



# Children and Family Court Advisory and Support Service

## Annual Report and Accounts 2014-15

An executive non-departmental public body







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## Annual Report and Accounts 2014-15

Report presented to Parliament pursuant to paragraph 12(3) of Schedule 2 to the Criminal Justice and Court Services Act 2000.

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# OGL

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# About Cafcass

The Children and Family Court Advisory and Support Service (Cafcass) is an executive non-departmental public body, which is accountable to the Secretary of State in the Ministry of Justice (MoJ)<sup>1</sup>. Our statutory responsibility in England is to safeguard and promote the welfare of children<sup>2</sup> who are involved in family court proceedings. Cafcass is the voice of children in the family courts and helps to ensure that children's welfare is put first during proceedings.

We work to support the delivery of the MoJ's strategic objectives and to contribute to wider Government objectives relating to children. Our principal functions, as set out in the Act<sup>3</sup> in respect of family proceedings where the welfare of children is or may be in question, are to:

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

Cafcass' professionally qualified social work practitioners, called Family Court Advisers (FCAs)<sup>4</sup>, work exclusively in the family courts. Cafcass is asked by the court to become involved in cases following an application to the court. Our highly skilled practitioners provide judges with the advice, information and recommendations they need to make a safe decision about each child's future. This includes work to understand what each child's life is like and what they need, then providing courts with a strong case analysis based on our assessment of what is needed to make a positive difference. Examples of proceedings where Cafcass will be involved include:

- When children are subjects of an application for care or supervision orders by children's social care services in local authorities (public law). In these instances, our FCAs act as 'Children's Guardians' to protect the child's interests. The local authority can apply to the court for various types of care and protection orders. The role of the Children's Guardian is to safeguard and promote the child's welfare and to scrutinise and ensure that the local authority's plan is in the child's best interests.
- When parents who are separating or divorcing are unable to agree on arrangements for their children, such as who they will see or who they will live with (private law).
- Cases where a proposed adoption has parental consent, and our FCAs act as Reporting Officers. Their role, either at the request of the local authority or if ordered by the court, is to ascertain whether the parent consents unconditionally to the adoption, with a full understanding of the implications. In cases where an adoption is without parental consent, a FCA is appointed either as a Children and Family Reporter or as a Children's Guardian for the child.
- Cases where the child becomes separately represented legally (a Rule 16.4 appointment) because of the complexity of the case and/or specific needs of the child, the FCA will report to court on the welfare of the child and act as a Children's Guardian.

1 Cafcass was established by the Criminal Justice and Court Services Act 2000 (the Act).

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

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

4 The term 'FCA' is used interchangeably throughout this Report with 'practitioner' to refer to Cafcass' social work staff.

# Overview by the Chair



I am very pleased to report that the momentum which galvanised staff towards our Ofsted grading in March 2014 of Good with Outstanding leadership has been sustained over the last financial year. The results of the national practice audit in November 2014 confirmed that our case work continues to be of a high standard. Early in 2015 Cafcass will be issuing its second Quality Account which sets out in one place all that we have done to go on improving our practice and to provide a better service to children and families who are involved in family proceedings. I see it as essential that we focus on every single child – all 115,000 such children in 2014-15 – and that we help them as much as we can.

The dedication and professionalism of the Cafcass workforce is made very clear to me and my fellow Board members with every engagement the Board has with our practitioners. 2014-15 was an outstanding year in terms of sector recognition, with Cafcass taking a number of awards. I am particularly proud of our practitioner Angela Adams taking the prestigious Children's Social Worker of the Year Award, and Service Manager Heidi Crampton taking the Team Leader of the Year Award, at the Social Worker of the Year Awards. The impact of our ground-breaking approach towards supporting and maintaining high performance staff was also recognised, with our Organisational Development and HR Team taking a host of sector awards, including Excellence in Public Sector HR and most Innovative HR Director. I have continued to meet with practitioners on a regular basis throughout the year and I have visited many of our local offices, as have all other Board members. I am pleased that the feedback I have received indicates that these visits have helped to connect the Board more directly with the front line of the organisation. I also spoke at the Annual National Managers' Conference in March 2015 and worked closely with the Chief Executive on giving our managers a strong message about what they will need to do next year. Our staff welcome honesty and clarity both about the requirements of their role and the future strategy of the organisation.

During the year I chaired our two Board meetings which were open to the public: the first on our Strategic Plan and the other on children's mental health within the context of family justice. Hosting such thematic sessions, with the input of children, young people, stakeholders and interested members of the public, provides vital input and challenge to the organisation, strengthening the role of the Board. I would like to thank the Board members for their continued service, in particular Terry Connor and Ian Butler, who both concluded their terms in this financial year. I was delighted to welcome two new Board members this year, Nickie Aiken and Caroline Corby, who bring important new perspectives and skills to further strengthen the Board.

This was the first year of sponsorship by the Ministry of Justice (MoJ). I would like to take this opportunity to recognise the work the Ministry's sponsor team has undertaken to build constructive relationships with the Cafcass Board as we worked towards the new arrangements. We have certainly received a warm welcome into the MoJ family and it is clear that there is real potential for further collaboration with agencies in the family justice sector, to support and improve the delivery of services to children and families.

In conclusion I am pleased that Cafcass has not simply sustained its performance but has continued to improve over this financial year guided by the Board and the Family Justice Young People's Board, our Corporate Management and Operational Management teams, but most importantly through the efforts of each and every member of staff. Doubtless next year and subsequent years will bring as great a set of challenges as those we have met successfully so far. I believe Cafcass is becoming ever more agile and proactive just as the problems we face are becoming more complex. I am determined to carry on improving our service to children as we face these challenges – this will be done through innovation, by adapting and by putting an emphasis internally on health and well-being and resilience in the face of greater pressures.

Signed: Baroness Tyler of Enfield  
Chair Cafcass Board



# Section 1

Strategic Report





# Overview by the Chief Executive



This was a year in which Cafcass continued to innovate, challenge and develop as an organisation, to ensure we remain well placed to deliver a strong, professional service for vulnerable children and families. We saw change across both our practice and strategy as we implemented the new requirements of the revised framework for public and private law cases, and aimed to divert inappropriate cases from court and to speed up those cases that did need to be in court. Evidence from case audits and performance data shows that we met these challenges successfully and consistently across England. The result of the November 2014 audit of over 500 cases showed that we had met tough targets for improving the quality of our casework. This showed that we have gone on improving after the positive Ofsted inspection result in March 2014. We have not plateaued, nor have we slipped back, which is always a risk in frontline operational work.

As the year progressed, we gave significant consideration to how we would respond to the strong likelihood of less resources being available. We have been actively discussing all viable options with the Cafcass Board, our partner agencies in the family justice sector, and with the Ministry of Justice (MoJ). These discussions have led to various new approaches being piloted and modelled. Examples include our work to see if a new out of court service can divert a significant percentage of current private law applications, our agreement with the MoJ to take on the responsibility for administering and funding DNA tests in private law cases, and to work with the judiciary to see if an affordable model for rolling out essential drug and alcohol testing in cases can be made to work.

In terms of governance, during the year we appointed two new board members, and three more have joined from April 2015. The competitive appointment process used, including for those whose membership was up for renewal, has ensured both continuity of knowledge and an injection of ideas to improve challenge. All appointments were approved by the Secretary of State. Towards the end of the year, we have added to corporate capacity with the appointments of a Director of Strategy and Assistant Director (Policy), to support us to make radical change in the future and to manage that change well. Overall, this represents a significant increase in our capacity to manage the future. It does not come at the expense of front line services, on which we continue to spend well over 90% of our annual budget.

