 3,756 | |
| Other current assets | | | | | |
| Cash and cash equivalents | 12 | <u>462</u> | | <u>997</u> | |
| Total current assets | | | 4,472 | | 4,753 |
| Total assets | | | 6,124 | | 7,008 |
| Current liabilities | | | | | |
| Trade and other payables | 13 | <u>(5,156)</u> | | <u>(7,060)</u> | |
| Total current liabilities | | | (5,156) | | (7,060) |
| Non-current assets less net current liabilities | | | 968 | | (52) |
| Non-current liabilities | | | | | |
| Provisions | 14 | (7,888) | | (2,305) | |
| Pension liabilities | 22 | <u>(230,381)</u> | | <u>(199,212)</u> | |
| Total non-current liabilities | | | (238,269) | | (201,517) |
| Assets less liabilities | | | (237,301) | | (201,569) |
| Taxpayers' equity | | | | | |
| General reserve | | | (238,250) | | (202,699) |
| Revaluation reserve | | | 949 | | 1,130 |
| | | | (237,301) | | (201,569) |

The Financial Statements on pages 66 to 87 were approved by the Board on 12th June 2019 and signed on its behalf by:

Signed: Julie Brown 
 Interim Chief Executive and Accounting Officer
 Date: 12th June 2019

Statement of Cash Flows for year ended 31st March 2019.

| | | 2018-19 | 2017-18 |
|--|------|------------------|------------------|
| | Note | £000 | £000 |
| Cash flows from operating activities | | | |
| Net expenditure after interest | 3 | (137,473) | (131,060) |
| Depreciation and amortisation | 7/8 | 618 | 452 |
| Increase in trade and other receivables | 11 | (254) | (472) |
| (Decrease)/increase in trade payables | 13 | (1,904) | 975 |
| In year additional pension cost | 22 | 10,607 | 9,984 |
| Increase in provisions | 14 | 5,583 | 303 |
| Net cash outflow from operating activities | | (122,823) | (119,818) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | 0 | (604) |
| Purchase of intangible assets | 8 | 0 | (93) |
| Net cash outflow from investing activities | | 0 | (697) |
| Cash flows from financing activities | | | |
| Grant-in-Aid from parent department for resource expenditure | | 119,799 | 118,558 |
| Grant-in-Aid from parent department for capital expenditure | | 697 | 0 |
| Other grant funding received | | 1,792 | 1,592 |
| Net cash inflow from financing activities | | 122,288 | 120,150 |
| Net decrease in cash and cash equivalents in the period | | | |
| Cash and cash equivalents at the beginning of the period | 12 | 997 | 1,362 |
| Cash and cash equivalents at the end of the period | 12 | 462 | 997 |

Statement of Changes in Taxpayers' Equity as at 31st March 2019.

| | | General reserve | Revaluation reserve | Total |
|--|------|------------------|---------------------|------------------|
| | Note | £000 | £000 | £000 |
| Balance at 1st April 2018 | | (202,699) | 1,130 | (201,569) |
| Changes in taxpayers' equity | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | 0 | 3 | 3 |
| Net gain on revaluation of intangible assets | 8 | 0 | 12 | 12 |
| Release of revaluation reserve to general reserve due to disposals | | 196 | (196) | 0 |
| Net expenditure after interest | 3 | (137,473) | 0 | (137,473) |
| Pension fund actuarial losses | 22 | (20,562) | 0 | (20,562) |
| Total comprehensive expenditure | | (157,839) | (181) | (158,020) |
| Grant-in-Aid from parent department for resource expenditure | | 119,799 | 0 | 119,799 |
| Grant-in-Aid from parent department for capital expenditure | | 697 | 0 | 697 |
| Other grant funding received | | 1,792 | 0 | 1,792 |
| Balance at 31st March 2019 | | (238,250) | 949 | (237,301) |

| | | | | |
|--|----|------------------|--------------|------------------|
| Balance at 1st April 2017 | | (194,703) | 1,363 | (193,340) |
| Changes in taxpayers' equity | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | 0 | 25 | 25 |
| Net gain on revaluation of intangible assets | 8 | 0 | 31 | 31 |
| Release of revaluation reserve to general reserve due to disposals | | 289 | (289) | 0 |
| Net expenditure after interest | 3 | (131,060) | 0 | (131,060) |
| Pension fund actuarial gains | 22 | 2,625 | 0 | 2,625 |
| Total comprehensive expenditure | | (128,146) | (233) | (128,379) |
| Grant-in-Aid from parent department for resource expenditure | | 118,558 | 0 | 118,558 |
| Grant-in-Aid from parent department for capital expenditure | | 0 | 0 | 0 |
| Other grant funding received | | 1,592 | 0 | 1,592 |
| Balance at 31st March 2018 | | (202,699) | 1,130 | (201,569) |

Notes to the Accounts for the year ended 31st March 2019

1 Accounting policies

These Financial Statements have been prepared in accordance with the 2018-19 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector.

Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Cafcass to give a true and fair view has been selected.

The policies adopted by Cafcass for 2018-19 are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

a) Accounting convention

The Accounts are prepared under the historical cost convention, modified to include assets at their value to the business by reference to current costs. Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Companies Act 2006 and accounting standards issued or adopted by the Accounting Standards Board insofar as those requirements are relevant. The Accounts are also fully consistent with International Financial Reporting Standards (IFRS).

b) Going concern

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

c) Property, plant and equipment

Freehold land and buildings were revalued in 2018-19 by reference to current cost indices, as specified by the Valuation Office Agency (VOA).

Freehold land and buildings were last physically revalued by the Valuation Office Agency (VOA) as at 31st March 2018 in accordance with the RICS Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, insofar as this is consistent with current Treasury accounting guidance.