Finally, we took steps to identify how we might gather data and evidence about the outcomes of our work – and the outcomes of the family justice system more generally – on the children we work with. The plight of some children was widely publicised throughout the year in numerous high profile Child Sexual Exploitation (CSE) cases and other cases showing other forms of horrific exploitation of some of the most vulnerable children and young people in the country. During the year, we continued to refine our operational model with the learning from these cases and also the learning from complaints, compliments and other sources of feedback, including feedback received directly from children. All of that material will be brought together in the next update of the Cafcass Operating Framework, due to be completed in July 2015 and published in Autumn 2015.

## Responding to the context in which we work

The year has seen us play our part in the implementation of the public and private law changes set out in the Children and Families Act 2014, which were set out in more detail in the Public Law Outline (PLO) for public law and in the Child Arrangements Programme (CAP) for private law. We focused on improving outcomes for children in both law types.

By common consent, great strides were made in delivering reform in public law cases, illustrated by the halving

of average case duration. For Cafcass practitioners, this has meant a similar level of work concentrated in the first few months of cases rather than being spread over twice that time period.

Our role and focus in private law cases also evolved throughout the year. While the numbers of private law applications were down considerably, our practitioners spent more time in court and around the court process, in support of judicial case management and to support as far as we could the higher numbers of litigants in person, many of whom needed help and assistance with the court process.

In order to meet future financial challenges, including a possible further spending review (SR) period (2016-20), we must continue to innovate. The membership and Terms of Reference for the Cafcass Innovation Board was re-worked in January 2015 to strengthen its strategic focus and to better identify and deliver innovations. An exemplar innovation is our new strategic workforce planning tool called Cafcass Planning which provides a much deeper granularity of our data, enabling smarter forecasting.

Another way we have responded to the changing context in which we work is the establishment of a small number of private law pilots during the year. Recognising the fact that most family disputes are best settled through dialogue and negotiation, Cafcass established the Supporting Separating Parents in Dispute (SSPID) pilots in October 2014. Operating in five service areas<sup>5</sup>, the pilots provided a free helpline run by Cafcass practitioners. Parents who called the helpline received advice on the alternatives to court and how they might approach their conflict and dispute less adversarially and how they could be supported to do so through programmes such as parenting plans and mediation. Parents were also signposted to suitable local services. An evaluation of the pilot will be jointly carried out with the MoJ later in 2015.

Following changes to the provision of funding for drug, alcohol and DNA testing in the family courts, Cafcass set up a pilot in Avon and Somerset to fund these tests. Following the success of this pilot, in February 2015 we confirmed we would fund the national roll-out of DNA testing in family court cases. Further assessment of the feasibility of any national roll-out of the funding for drug and alcohol testing is needed before a decision can be made. Options for modelling the framework for this were being developed towards the end of the 2014-15 financial year.

We have continued to support innovation in the sector. The Cafcass Plus Programmes, operating in Liverpool and Lincolnshire, reshaped the work carried out in pre-proceedings for care cases. The evaluation reports show a positive benefit for children and families. A small number of new schemes based on these pre-proceedings pilots and principles started where Cafcass and the local authority concerned identified a clear need, and where the scheme was viable and affordable. The local authorities which have taken up Cafcass Plus have a particular focus on early work with newly pregnant mothers to reduce delay by agreeing a care plan before the baby is born. We also established public law pilots during the year, signalling a new approach as improvement partners with local authorities: a partnership project with Birmingham City Council to turn around their Independent Reviewing Officer (IRO) service and a secondment to Knowsley Council for one of our Assistant Directors to manage their improvement programme. These programmes also gave some of our own managers extra general management experience, which supported their development.

Cafcass began managing the Birmingham IRO service in November 2014, initially until March 2015 on a pilot basis. The aim was to ensure a safety net for the high on 2000 looked after children in Birmingham was put in place and working by March 2015. A service manager from Cafcass Birmingham was seconded into Birmingham City Council; the manager was supported by Cafcass senior management and the Cafcass HR service, to ensure elements of Cafcass' operational culture which could support the turnaround in Birmingham were used in the project. Significant progress has been made in terms of data management – identifying each and every child in the system – and on the operational culture within the IRO service, including its link to area teams in Birmingham. The pilot is being extended for a further six months until

<sup>5</sup> The service was delivered in York and North Yorkshire (A2), Kent (A17), Hertfordshire and Bedfordshire (A14), Norfolk (A14), Bristol (A7) and Northumberland and Tyne and Wear (A1). A different model, delivered through an external provider, was available in A1.

September 2015, to ensure the clear progress being made is embedded and sustained. The project is also giving valuable information about how services in the future might be organised and delivered to best effect for looked after children in other local authority areas.

We continued to recognise and respond to the specific needs of our service users across the organisation. This is delivered through our Equality and Diversity strategy (2013-16) across three strands: practice, workforce and infrastructure. Following the discovery of the extent of CSE in areas of the country and further findings of Serious Case Reviews around the response of professionals to this abuse, Cafcass introduced a strategy for CSE. Actions carried out under the strategy included: rewriting of sections of the Child Protection Policy; consideration of the issue by operational managers at their annual conference held in January; specific training available to all staff; better data collection; the introduction of CSE ambassadors in each service area and the commissioning of specialist clinical psychologist expertise to inform the approach taken by our National Improvement Service in providing further training in this area.

During the year the Cafcass Board agreed a change to my job description as Chief Executive, with the emphasis on placing the children we work with at its centre; following from this our HR team has continued to rewrite job descriptions across Cafcass in this manner. We also supported the Ministerial initiative to give children aged 10 and over appropriate access to the judge in their case to make clear their views. We have worked with the MoJ to inform and support this initiative as a children’s rights development, subject to safeguards being in place for those children who do not want to take advantage of this facility and also for those children for whom it would be potentially damaging. Cafcass has continued to support the Family Justice Young People’s Board (FJYPB) through its administrative role. All these areas go towards meeting the commitment to the Charter for Child Inclusive Family Justice developed by the FJYPB.

## Our performance

This year, we worked with 115,314 children across England. Of these, 74,113 children were referred to us in new cases. The remaining 41,201 were children whose cases were referred to us prior to the reporting period and on whose cases we continued to work during part, or occasionally all, of the year, and those whose cases were closed during the year.

Of the children referred to us in new cases where the gender and date of birth were known, 37,786 were male (51%) and 36,032 were female (49%). As the figure below shows, and in keeping with trends from previous years, the majority of the children we work with are aged 10 years and under.