Freehold properties are subject to physical revaluation by the VOA at least every three years and by indexation using current cost indices during intervening years. Leasehold land and buildings and associated improvements are not subject to revaluation or indexation.

Other property, plant and equipment, except for leasehold property, have been stated at their value to the business using appropriate indices published by the Office for National Statistics (ONS).

Revaluations above the depreciated historic cost of these assets are credited to a revaluation reserve. Any downward revaluation of property, plant and equipment below the asset's depreciated historic cost is recognised when it occurs through the Statement of Comprehensive Net Expenditure. Property, plant and equipment include those assets costing £2,500 or more. Assets valued at less than the threshold are capitalised if they constitute integral parts of a composite asset that is in total valued at more than the threshold. Furniture and fittings are not capitalised but fully expensed in the year of acquisition.

d) Intangible fixed assets

Intangible assets consist of software, software licenses and website and intranet costs. These have been stated at their value to the business using appropriate indices published by the ONS.

Revaluations above the amortised historic cost of these assets are credited to a revaluation reserve. Any downward revaluation of intangible assets below the asset's amortised historic cost is recognised when it occurs through the Statement of Comprehensive Net Expenditure.

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

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

e) Depreciation and amortisation

Freehold land is not depreciated.

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

Expected useful lives are as follows:

| | |
|------------------------|----------------|
| Freehold buildings | Up to 60 years |
| Leasehold improvements | Lease term |
| Office equipment | Seven years |
| Information technology | Five years |
| Telecoms | Five years |

f) Pensions

Employees of Cafcass are members of the West Yorkshire Pension Fund (WYPF) which is part of the Local Government Pension Scheme (LGPS). It is a funded defined benefit pension scheme. A small number of Cafcass staff retained membership of the Principal Civil Service Pension Scheme (PCSPS) due to their earlier employment with one of Cafcass' predecessor organisations.

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

The assets of the WYPF are held separately from those of Cafcass.

The scheme assets are measured at realisable value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The net pension liability is the present value of the defined benefit liabilities less the fair value of the assets. All estimates are performed by Aon Hewitt Ltd, the independent actuary for WYPF and in accordance with IAS 19.

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

Net interest receivable on pension scheme assets is shown in operating cash flows.

g) Grant-in-Aid

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

Other grant funding (Contact Services funding) is used to provide grants to Child Contact Centres and is also treated as financing and credited to the general reserve.

h) Income from activities

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

i) Insurance

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

j) Operating leases

Rentals under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

k) Accounting for Value Added Tax

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

l) Financial instruments

Cafcass does not hold any complex financial instruments. The only financial instruments included in the Accounts are receivables and payables (notes 11 and 13).

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

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

m) Provisions

A provision is recognised in the Statement of Financial Position when Cafcass has a present legal or constructive obligation arising from past events, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2 Change of accounting policy

IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) are effective for 2018-19 but considered not material to Cafcass.

There were no significant changes to the accounting policies, as described in Cafcass' 2017-18 Annual Report and Accounts.

3 Analysis of net expenditure by segment

| | Operational service areas | Other | Total |
|---------------------------|------------------------------|---------------|----------------|
| | £000 | £000 | £000 |
| 2018-19 | | | |
| Gross expenditure | 81,393 | 56,155 | 137,548 |
| Income | 0 | (75) | (75) |
| Net expenditure | 81,393 | 56,080 | 137,473 |
| Non-current assets | 886 | 766 | 1,652 |
| 2017-18 | | | |
| Gross expenditure | 82,394 | 48,809 | 131,203 |
| Income | 0 | (143) | (143) |
| Net expenditure | 82,394 | 48,666 | 131,060 |
| Non-current assets | 900 | 1,355 | 2,255 |

'Operational service areas' and 'Other' reflect the structure of the standard monthly management information provided to Cafcass' chief operating decision makers.

4 Staff costs

| | | Cafcass Board members | Corporate National Office staff | Regional staff | Total |
|----------------------------|------|-----------------------------|---------------------------------------|-------------------|---------------|
| | Note | £000 | £000 | £000 | £000 |
| 2018-19 | | | | | |
| Salaries and wages | | 125 | 6,986 | 63,285 | 70,396 |
| Apprentice levy | | 0 | 34 | 304 | 338 |
| Social security costs | | 4 | 746 | 6,731 | 7,481 |
| Current service cost | 22 | 0 | 4,863 | 15,033 | 19,896 |
| Other pension costs | | 0 | 20 | (60) | (40) |
| Past pension service cost | 22 | 0 | 21 | 0 | 21 |
| Total payroll costs | | 129 | 12,670 | 85,293 | 98,092 |
| Temporary staff costs | | 0 | 124 | 677 | 801 |
| Total staff costs | | 129 | 12,794 | 85,970 | 98,893 |
| 2017-18 | | | | | |
| Salaries and wages | | 119 | 6,158 | 57,800 | 64,077 |
| Apprentice levy | | 0 | 31 | 277 | 308 |
| Social security costs | | 6 | 699 | 6,210 | 6,915 |
| Current service cost | 22 | 0 | 4,606 | 13,610 | 18,216 |
| Other pension costs | | 0 | 31 | 125 | 156 |
| Past pension service cost | 22 | 0 | 0 | 0 | 0 |
| Total payroll costs | | 125 | 11,525 | 78,022 | 89,672 |
| Temporary staff costs | | 0 | 67 | 1,005 | 1,072 |
| Total staff costs | | 125 | 11,592 | 79,027 | 90,744 |