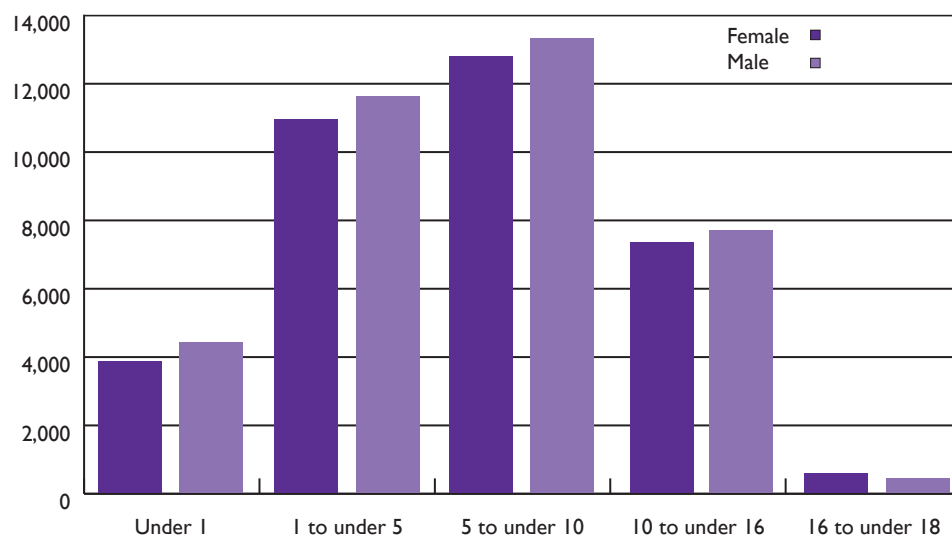


Figure 1: Children in new cases; age and gender profile 2014-15

## Public Law

Cafcass received 11,127 new care (s31) applications during the year. The number of applications is 4.8% higher than the previous year and follows previous increases (with the exception of 2013-14 which had a decrease in new care applications by 4.4%): 8.3% in 2012-13, 11.4% in 2011-12, 4.2% in 2010-11, and 36% in 2009-10.

As a result of the increase, the overall number (stock) of open public law care cases rose from 7,950 in March 2014 to 8,144 in March 2015, an increase of 2.4%.

The stock of open 'non-care'<sup>6</sup> public law cases was 1,795 at the end of March 2015 compared to 1,644 at the end of March 2014, an increase of 9.2%.

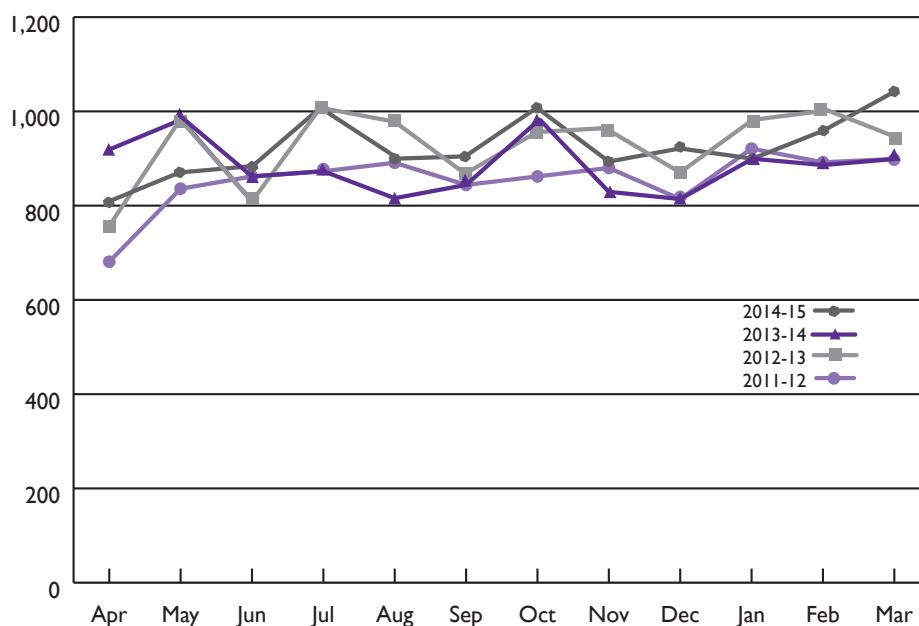


Figure 2: Public law care demand

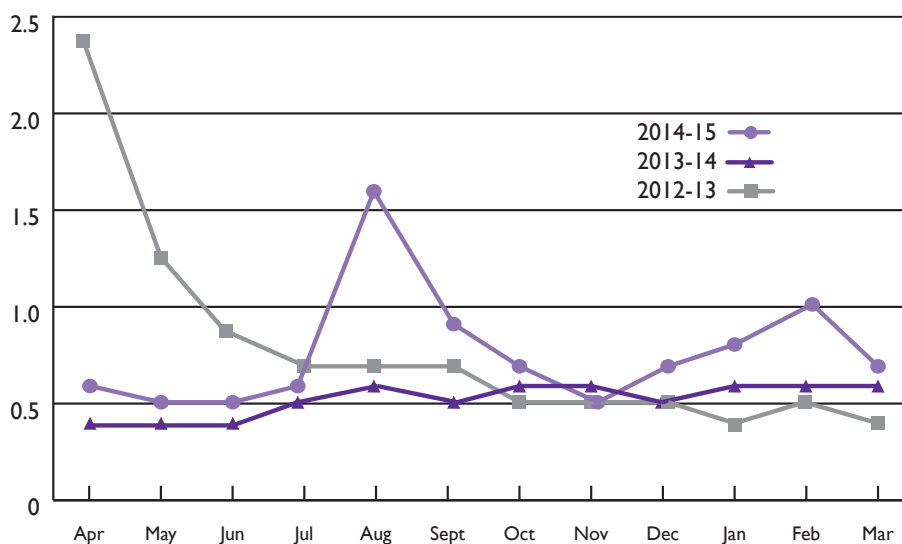


Figure 3: Average days to allocate care cases to a Children's Guardian (\*KPI 2)

\*Key Performance Indicator: see pages 16-18.

6 Public law non-care cases are cases applied for by local authorities which do not involve care proceedings (e.g. adoption, placement and standalone supervision applications).

## Private Law

During this year we received 34,357 new private law cases (usually concerning disputes, following parental separation, about arrangements for children) compared to 46,636 in 2013-14. This is the lowest ever annual total for private law cases received and represents a 26.3% decrease on 2013-14. As the financial year ended, the decline in applications had started to slow down and our experience during the year was that the cases left in court were the most complex and the hardest to resolve. Alongside the decrease in applications, we have seen an increase in the proportion of cases in which courts ask us to be involved after the first hearing. We carried out a high volume of development work to increase the range of our interventions designed to settle cases safely, and to develop pre-court services to provide families with a preventative service before positions in court risk becoming entrenched. We are also carrying out ongoing work to analyse how time is being spent on these cases in order to ascertain whether further efficiencies can be made.

Our stock of open private law cases has decreased by 26.4% from 22,723 in March 2014 to 16,725 in March 2015.

The average duration of our private law cases has reduced from 26 weeks in 2013-14 to 25 weeks in 2014-15<sup>7</sup>.

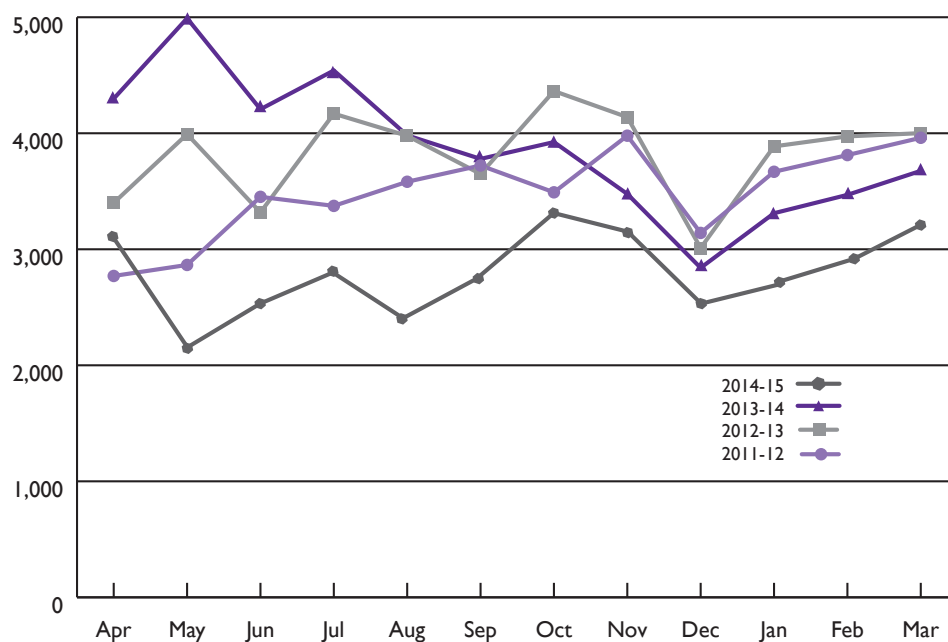


Figure 4: Private law case demand

<sup>7</sup> This is based on information as at 31st March 2015 and is subject to change due to data reconciliation following publication.

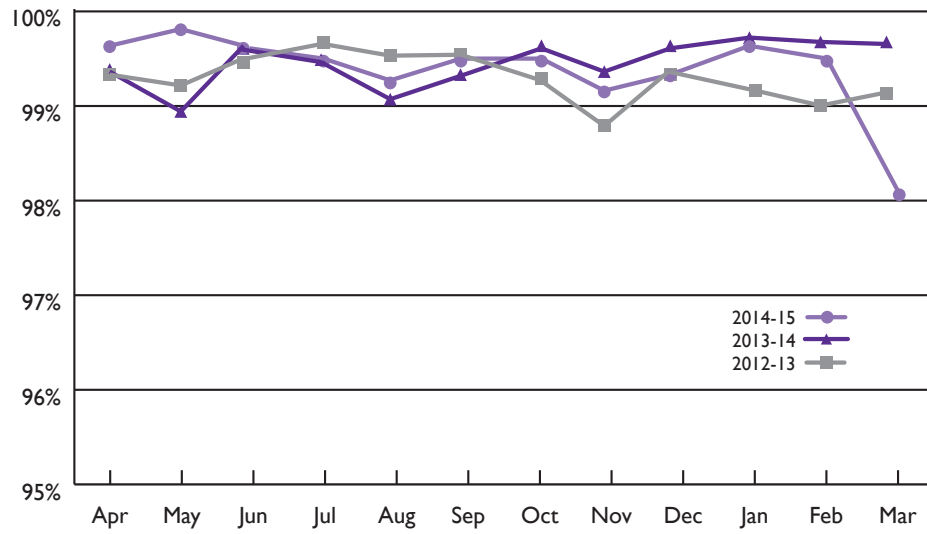


Figure 5: Proportion of open private law workload allocated to a Family Court Adviser (KPI 3)

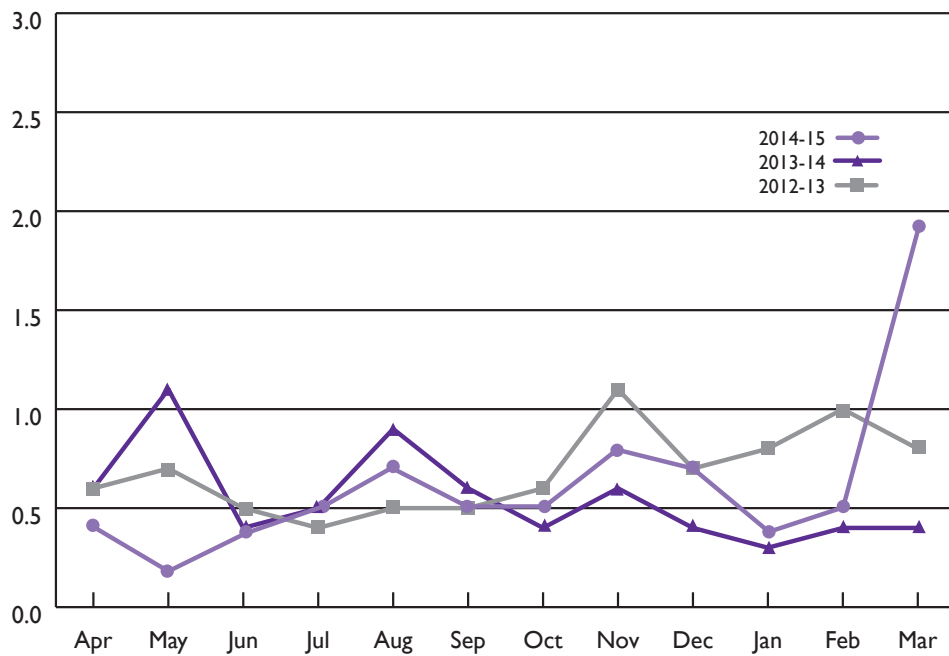


Figure 6: Proportion of open private law cases not allocated

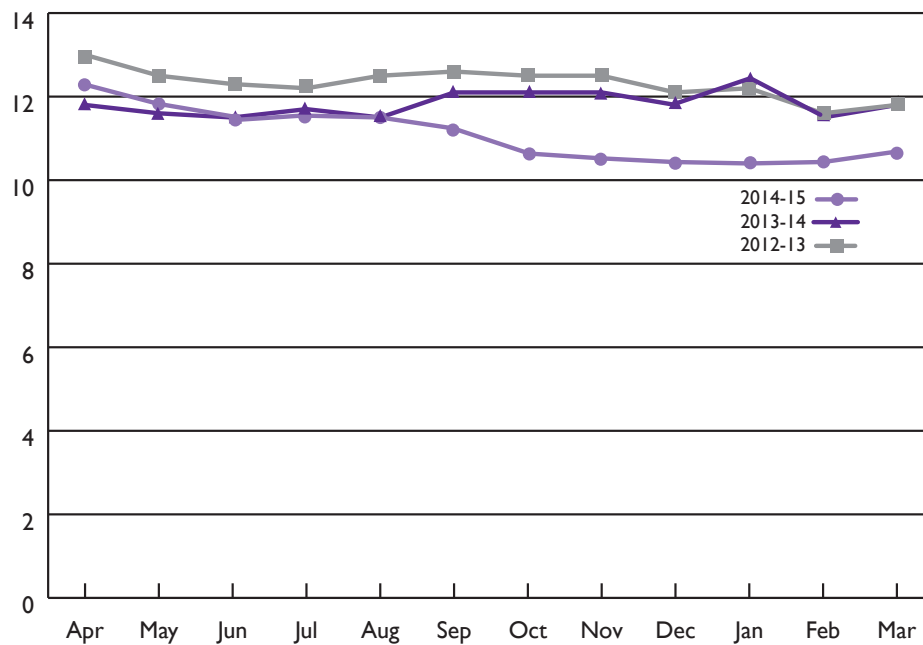


Figure 7: Average section 7 reports filing times (weeks)

## Number of 16.4 appointments

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 1,571 appointments in 2013-14 to 1,674 new appointments in 2014-15, an increase of 6.6%. 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 in accordance with the protocol covering this.

Cafcass is also involved in other types of cases:

- Placement Order applications decreased by 28.7% (from 2,947 in 2013-14 to 2,100 in 2014-15);
- The number of children who Cafcass worked with who became subject to a Special Guardianship Order (as a single output ordered or in combination with others) increased by 0.3% (from 3,337 in 2013-14 to 3,346 in 2014-15);
- Adoption applications involving Cafcass increased by 11% (from 860 in 2013-14 to 955 in 2014-15);
- The instances of Cafcass witnessing consent in respect of relinquished babies and children decreased by 6.9% (from 146 in 2013-14 to 136 in 2014-15);
- Family Assistance Orders increased by 4.4% (from 430 in 2013-14 to 449 in 2014-15).