5 Other expenditure

| | | 2018-19 | 2017-18 |
|--|------|---------------|---------------|
| | Note | £000 | £000 |
| Outsourced finance and ITC services | | 5,861 | 7,639 |
| Accommodation costs | | 4,973 | 5,518 |
| Travel and subsistence | | 3,127 | 2,877 |
| Telecommunications and postage | | 1,654 | 979 |
| Office supplies, printing and stationery | | 1,215 | 803 |
| Staff related costs | | 461 | 373 |
| Interpreters and translators | | 370 | 349 |
| Legal costs | | 357 | 403 |
| Training costs | | 201 | 171 |
| Fuel and utilities | | 200 | 167 |
| Recruitment costs | | 134 | 203 |
| Vehicle costs | | 122 | 134 |
| External audit costs | | 62 | 52 |
| Internal audit costs | | 59 | 151 |
| Other | | 706 | 900 |
| Total cash | | 19,502 | 20,719 |
| Annual leave amount | 14 | (113) | 233 |
| Accommodation costs | 14 | 127 | 133 |
| Legal costs | 14 | 55 | 99 |
| McCloud judgement | 14 | 5,967 | 0 |
| Provisions no longer required | 14 | (293) | (136) |
| Total non-cash | | 5,743 | 329 |
| | | 25,245 | 21,048 |

6 Income

| | 2018-19 | 2017-18 |
|----------------------|-----------|------------|
| | £000 | £000 |
| Training | 75 | 142 |
| Award of court costs | 0 | 0 |
| Other income | 0 | 1 |
| | 75 | 143 |

7 Property, plant and equipment

| | Land and buildings excluding dwellings | Leasehold land, buildings and improvements | Information technology and telecoms | Office equipment | Total |
|---------------------------|--|--|-------------------------------------|------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2018-19 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/18 | 1,050 | 521 | 2,618 | 22 | 4,211 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | (171) | (605) | 0 | (776) |
| Revaluations | 0 | 0 | 3 | 0 | 3 |
| As at 31/03/19 | 1,050 | 350 | 2,016 | 22 | 3,438 |
| Depreciation | | | | | |
| As at 01/04/18 | 150 | 521 | 2,012 | 22 | 2,705 |
| Charged in year | 13 | 0 | 156 | 0 | 169 |
| Disposals | 0 | (171) | (605) | 0 | (776) |
| As at 31/03/19 | 163 | 350 | 1,563 | 22 | 2,098 |
| NBV as at 31/03/19 | 887 | 0 | 453 | 0 | 1,340 |
| NBV as at 31/03/18 | 900 | 0 | 606 | 0 | 1,506 |
| Asset financing | | | | | |
| Owned | 887 | 0 | 453 | 0 | 1,340 |
| NBV as at 31/03/19 | 887 | 0 | 453 | 0 | 1,340 |
| 2017-18 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/17 | 1,025 | 521 | 3,011 | 22 | 4,579 |
| Additions | 0 | 0 | 604 | 0 | 604 |
| Disposals | 0 | 0 | (997) | 0 | (997) |
| Revaluations | 25 | 0 | 0 | 0 | 25 |
| As at 31/03/18 | 1,050 | 521 | 2,618 | 22 | 4,211 |
| Depreciation | | | | | |
| As at 01/04/17 | 138 | 520 | 3,002 | 22 | 3,682 |
| Charged in year | 12 | 1 | 7 | 0 | 20 |
| Disposals | 0 | 0 | (997) | 0 | (997) |
| As at 31/03/18 | 150 | 521 | 2,012 | 22 | 2,705 |
| NBV as at 31/03/18 | 900 | 0 | 606 | 0 | 1,506 |
| NBV as at 31/03/17 | 887 | 1 | 9 | 0 | 897 |
| Asset financing | | | | | |
| Owned | 900 | 0 | 606 | 0 | 1,506 |
| NBV as at 31/03/18 | 900 | 0 | 606 | 0 | 1,506 |

Freehold land as at 31st March 2019 was valued at £0.336m (2017-18: £0.336m).

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

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

8 Intangible assets

| | Information technology | Software licences | Websites that deliver services | Assets under construction | Total |
|---------------------------|------------------------|-------------------|--------------------------------|---------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2018-19 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/18 | 2,363 | 183 | 89 | 93 | 2,728 |
| Additions | 93 | 0 | 0 | (93) | 0 |
| Disposals | (283) | 0 | 0 | 0 | (283) |
| Revaluations | 12 | 0 | 0 | 0 | 12 |
| As at 31/03/19 | 2,185 | 183 | 89 | 0 | 2,457 |
| Amortisation | | | | | |
| As at 01/04/18 | 1,714 | 176 | 89 | 0 | 1,979 |
| Charged in year | 442 | 7 | 0 | 0 | 449 |
| Disposals | (283) | 0 | 0 | 0 | (283) |
| As at 31/03/19 | 1,873 | 183 | 89 | 0 | 2,145 |
| NBV as at 31/03/19 | 312 | 0 | 0 | 0 | 312 |
| NBV as at 31/03/18 | 649 | 7 | 0 | 93 | 749 |
| 2017-18 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/17 | 2,333 | 182 | 89 | 0 | 2,604 |
| Additions | 0 | 0 | 0 | 93 | 93 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 30 | 1 | 0 | 0 | 31 |
| As at 31/03/18 | 2,363 | 183 | 89 | 93 | 2,728 |
| Amortisation | | | | | |
| As at 01/04/17 | 1,295 | 163 | 89 | 0 | 1,547 |
| Charged in year | 419 | 13 | 0 | 0 | 432 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| As at 31/03/18 | 1,714 | 176 | 89 | 0 | 1,979 |
| NBV as at 31/03/18 | 649 | 7 | 0 | 93 | 749 |
| NBV as at 31/03/17 | 1,038 | 19 | 0 | 0 | 1,057 |

9 Financial instruments

As the cash requirements of Cafcass are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

Most of Cafcass' financial instruments are consistent with the expected purchase and usage requirements of a non-departmental public body and relate to contracts to buy non-financial items. As such, Cafcass is exposed to minimal credit, liquidity, and market risks.