## Contact Activities

We continued to manage the provision of court ordered activities on behalf of the MoJ in 2014-15. The focus of the year was on consolidating child contact interventions as part of dispute resolution; specifically concentrating on the Cafcass Parenting Plan and supporting skills training for parents.

Separated Parents Information Programmes (SPIPs) are short, group programmes aimed at helping separated parents to develop their understanding of their child's needs and their communication skills with each other.

In 2014-15 £2.8 million was allocated to SPIPs, with more than 18,000 adults having attended the course. Feedback from parents remains positive and we have been working on ways to better integrate SPIPs with pathways through mediation. SPIPs are now very much part of a dispute resolution pathway and the programme is one of the main routes into the skills training for parents that is also highlighted in the Cafcass Parenting Plan. SPIPs are now also available to parents who have not made a court application, but in most cases they have to pay to attend. Many parents give positive feedback about the value of attending at this stage, and there is evidence from pilots that an out-of-court SPIP works well in combination with mediation.

The Cafcass Parenting Plan is now an expected part of parental engagement (in suitable cases) at the court application stage – in 2014-15 36,094 copies were ordered by individuals and organisations working with families<sup>8</sup>.

Another type of court ordered activity, Domestic Violence Perpetrator Programmes (DVPPs), remained well used with almost 450 parents being assessed as suitable for a programme during the year and 490 completions. We have been working on proposals to offer a wider range of interventions to help families work with issues of domestic violence.

In addition, Cafcass commissioned Contact Interventions from 27 independent providers across England. These providers work with families to maintain and nurture contact between children and non-resident parents, helping them to reach safe and sustainable arrangements. Cafcass practitioners refer to these services when they identify families that need a short period of additional help. Contact Intervention providers also work with families to manage both indirect contact, and contact while decisions are made about risk. Contact Interventions are now better integrated so that parents can also benefit from SPIPs and training in communication skills, alongside practical help with contact. We were also able to offer financial assistance to Supported Contact Centres in 2014-15 across England. In order to provide continued encouragement and assistance to the sector Cafcass has worked with supported contact centres where a funding issue has been raised and has offered additional assistance grants in all cases.

## Performance against Key Performance Indicators 2014-15

We met all our Key Performance Indicators (KPIs) set by the Minister for this financial year.

Key Performance Indicator 1: Public law		
<p>Cafcass will measure the proportion of open public law care workload allocated to an appointed Children’s Guardian. To avoid delay in public law proceedings of all types, we have set a standard that 97% of our workload should be allocated when taken as a snapshot.</p> <p><b>Targets</b>                      97% to 100% GREEN                      90% to 96% AMBER                      0% to 89% RED</p>	<p><b>2014-15 Performance</b>                      99.7% GREEN</p>	<p>We have remained well within the 97% to 100% target. All of the 17 service areas exceeded the Green level in each individual month in 2014-15.</p>
<p><b>Source:</b> All data is taken from the Cafcass Case Management System (CMS) which ceased to exist on 11th July 2014 and Electronic Case Managing System (ECMS) which is a live national database.  <b>Calculation method:</b> 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.  <b>Assumptions:</b> Allocated only includes cases allocated on substantive basis to a named practitioner.  <b>Changes:</b> This KPI was unchanged from 2013-14.</p>		

<sup>8</sup> Hard copies only; number of electronic downloads not available.



### Key Performance Indicator 2: Public law

<p>Cafcass will measure the timeliness of allocation to an appointed Children's Guardian, for all care applications received. This indicator is a measure of the ability to allocate, on a substantive basis, a Cafcass Family Court Adviser or self-employed contractor (SEC) as a Children's Guardian to all public law care cases within three working days of receipt of the case.</p> <p><b>Targets</b>  0 - 2.9 days GREEN  3 - 4.9 days AMBER  5+ days RED</p>	<p><b>2014-15 Performance</b></p> <p>0.8 days GREEN</p>	<p>Performance against this indicator has decreased slightly compared to last year (an increase from 0.5 days to 0.8 days) but remains well within the 3 working day target.</p> <p>Performance exceeded the Green level in each individual month in 2014-15, with all 17 service areas exceeding the Green level in each individual month.</p>
<p><b>Source:</b> All data is taken from the Cafcass Case Management System (CMS) which ceased to exist on 11th July 2014 and Electronic Case Managing System (ECMS) which is a live national database.</p> <p><b>Calculation method:</b> 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.</p> <p><b>Assumptions:</b> Allocated only includes cases allocated on substantive basis to a named practitioner.</p> <p><b>Changes:</b> This KPI was unchanged from 2013-14.</p>		

### Key Performance Indicator 3: Private law

<p>Cafcass will measure the proportion of open private law workload allocated to a Family Court Adviser. To avoid delay in private law proceedings of all types, we have set a standard that 97% of our workload should be allocated when taken as a snapshot.</p> <p><b>Targets</b>  97% to 100% GREEN  90% to 96% AMBER  0% to 89% RED</p>	<p><b>2014-15 Performance</b></p> <p>99.4% GREEN</p>	<p>Performance has remained stable from last year (99.4%) and remains well within the 97% to 100% target.</p> <p>All of the 17 service areas exceeded the Green level in each individual month in 2014-15.</p>
<p><b>Source:</b> All data is taken from the Cafcass national databases, the Case Management System (CMS) and ECMS. ECMS is a live system, continually updated and is subject to change when further updates are made. Data from CMS is a static snapshot on the day it ceased to be a live database, 11th July 2014, when ECMS became the primary database.</p> <p><b>Calculation method:</b> 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.</p> <p><b>Assumptions:</b> Allocated includes cases allocated on a duty or substantive basis to a named practitioner.</p> <p><b>Changes:</b> This KPI was unchanged from 2013-14.</p>		

Key Performance Indicator 4: Private law		
<p>Cafcass will measure the proportion of section 7 reports that meet their agreed filing times.</p> <p>This indicator is a measure of the ability to file the section 7 reports by the date agreed with the court.</p> <p><b>Targets</b></p> <p>97% to 100% GREEN 90% to 96% AMBER 0% to 89% RED</p>	<p><b>2014-15 Performance</b></p> <p>97.8% GREEN</p>	<p>Performance has decreased slightly compared to last year (98.5%) but remains well within the 97% to 100% target.</p> <p>Performance exceeded the Green level in each individual month bar one in 2014-15. 13 of the 17 service areas exceeded the Green level in 2014-15 year as a whole.</p> <p>The remaining 4 areas performed at amber level ranging from 94.3% to 96.5%.</p>
<p><b>Source:</b> All data is taken from the Cafcass Case Management System (CMS) which ceased to exist on 11th July 2014 and Electronic Case Managing System (ECMS) which is a live national database.</p> <p><b>Calculation method:</b> The number of section 7 reports filed by the agreed date, divided by the total number of section 7 reports filed.</p> <p><b>Changes:</b> This KPI was unchanged from 2014-15.</p>		