10 Impairments

There were no impairments as at 31st March 2019 (2017-18: £nil).

11 Trade receivables and other current assets

| | 2018-19 | 2017-18 |
|--|--------------|--------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Other receivables | 1,631 | 2,063 |
| Provision for bad debts | (10) | (7) |
| Prepayments | 2,387 | 1,698 |
| Travel advances | 2 | 2 |
| | 4,010 | 3,756 |

12 Cash and cash equivalents

| | Cash | Bank | Total |
|--|----------|------------|------------|
| | £000 | £000 | £000 |
| 2018-19 | | | |
| Balance at 1st April 2018 | 5 | 992 | 997 |
| Net change in cash and cash equivalent balance | (1) | (534) | (535) |
| Balance at 31st March 2019 | 4 | 458 | 462 |
| The following balances were held at: | | | |
| Government Banking Service and cash in hand | 4 | 458 | 462 |
| Balance at 31st March 2019 | 4 | 458 | 462 |
| 2017-18 | | | |
| Balance at 1st April 2017 | 5 | 1,357 | 1,362 |
| Net change in cash and cash equivalent balance | 0 | (365) | (365) |
| Balance at 31st March 2018 | 5 | 992 | 997 |
| The following balances were held at: | | | |
| Government Banking Service and cash in hand | 5 | 992 | 997 |
| Balance at 31st March 2018 | 5 | 992 | 997 |

13 Trade payables and other current liabilities

| | 2018-19 | 2017-18 |
|--|--------------|--------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Taxation and social security | 0 | 1,826 |
| Trade payables | 226 | 298 |
| Other payables | 484 | 1,443 |
| Accruals and deferred income | 4,446 | 3,493 |
| | 5,156 | 7,060 |

14 Provisions for liabilities and charges

| | Employment claims | Annual leave amount | McCloud judgement | Dilapidations | Total |
|--|-------------------|---------------------|-------------------|---------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2018-19 | | | | | |
| Balance at 1st April 2018 | 155 | 233 | 0 | 1,917 | 2,305 |
| Provided in the year | 55 | 0 | 5,967 | 127 | 6,149 |
| Provision not required written back | (30) | (32) | 0 | (231) | (293) |
| Provision reclassified as accruals | 0 | (113) | 0 | 0 | (113) |
| Provision utilised in the year | (30) | 0 | 0 | (130) | (160) |
| Balance at 31st March 2019 | 150 | 88 | 5,967 | 1,683 | 7,888 |
| Analysis of expected timing of discounted flows | | | | | |
| Not later than one year | 150 | 0 | 0 | 1,564 | 1,714 |
| Later than one year and not later than five years | 0 | 88 | 5,967 | 119 | 6,174 |
| Later than five years | 0 | 0 | 0 | 0 | 0 |
| | 150 | 88 | 5,967 | 1,683 | 7,888 |
| 2017-18 | | | | | |
| Balance at 1st April 2017 | 146 | 0 | 0 | 1,856 | 2,002 |
| Provided in the year | 99 | 233 | 0 | 156 | 488 |
| Provision not required written back | (90) | 0 | 0 | (46) | (136) |
| Provision reclassified as accruals | 0 | 0 | 0 | (23) | (23) |
| Provision utilised in the year | 0 | 0 | 0 | (26) | (26) |
| Balance at 31st March 2018 | 155 | 233 | 0 | 1,917 | 2,305 |
| Analysis of expected timing of discounted flows | | | | | |
| Not later than one year | 155 | 0 | 0 | 1,830 | 1,985 |
| Later than one year and not later than five years | 0 | 233 | 0 | 87 | 320 |
| Later than five years | 0 | 0 | 0 | 0 | 0 |
| | 155 | 233 | 0 | 1,917 | 2,305 |

IAS 37 requires the recognition of a provision (a liability that is of uncertain timing or amount) when it exists at the Statement of Financial Position date. It must therefore fulfil the criteria of being a present obligation arising from a previous event, where it is probable there will be a transfer of economic benefits to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Cafcass makes provisions for legal or constructive obligations (liabilities), which are of uncertain timing or amount at the Statement of Financial Position date, based on the best estimate of the expenditure required to settle the obligation.

Employment claims

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

Annual leave amount

The annual leave amount is the monetised value of holiday entitlement approved by management for carry over to the new financial year. It is the liability that Cafcass would have to settle, should it cease to exist as a going concern and accumulated staff leave be crystallised into actual payments.

McCloud judgement

The December 2018 McCloud judgement found that transitional protection arrangements put in place during the reform of firefighters and judges pension schemes was discriminatory on grounds of age.

The Government's Actuary Department (GAD), under instruction from the LGPS Scheme Advisory Board, were asked to calculate the worst-case scenario impact at Scheme level.

As such, Cafcass have put in place a best estimated provision, based on GAD's findings in their 10th June 2019: Potential impact of McCloud/Sargeant ruling on pension accounts disclosures.

Dilapidations

Cafcass operates from a number of leasehold properties which include provision for the payment of dilapidations on exit from the premises.

Cafcass considers it appropriate to recognise these liabilities through the creation of a provision whilst premises are in active use, and to accrue for these liabilities once settlement has been agreed.

Provisions have been maintained for these using actual information and industry information on the most likely costs for dilapidations per square metre.

15 Capital commitments

There were no material contracted capital commitments as at 31st March 2019 (2017-18: £nil).

16 Commitments under leases

Operating leases commitments

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

| | 2018-19 | 2017-18 |
|---|--------------|--------------|
| | £000 | £000 |
| Obligations under operating leases comprise: | | |
| Buildings | | |
| Not later than one year | 2,669 | 2,224 |
| Later than one year and not later than five years | 2,042 | 2,644 |
| Later than five years | 260 | 0 |
| | 4,971 | 4,868 |
| Other | | |
| Not later than one year | 72 | 88 |
| Later than one year and not later than five years | 38 | 83 |
| Later than five years | 0 | 0 |
| | 110 | 171 |

Finance leases

There were no finance leases as at 31st March 2019 (2017-18: £nil).

17 Other financial commitments

| | 2018-19 | 2017-18 |
|---|--------------|--------------|
| | £000 | £000 |
| Not later than one year | 2,668 | 1,575 |
| Later than one year and not later than five years | 3,113 | 0 |
| Later than five years | 0 | 0 |
| | 5,781 | 1,575 |

Cafcass signed a three-year contract with Littlefish, replacing Fujitsu and commencing May 2018, to provide an integrated information and communication technology service across the organisation. The contract includes the option of a one-year extension from May 2021.

18 Related party transactions

Cafcass is an executive non-departmental public body that is sponsored by the Department. The Department as such is regarded as a related party. During 2018-19, Cafcass had various material transactions with the Department, including the receipt of £122.288m grant funding from the Department (2017-18: £120.150m).

Transactions with the Department not related to Grant-in-Aid or other funding are considered not to be material and totalled £0.002m (2017-18: £0.076m).

Cafcass does have occasional small transactions with other Central Government bodies and Local Authorities that are considered not to be material.

All payments made to senior managerial staff are disclosed in the Remuneration Report.

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

19 Events after Statement of Financial Position date

In accordance with the requirements of IAS 10 'Events After the Reporting Period', post Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.

20 Self-Employed Contractors

In 2018-19 we contracted the services of 147 Self-Employed Contractors (2017-18: 138), to whom payments made amounted to £2.552m in the year (2017-18: £2.855m).

As Self-Employed Contractors, they are ordinarily responsible for meeting travel, office and all other expenses related to their work, as well as related tax and national insurance liabilities.

Further to this, agency staff costs amounted to £2.946m in the year (2017-18: £9.310m).

21 Partnership costs

Partnership costs of £2.478m (2017-18: £2.158m) represent the cost of services provided by Cafcass through third party organisations such as contact centres and mediation centres.

Expenditure on partnerships' court-ordered contact activities are shown net of expenditure claimed back and received from the Department.

In addition to Cafcass' baseline partnership budget, in 2018-19 Cafcass received additional funding of £1.792m from the Department (2017-18: £1.592m).

22 Pension liabilities

WYPF's actuary, Aon Hewitt Limited, carried out an IAS 19 valuation for Cafcass as at 31st March 2019.

The assets of the scheme are held separately from those of Cafcass and are invested in managed funds.

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

In addition to the disclosures contained in the Financial Statements, the following disclosures are also in accordance with IAS 19.

Introduction

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The LGPS Regulations 2013' (as amended) and 'The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

Funding/governance arrangements of the LGPS

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in 'The LGPS Regulations 2013' and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2016 and the contributions to be paid until 31 March 2020 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the Fund.

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the disclosures.

The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting

Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers

Employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the Employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

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

| | 2019 | 2018 |
|---|------------------|------------------|
| | £000 | £000 |
| Present value of funded obligations | (767,980) | (702,812) |
| Fair value of plan assets | 555,612 | 510,576 |
| Fair value of plan assets - re-measurement of assets adjustment | (18,013) | (6,976) |
| Net liability | (230,381) | (199,212) |

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

| | 2019 | 2018 |
|---|---------------|---------------|
| | £000 | £000 |
| Current service cost | 19,896 | 18,216 |
| Past service cost | 21 | 0 |
| Service cost | 19,917 | 18,216 |
| Interest on obligation | 18,098 | 16,841 |
| Interest income on plan assets | (13,282) | (12,205) |
| Net interest cost | 4,816 | 4,636 |
| Expense recognised in the Statement of Comprehensive Net Expenditure | 24,733 | 22,852 |

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

| | 2019 | 2018 |
|---|----------------|----------------|
| | £000 | £000 |
| Opening defined benefit obligation | 702,812 | 680,690 |
| Current service cost | 19,896 | 18,216 |
| Interest on obligation | 18,098 | 16,841 |
| Member contributions | 4,699 | 4,429 |
| Past service cost | 21 | 0 |
| Actuarial loss/(gain) due to changes in financial assumptions | 36,424 | (1,727) |
| Actuarial loss due to liability experience | 4,571 | 3,695 |
| Benefits/transfers paid | (18,541) | (19,332) |
| Closing defined benefit obligation | 767,980 | 702,812 |

| Changes in the fair value of plan assets are as follows: | | |
|---|----------------|----------------|
| | 2019 | 2018 |
| | £000 | £000 |
| Opening fair value of plan assets | 503,600 | 488,837 |
| Interest income on plan assets | 13,282 | 12,205 |
| Re-measurement gain on assets | 31,470 | 11,569 |
| Re-measurement of assets adjustment - prior year reversal | 6,976 | 0 |
| Re-measurement of assets adjustment – current year | (18,013) | (6,976) |
| Contributions by employer | 14,126 | 12,868 |
| Member contributions | 4,699 | 4,429 |
| Benefits/transfers paid | (18,541) | (19,332) |
| | 537,599 | 503,600 |