Table 1: Numbers of children on new cases received per service area

Assistant Director, Senior Head of Service or Head of Service	Service Area	Geographic areas covered	Number of children in new cases	Number of public law cases	Number of private law cases
Carole Goodman	A1	Tyneside, Northumbria and Cumbria	2,937	1,042	1,895
Marie Gittins	A2	Durham, Teesside and North Yorkshire	2,990	1,050	1,940
Shabana Abasi	A3	Greater Manchester	4,460	1,544	2,916
Hilary Barrett	A4	South Yorkshire and Humberside	3,584	1,264	2,320
Hilary Barrett	A5	West Yorkshire	3,671	1,289	2,382
Steve Hunt	A6	Hampshire and the Isle of Wight	2,641	826	1,815
Kevin Gibbs	A7	Avon, Gloucestershire, Wiltshire, Thames Valley, and Buckinghamshire	5,424	1,527	3,897
Steve Hunt	A8	Cornwall, Devon, Somerset and Dorset	4,143	1,312	2,831
**Colette Dutton	A9	Cheshire, Lancashire and Merseyside	6,782	2,537	4,245
Vera Boyes	A10	Shropshire, Staffordshire, Herefordshire and Worcestershire	3,111	1,068	2,043
Neville Hall	A11	Nottingham, Derbyshire, Leicestershire, Lincolnshire and Cambridgeshire	6,205	1,963	4,242
Ana Popovici	A12	Birmingham and Black Country	4,064	1,259	2,805
Neville Hall	A13	National Business Centre, Warwickshire and Northamptonshire	2,361	884	1,477
Sarah Parsons	A14	Norfolk, Suffolk, Essex, Hertfordshire and Bedfordshire	6,161	1,749	4,412
Ana Popovici (public law) and Sarah Parsons (private law)	A15	Greater London	9,451	3,060	6,391
Ana Popovici	A16	Sussex and Surrey	2,553	709	1,844
Steve Hunt	A17	Kent	2,441	728	1,713
<b>National Total</b>			<b>74,111*</b>	<b>23,812</b>	<b>50,299</b>

\*1,132 children are included in the national totals that were on cases held in the Cafcass Intake Team. These cases were yet to be transferred to the service areas at the time of data collection.

\*\*Colette Dutton seconded to Knowsley Council; Sandie Hayes Head of Service from November 2014.

## Compliments and Complaints

Cafcass updated its Complaints and Compliments Policy in April 2014. This revision now outlines more clearly the links between the different categories of concern and the remedial action that may be taken, to aid the understanding of those considering the procedure. It states that Cafcass will notify the court of performance and conduct concerns (not relating to professional judgement) where they are relevant to and/or have an impact on the proceedings. The revision also gives greater prominence to complaints received from children.

1,319 complaints were received in the year ending 31st March 2015, with 96% responded to within 15 working days of receipt as set out in the procedure. The average response time was 10.3 working days. The number of complaints received per 1000 stock of cases was 4.4.

The majority of complaints are related to our work in private law. The number of complaints received has declined since August 2014, reflecting the reduction in the number of private law applications since the introduction of the Child Arrangements Programme in April 2014. However, the complaints Cafcass receives are tending to be more complex and lengthy, in some cases as a result of one or both parties being self-represented.

The revised policy also absorbed Cafcass' compliments procedure. 490 compliments were received in the year ending 31st March 2015. The number of compliments received per 1000 stock of cases was 1.6.

In February an audit by the Information Commissioner's Office (ICO) endorsed Cafcass' compliance with data protection law and procedures in relation to Subject Access Requests (SARs)<sup>9</sup>. 127 SARs were made in 2014-15, with all (100%) requests processed within 40 days of receipt.

## Key risks

The risks faced by the organisation and our approach to risk management are considered within the Governance Statement on page 43.

## Sustainability

The following sets out Cafcass' performance on sustainability targets, alongside related financial information. It has been prepared in accordance with the current guidelines (2014-2015) laid down by HM Treasury in the Government Financial Reporting Manual. It is also aligned with the targets set out in the Greening Government Commitments (GGC). This information can be found at:

<https://www.gov.uk/government/publications/greening-government-commitments-targets>

Information reported covers the last five years from 2009-10. The Sustainability Reporting process has remained with the Department for Education (DfE, Cafcass' former sponsor department) rather than transferring to the MoJ, for consistency purposes as this is the last year of reporting in its current format.

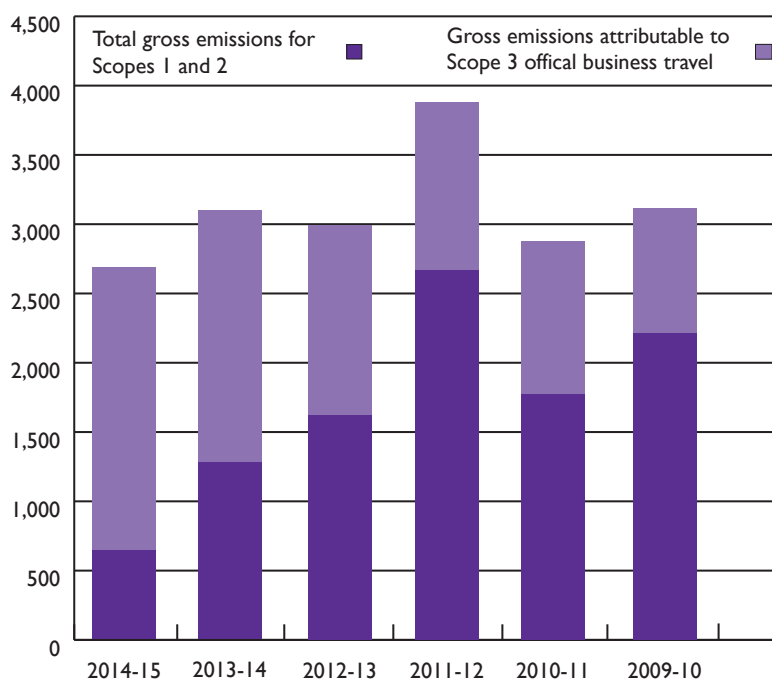
Data for 2009-10 to 2012-13 was compiled by DfE. Data used within these years was based solely on DfE benchmarking figures. 2012-13 data is a combination of DfE benchmark and our own data. The data for 2013-14 and 2014-15 is mainly our own with a small input from DfE benchmarking.

<sup>9</sup> An individual applying, under the Data Protection Act 1998, for their personal information which is held by Cafcass is termed as making a Subject Access Request (SAR).

## Our Targets

Cafcass’ Sustainability Steering Group (SSG) has aligned our Internal Environmental Management targets to GGC targets as mandated across the wider Government Estate. These include:

- a 25% reduction in CO<sub>2</sub> emissions from energy and business travel (baseline 2009-10)
- a 25% reduction in waste generated (baseline 2009-10)
- to reduce water usage and aim for a ‘good practice’ range of 4-6 m<sup>3</sup> per FTE per year in each office
- to recycle 85% of waste by 2015 (DfE target)
- achieve a 20% reduction in domestic air travel
- achieve a 10% reduction in paper use in 2011-12
- to implement a ‘Closed Loop’ recycling scheme
- to ensure redundant ICT equipment is reused, recycled or responsibly disposed of.



**Figure 8: Non-financial illustration against key Greening Government 2015 targets**

### Definition of Scope:

- Scope 1 - Direct GHG, e.g. owned by the organisation
- Scope 2 - Indirect GHG, e.g. gas, electric and car usage
- Scope 3 - Other indirect GHG, e.g. business travel.

The chart above highlights our carbon reduction achievements against the key targets set by GGC. The data demonstrates that we are on our way to achieving the target of 25% reduction from the 2009-10 baseline. In year 2012-13, the DfE recalculated the compilation of data from their benchmarking figures to Cafcass’ own calculated figures. This has skewed the data for the first three years of reporting which has resulted in the 2014-15 data showing a smaller percentage reduction than expected. Our data reporting is now more accurate than it has previously been.