| Asset allocation: | | | | |
|-------------------|-------------------------------------|---------------------------------------|---------------------------|---------------------------|
| | Quoted value at 31 March 2019 | Unquoted value at 31 March 2019 | Total at 31 March 2019 | Total at 31 March 2018 |
| Equities | 62.5% | 11.5% | 74.0% | 77.3% |
| Property | 0.2% | 4.5% | 4.7% | 4.5% |
| Government bonds | 11.2% | 0.0% | 11.2% | 9.4% |
| Corporate bonds | 4.0% | 0.0% | 4.0% | 3.7% |
| Cash | 0.0% | 2.3% | 2.3% | 1.8% |
| Other | 0.0% | 3.8% | 3.8% | 3.3% |
| | 77.9% | 22.1% | 100.0% | 100.0% |

| Actual return on assets: | | |
|-------------------------------------|---------------|---------------|
| | 2018-19 | 2017-18 |
| | £000 | £000 |
| Interest income on plan assets | 13,282 | 12,205 |
| Re-measurement gain on assets | 31,470 | 11,569 |
| Re-measurement of assets adjustment | (18,013) | (6,976) |
| | 26,739 | 16,798 |

| The major financial assumptions used in the valuation were: | | |
|---|---------|---------|
| | 2018-19 | 2017-18 |
| Pension accounts revaluation rate | 2.20% | 2.10% |
| Rate of increase in salaries | 3.30% | 3.20% |
| Rate of increase in pensions | 2.20% | 2.10% |
| Nominal discount rate | 2.40% | 2.60% |

Estimated pension expense in future periods

| Analysis of amount charged to the Statement of Comprehensive Net Expenditure on the provision of services next year: | | |
|--|------------------------------|------------------------------|
| | Year ending 31 March 2020 | Year ending 31 March 2019 |
| | £000 | £000 |
| Current service cost | 22,144 | 18,799 |
| Interest on net defined benefit liability | 4,923 | 4,738 |
| Interest on net defined benefit liability - re-measurement of assets adjustment | 431 | 0 |
| Total estimated pension expense | 27,498 | 23,537 |
| Allowance for administration expense included in current service cost | 208 | 186 |
| Estimated pensionable payroll over the period | 69,358 | 62,054 |
| Reconciliation of re-measurement of pension benefits in the Statement of Financial Position | | |
| | 2018-19 | 2017-18 |
| | £000 | £000 |
| Pension liabilities as at 31st March current year | 212,368 | 192,236 |
| Less: Pension liabilities as at 31st March prior year | (199,212) | (191,853) |
| Less: Expense recognised in the Statement of Comprehensive Net Expenditure | (24,733) | (22,852) |
| Plus: Contributions by employer | 14,126 | 12,868 |
| Plus: Re-measurement of assets adjustment | 18,013 | 6,976 |
| Loss/(gain) on re-measurement of pension benefits | 20,562 | (2,625) |
| Reconciliation of in-year additional pension cost in the Statement of Cash Flows | | |
| | 2018-19 | 2017-18 |
| | £000 | £000 |
| Expense recognised in the Statement of Comprehensive Net Expenditure | 24,733 | 22,852 |
| Less: Contributions by employer | (14,126) | (12,868) |
| In-year additional pension cost | 10,607 | 9,984 |

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2019 and the projected service cost for the period ending 31st March 2020 is set out below.

| Discount rate assumption: | | | |
|--|------------|-------------|------------|
| Adjustment to discount rate | +0.1% p.a. | Base figure | -0.1% p.a. |
| | £000 | £000 | £000 |
| Present value of total obligation | 755,117 | 767,980 | 781,063 |
| % change in present value of total obligation | (1.7%) | | 1.7% |
| Projected service cost | 21,558 | 22,144 | 22,743 |
| Approximate % change in projected service cost | (2.6%) | | 2.7% |

| Rate of general increase in salaries: | | | |
|--|------------|-------------|-----------|
| Adjustment to salary increase rate | +0.1% p.a. | Base figure | -0.1% p.a |
| | £000 | £000 | £000 |
| Present value of total obligation | 770,515 | 767,980 | 765,466 |
| % change in present value of total obligation | 0.3% | | (0.3%) |
| Projected service cost | 22,144 | 22,144 | 22,144 |
| Approximate % change in projected service cost | 0.0% | | 0.0% |

| Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption: | | | |
|---|------------|-------------|-----------|
| Adjustment to pension increase rate | +0.1% p.a. | Base figure | -0.1% p.a |
| | £000 | £000 | £000 |
| Present value of total obligation | 778,505 | 767,980 | 757,608 |
| % change in present value of total obligation | 1.4% | | (1.4%) |
| Projected service cost | 22,743 | 22,144 | 21,558 |
| Approximate % change in projected service cost | 2.7% | | (2.6%) |

| Post retirement mortality assumption: | | | |
|--|---------|-------------|---------|
| *Adjustment to mortality age rating assumption | -1 year | Base figure | +1 year |
| | £000 | £000 | £000 |
| Present value of total obligation | 792,212 | 767,980 | 743,961 |
| % change in present value of total obligation | 3.2% | | (3.1%) |
| Projected service cost | 23,000 | 22,144 | 21,296 |
| Approximate % change in projected service cost | 3.9% | | (3.8%) |

*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

Mortality assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2016 valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from those mortality assumptions are shown below.

| | 31st March 2019 | 31st March 2018 |
|-----------------------------------|--------------------|--------------------|
| Males | | |
| Member aged 65 at accounting date | 22.2 | 22.1 |
| Member aged 45 at accounting date | 23.2 | 23.1 |
| Females | | |
| Member aged 65 at accounting date | 25.4 | 25.3 |
| Member aged 45 at accounting date | 27.2 | 27.1 |

23 Contingent liabilities

Guaranteed Minimum Pension (GMP) Equalisation

As at 31st March 2019 no allowance has been made in the Accounts for the potential increase in the Guaranteed Minimum Pension (GMP) benefits, following the equalisation of the pension benefits between male and female scheme members.

The High Court in October 2018 ruled in the Lloyds Bank case that, in the event of unequal GMPs, equalisation is required. However, HM Treasury's view is that "Public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement."