## Energy

The emission figures for the last two years, has been calculated against our own data where it is available. A benchmark figure is calculated and used for all offices where we do not have direct control. The actual number of offices used to establish a benchmark is calculated as follows:

Gas: 11 Offices  
Electricity: 16 Offices.

## Water

As with energy above this figure has been calculated against actual data and extrapolated across the whole estate. The data from nine offices has been used to calculate this figure.

## Waste

Non-recyclable waste is still calculated against DfE benchmarking figures. Seven offices have their own local arrangements while all others are through third party landlord arrangements. This has made data collection very difficult. Centralised procurement arrangements have not been accessed as the overall spend for waste is relatively low. Confidential waste and ICT equipment disposal is reported against our actual data.

## Recycling Rate

This figure is still mainly benchmarked against DfE figures but our own figures are supplied against the Government 'Closed Loop' confidential waste initiative.

**Table 2: Financial performance against key Greening Government 2015 targets**

Year	UK Business Travel	Energy	Waste Disposal	Water Usage	Total
2014-15	£660,000	£139,000	£19,000	£9,000	<b>£827,000</b>
2013-14	£639,000	£195,000	£51,000	£13,000	<b>£898,000</b>
2012-13	£661,000	£312,000	£77,000	£22,000	<b>£1,014,000</b>
2011-12	£578,000	£395,000	£105,000	£48,000	<b>£1,126,000</b>
2010-11	£603,000	£272,000	£97,000	£26,000	<b>£1,056,000</b>
2009-10	£718,000	£338,000	£92,000	£31,000	<b>£1,179,000</b>
<b>2014-15 comparison to 2009-10</b>	<b>£-58,000</b>	<b>£-199,000</b>	<b>£-73,000</b>	<b>£-22,000</b>	<b>£-352,000</b>
<b>Percentage saved</b>	<b>8%</b>	<b>59%</b>	<b>126%</b>	<b>140%</b>	<b>30%</b>

## Performance Commentary

This table shows the financial savings made by Cafcass which contribute towards the Greening Government programme.

### Business Travel

Please refer to Domestic Business Travel below.

### Energy

Since 2009-10, we have reduced our estate from 90 to 43 offices. This coupled with the introduction and usage of the Crown Commercial Services (CCS) energy framework has led to significant savings in energy costs.

### Waste and Water Usage

Large cost savings can also be attributed to the reduction in our estate.

## Summary of Performance

This report describes our performance for the 2014-15 financial year.

We reduced our emissions from energy and business travel by 15% from the 2009-10 baseline figure. Our most recent data for energy demonstrates a reduction of 74% in kWh's from the baseline year.

Energy reductions have been well above target giving a reduction in expenditure of 58% from the baseline year. Our waste generation has decreased by 79% from the baseline, a significant achievement against the GGC targets.

Our recycling currently stands at 57% of our total waste creation. This does not meet the DFE target; however our total waste reduction has improved significantly.

Our water usage decreased and now stands at 3.32m<sup>3</sup> per FTE. This is well under the best practice target of between 4 – 6 m<sup>3</sup> per FTE.

We have also tracked performance against paper usage, being one of our major environmental and resource aspects. We have a reduction in our paper usage of 48% compared to 2012-13 (the first year this data was available).

Domestic flight data has only been available since 2012-13. The number of flights has reduced by 29% from the previous year.

## Greenhouse Gas Emissions

**Table 3: Summary of Greenhouse Gas Emission per year**

Greenhouse Gas Emissions		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Non-financial Indicators (tonnes CO <sub>2</sub> e)	Total gross emissions for Scopes 1 & 2	2,298	1,836	2,698	1,663	1,298	653
	Gross emissions attributable to Scope 3 official business travel	**884	**1,038	**1,191	1,344	1,852	2,067
	Number of domestic air travel flights	*0	*0	*0	22	72	51
Related Energy Consumption (kWh)	Electricity: Non-renewable	3,380,000	2,720,000	3,950,000	2,210,410	1,742,067	1,037,137
	Electricity: Renewable	0	0	0	0	0	0
	Gas	2,913,041	2,269,413	3,468,900	2,765,602	2,478,819	611,540
Financial Indicators (shown in thousands £)	Expenditure on energy	338	272	395	312	195	139
	CRC licence expenditure	0	0	0	0	0	0
	Expenditure on accredited offsets	0	0	0	0	0	0
	Expenditure on official business travel	719	661	578	603	639	660
	Expenditure on domestic air travel	*0	*0	0	5	25	6

\*Data not available.

\*\*Excludes domestic air travel.

## Emissions from Estates

Emissions reductions from energy use has largely been realised through estates rationalisation (using space more efficiently and co-locating with the MoJ and other government organisations where possible). Roll-out of the Crown Commercial Service Energy Framework was completed at the end of 2013-14.

We have seen more accurate reporting due to installation of Automatic Smart Meters for Gas Supply at each office where we have direct control.

The SSG has created a dashboard containing emissions and energy usage for our estate. This is circulated on a monthly basis to raise staff awareness. SSG has championed local initiatives to impact on emissions and energy usage.

## Domestic Business Travel

Expenditure on domestic business travel has slightly increased year-on-year over the last two years. This is attributed to better management information, giving a more accurate account of data, and also the significant reduction of the Cafcass estate bringing some additional travel needs.

Recognising the slight increase, the SSG has worked on several initiatives to raise awareness of sustainable travel and assist the staff to be more efficient in their work. These include:

- The creation of an 'Online Emissions Calculator', enabling the user to calculate the most efficient method of travel in terms of CO<sub>2</sub> emissions for a particular journey.
- Working with offices to provide local information for members of staff who need to travel to different offices including walking directions and the most expedient method of public transport.
- Frequent mini-campaigns to update the workforce on the most efficient use of rail travel through Redfern through railcards, ticket-splitting and collection methods.

Furthermore, improved IT has reduced the need for business travel through the provision of laptops or tablets with built-in video conference functionality.

This year's data shows an increase in Scope 3 emissions. This is due in part to a small increase in rail travel, but the majority is related to a large increase in staff members using their own cars for business usage. The SSG will monitor this moving forward and educate where necessary to ensure public transport is optimised where practical.

**Table 4: Illustrates CO<sub>2</sub>e emissions generated by travel for Cafcass**

	Domestic Travel Mode	09-10	10-11	11-12	12-13	13-14	14-15
Tonnes CO <sub>2</sub> e and Flight Data	Car	765	791	986	1,144	865	1,353
	Rail	38	39	132	195	135	172
	<b>Total</b>	<b>803</b>	<b>830</b>	<b>1,118</b>	<b>1,342</b>	<b>1,004</b>	<b>1,525</b>
	No of Flights	*0	*0	*0	3	72	51

\*Data not available.

## Waste Management

Table 5: Waste disposal summary

Waste		09-10	10-11	11-12	12-13	13-14	14-15	
Total waste		307	396	312	402.5	167	63	
Non-financial Indicators (tonnes)	Hazardous waste	Total						0
	Non-hazardous waste*	Landfill	44	57	45	87	59	27
		Reused/ Recycled	263	339	265	242	106	34
		Composted/ Bio digestion		*0	*0	7	*0	
	Total ICT waste	Reused	*0	*0	2	0.5	1	1
		Recycled	*0	*0	*0	1	1	1
	(Report if possible)	Incinerated/ energy from waste	*0	*0	*0	65	*0	*0
		Incinerated without energy recovery	0	0	0	0	0	0
	Paper Procured	Total Reams						*0
	Financial Indicators (figures shown as thousands)	Non-hazardous waste - Total disposal cost	Landfill	5	6	5	0	*0
Reused / Recycled			17	17	13	0	16	12
Composted			0	0	0	0	0	0
Paper Procured		Incinerated/ energy from waste	0	0	0	0	0	0
		Total Spend	*0	*0	*0	46	44	26
<b>Total disposal cost</b>		<b>92</b>	<b>97</b>	<b>105</b>	<b>77</b>	<b>51</b>	<b>19</b>	

\*Data not available.