As at 31st March 2019 no final decision has been yet made on the High Court's ruling and HM Treasury's response, and, as such, an allowance cannot be made in the Accounts until it is known how GMP equalisation will affect public sector pensions in the long term (2017-18: £nil).

There were no other contingent liabilities as at 31st March 2019 (2017-18: £nil).

24 Contingent assets

There were no qualifying contingent assets as at 31st March 2019 (2017-18: £nil).

Appendix

How our Key Performance Indicators (KPIs) are calculated

Source: All data is taken from the Electronic Case Management System (ECMS) which is a live national database.

Changes: All KPIs have been unchanged since 2012-13.

KPI 1:

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

Assumptions: Allocated includes cases allocated on substantive basis to a named practitioner.

KPI 2:

Calculation method: Counts all care cases allocated in the year and the total working days taken from date the case was received to the date of the first substantive allocation is recorded (date case received counted as day 0). The total working days taken is then divided by the total number of cases to give an average working days figure.

Assumptions: Allocated only includes cases allocated on substantive basis to a named practitioner.

KPI 3:

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

Assumptions: Allocated includes cases allocated on a duty or substantive basis to a named practitioner.

KPI 4:

Calculation method: The number of section 7 reports filed by the agreed date, divided by the total number of section 7 reports filed.

Glossary

The Family Justice Young People's Board (FJYPB) has created a glossary of the more commonly used terms and words in family proceedings. We thank the FJYPB for allowing us to use this glossary to help readers understand some of the terminology used in our Annual Report.

Adjournment – A decision made by the family court to hold the court hearing at another time because things are not ready or people need more time to do something.

Adoption order – A type of order made by the family court which transfers parental responsibility to new adoptive parents meaning that a child or young person is no longer legally the child of their birth parents. It allows them to start a new family.

Agency staff/workers – Social workers who do not normally work for Cafcass but will sometimes do work for Cafcass during busy periods.

Area Quality Review (AQR) – A way of measuring how well an area is working. People involved include the Assistant Director/Heads of Service in that area. We hope that in the next three years there will be an AQR in each Cafcass service area. The AQR findings help form the action and development plans for that area.

Application – This is how a person asks the family court to help them.

Barrister – A legally trained person who advises people going through the family court and speaks for them in court hearings.

Bank workers – Social workers who do not normally work for Cafcass but will sometimes do work for Cafcass during busy periods. These workers do not come through an agency.

C100 form – This is the form used to apply to the courts for a contact or residency order for children.

Children and Family Court Advisory and Support Service (Cafcass) – This is an organisation which works with children and young people and their families, and then advises the family court on what it considers to be in the best interests of each child.

Cafcass worker – Depending on what the family court has ordered Cafcass to do, the Cafcass worker (sometimes known as a practitioner or officer) can be named one of two things: a Family Court Adviser or a Children's Guardian (for more detail, look for their descriptions).

Care order – An order made by the family court when the local authority can prove that a child or young person living in their area is not being looked after properly.

Case Management Conference – This is a hearing where the major issues for a child or young person are talked about and the judge sets out how the family court case is going to proceed.

Child Contact Intervention (CCI) – CCIs are short-term interventions of supervised contact. They are designed to help adults and children establish safe and beneficial contact when this is difficult to do on their own.

Child arrangements order – When people can't agree on where a child might live or who they

should see, the family court might be asked to decide. The judge will look at what is best for the child or young person and make a decision setting out what people must do.

Children's Guardian – Sometimes when the problems within a family are really difficult then the family court will ask for a Children's Guardian to help them. The Children's Guardian is an independent person who is there to keep the court focused on what is best for the child or young person. They will also appoint a solicitor to act for the young person in court.

Child contact centre – This is a safe place where children and young people can see a parent who they do not live with. Usually, this allows for direct contact, supervised contact or supported contact.

Consent order – Made by the court where all parties in the case have agreed to what it says.

Contact order – These orders allow a child or young person to visit, stay or have contact with the person who has applied to court. (Instead of making this order, the family court will now make a child arrangements order).

Direct contact – When a child or young person spends time with someone that they do not live with.

Domestic Violence Perpetrators Programme (DVPP) – A structured course that aims to help people who have been abusive towards their partners or ex-partners to change their behaviour and develop respectful, non-abusive relationships.

Early Intervention Teams (EIT) – EIT operate in service areas, with Cafcass workers carrying out safeguarding checks to inform the safeguarding letter we provide at the First Hearing.

ECMS – Electronic Case Management System, which stores Cafcass' case-related information including feedback and complaints.

Family assistance order – An order which the family court can make to provide short term (usually six months) support to a family who agree to it. This can be from a Cafcass worker or a social worker from the local authority.

Family court – This is where important decisions are made about children, young people and their families. It is different to criminal courts where people go when they might have done something wrong. Decisions in the Family Court are made by judges or magistrates when people can't agree about what is best for a child or young person.

Family Court Adviser (FCA) – Sometimes the family court may ask a family court adviser to meet with a child or young people to talk about their wishes and feelings and to make sure the family court hears what they have to say. The FCA also gives their view to the court about what is best for the child. FCAs do not need to meet all children and young people because sometimes families can agree themselves on what is best.

Family Group Conference – All of the important people in a child's life get together to check that they are safe. It means that everyone knows what is happening and keeps them safe.

Final order – This is the last order made by the family court. The court expects all the people named in the order to keep to it and do as it says, and can punish adults if they don't.

Foster carer – People who give a home to children and young people who need a safe place to live. They may have children of their own, or other foster children living with them, in which case you would all live in the same house together.

Guardian's report – The family court will ask the Children's Guardian to write a report to help it make decisions about a child or young person. The report will include information on their wishes and feelings and a recommendation from the Children's Guardian on what they think is best for the child. The report will also include information from the other people involved such as the parents and any other individuals such as experts.

Independent Reviewing Officer (IRO) – IROs help to make sure the best decisions are made for children looked after by the local authority. Their main focus is to make sure that the care planning process for each child or young person is meeting their needs, and to ensure that his/her current wishes and feelings are given full consideration.

Indirect contact – A child or young person can use forms of contact such as letters, cards or gifts to communicate with a parent where the court considers it is safe and beneficial for them to do so.

Interim care order – This means that the local authority make decisions about a child rather than their own parents for the short term, before the family court makes a final order. The child will get a social worker to make the decisions day to day.

Issues Resolution Hearing (IRH) – This is a special hearing where the family court decides which issues need to be sorted out and hears arguments about which is a true version of events.

Judge – Sometimes families have problems which they might find too hard to sort out by themselves. A judge works in a family court, listens to everybody and then decides what is best for the child or young person involved in the case. They have the final say and will make the decision about that child or young person's life.

Legal Adviser – A legally qualified person who helps magistrates in the family court apply the law. They do not play any part in the decision-making process but are there to advise.

Litigants in person – A party in a case who is self-representing i.e. they don't have legal representation/lawyer.

Local authority (also known as children's social care or social services) – This organisation is responsible for making sure all children and young people in their local area are kept safe by the people who care for them.

Magistrate – This person is a member of the community who volunteers to make decisions that affect families, children and young people. They are similar to a judge but are not legally qualified. They are advised on the law by their legal adviser.

Mediation – When people can't agree, they go to another person to help them sort it out (a mediator). The mediator talks to everyone and tries to help them find an outcome that they are all happy with. This might mean that they don't have to go to the family court.

Non-molestation order – This is a type of order the family court uses to keep adults, children and young people safe from someone who has been violent toward them.

Parental order – An order which transfers legal parenthood from a surrogate to the intended parents.

Parental responsibility – Parental responsibility means all the rights, duties, and responsibilities that a parent has to a child or young person. A person or the people with parental responsibility can make decisions about a child such as who they will live with and what school they will attend.

Placement order – An order which allows the local authority to place a child with suitable adopters following care proceedings (even if the parents do not agree).

Pre-proceedings – Work that is carried out by the local authority (sometimes involving Cafcass) before a decision on making a care application is made.

Private law – These cases are brought to the family court by private individuals, generally in connection with divorce or parents' separation. The family court may make a child arrangements order, prohibited steps order or a specific issues order or no order at all.

Prohibited steps order – A parent can be prevented by the family court from doing something the other parent does not want them to do. The most common type is where one parent is stopped from moving abroad with the child or young person.

Public law – Public law cases are brought to the family court by local authorities where they are worried that a child or young person is not being looked after safely. The family court may make a care order, a supervision order, or no order at all.

Relinquished babies and children – term used to describe where parents feel that adoption may be the best option for providing a permanent, safe future for their child (the child is 'relinquished').

Residence order – This order decides who the child is to live with, can give parental responsibility to any adult who does not have it and will last until the young person is 16. (Instead of making this order, the family court will now make a child arrangements order).

Rule 16.4 cases – These are particularly difficult or complicated family court cases where the Judge decides to make the child a party to the case under rule 16.4 of the Family Procedure Rules 2010. A Cafcass Guardian will be appointed to represent the child in the case.

Safeguarding letter – This is a letter that a Cafcass worker will write and send to the family court. They will speak to the parties (usually the parents) and ask about the child or young person's safety and any worries that they might have.

Section 37 report – The family court orders Cafcass to produce this report because they are worried about a child or young person and want to make sure that they are safe. It will involve a Cafcass worker usually visiting the child and ensuring everything is okay at home.

Section 7 report – This report is ordered by the family court and makes either Cafcass or the local authority investigate all the circumstances of the family, often including the wishes and feelings of a child or young person, and send a report to the court.

Section 16A Risk Assessment – a duty held by Cafcass officers to undertake a risk assessment whenever they have cause to suspect that the child concerned is at risk of harm.

Self-Employed Contractor – social work staff who are offered work on a case by case basis to assist in providing additional capacity and have a contract for services for each individual case.

Sessional workers – former Cafcass staff who stay to complete case work which occurs after their departure from the organisation, for example by attending a final hearing and/or closing an existing case rather than having to reallocate that case to a new worker.

Social worker – These specially trained people help to make sure children and young people are safe and properly looked after. They will work with families to help make it possible for children to stay safely with them. If the family court decides that it is not possible, they will help to make sure there is somewhere else that is safe where a child can live.

Solicitor – A legally trained person who provides advice to people going through the family courts and can speak for them in court.

Special guardianship order – This family court order allows another person to become a child's 'special guardian'. It is for children who cannot live with their birth parents and gives parental responsibility to the special guardian so that they can make decisions alone about the child's life.

Specific issue order – This order is made by the family court when there is an important issue to be resolved but parents can't agree on it. For example, which school a child should go to.


Supervised contact – This is a type of direct contact which requires a supervisor to make sure that the child is safe with the other person. This may be done in a contact centre.

Supervision order – A supervision order makes the local authority take responsibility for advising, assisting and befriending a young person, and ensuring that the child or young person is kept safe in the care of their parents.

Supported contact – This is direct contact whereby a child contact centre worker gives some support to the adults so that they can meet the needs of their child(ren).

Webinar – Webinars are interactive seminars or other presentations taking place via Skype for Business to support staff learning and engagement. They are open to all Cafcass staff and focus on family justice and social work practice topics. They give staff a forum to have a two-way discussion about their ideas, experiences, challenges, best practice and innovation in a creative and informal environment.

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