The table above shows the amount of general and recycled waste generated and how redundant ICT equipment has been recycled, reused or disposed of. Information on the amount of paper procured and associated expenditure are also highlighted in the table.

## Landfill/Reused and recycled

We have again continued to reduce waste. This is due in part to the introduction of more efficient working practices, including reducing the number of printers across the estate and using electronic notes, as well as the SSG encouraging more recycling initiatives locally.



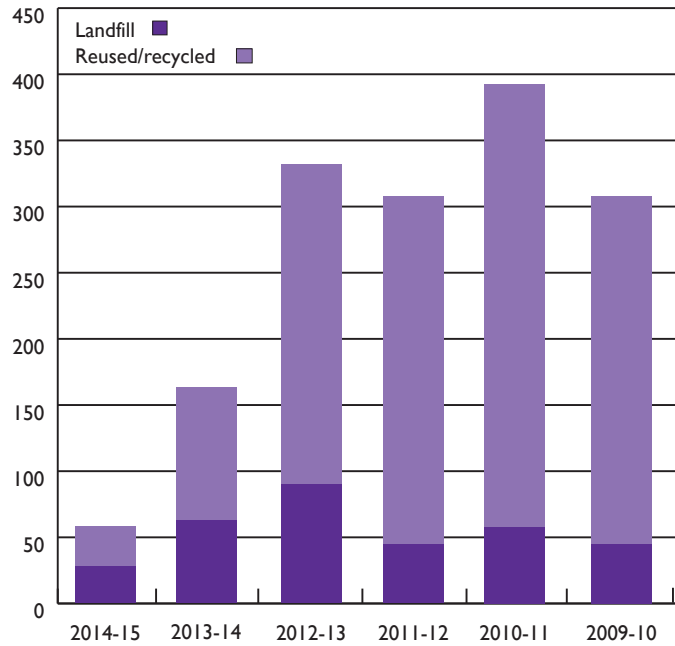


Figure 9: Office waste disposal 2009-15

### ICT Waste

We ensure that all redundant ICT equipment is disposed of in an ethical manner. A third party provider ensures that our redundant kit is recycled where possible and donated to schools or charities for their own use. Equipment which cannot be recycled or reused is disposed of in an ethical manner. All disposals are logged and reported back for analysis.

### Paper

Cafcass adopted the 'Closed Loop' paper system three years ago. The SSG has pro-actively promoted closed loop paper, resulting in increased usage from 5% of total paper purchased (2013-14) to 55% in 2014-15.

Cafcass has introduced an electronic and paperless solution for the preparation and distribution of Board papers. This includes the provision of tablet computers to members of the Cafcass Board, who previously relied on printed documents for Committee and Board meetings. The response from members has been positive.

As part of our Model Office Programme, Service Area A3 (Greater Manchester) no longer purchases notepads and instead has encouraged the use of 'One Note' and other forms of electronic note taking.

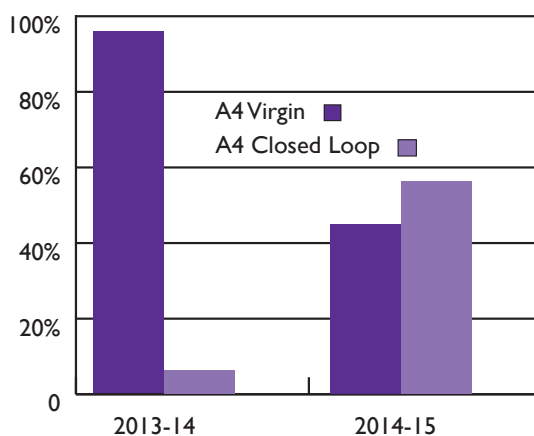


Figure 10: Paper purchased by type 2013-14 to 2014-15

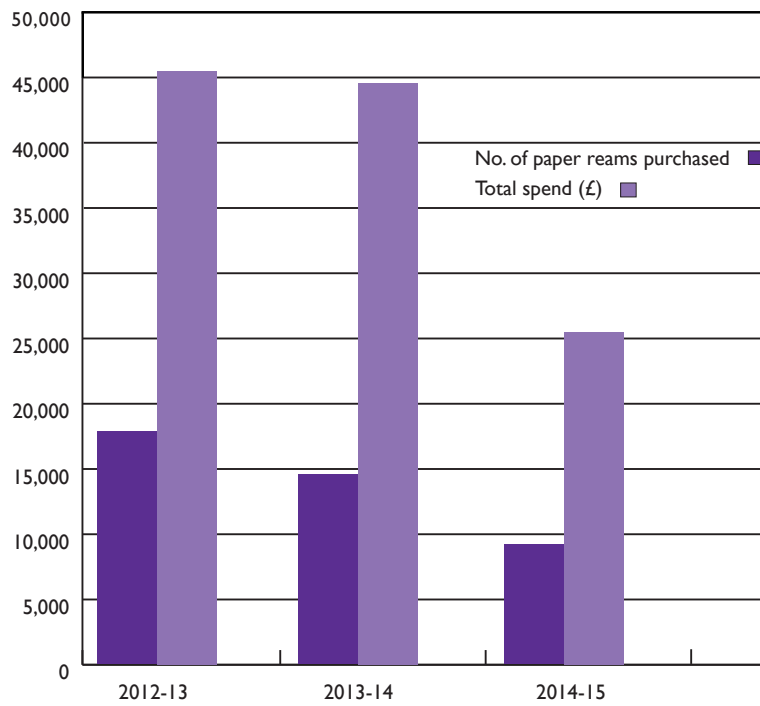


Figure 11: Paper reams purchased 2012-13 to 2014-15

## Water Consumption

Table 6: Finite Resource Consumption - Water

Finite Resource Consumption - Water			09-10	10-11	11-12	12-13	13-14	14-15
Non-financial Indicators (M <sup>3</sup> )	Water consumption	Office estate	**0	**0	**0	15,026	***2,263	1,377
		Office estate per FTE	**0	**0	**0	7.83	***4.47	****3.32
Financial Indicators (figures shown as thousands)	Water supply & sewage costs		*31	*26	*48	*22	*13	*9

\*Based on spend for all offices.

\*\*Data not available.

\*\*\*Data based on information obtained from 13 offices with direct invoicing.

\*\*\*\*Data based on information obtained from 9 offices with direct invoicing.

## Performance Commentary

Expected best practice from GGC guidance is that water consumption should be less than or equal to 4m<sup>3</sup> per FTE per annum. The data has only been recorded since 2013-14 and is based on our offices where we have direct responsibility for bill payment. Based on these offices our m<sup>3</sup> per FTE is 3.32.

## Sustainable Procurement

Cafcass has continued to use mandated centralised procurement contracts where possible. The majority of our requirements are sourced from Crown Commercial Services Frameworks or from the MoJ. Particular attention is given to ensuring that value for money is obtained and procurement processes are streamlined.

These frameworks meet the Government Buying Standards and sustainability is embedded through the whole procurement process. Sustainability is a key element within the Cafcass Procurement Strategy. We have standard templates that cover the entire procurement process and contain references to sustainability at all stages. Our standard contract documentation contains a sustainability clause which is used for all contracts. All suppliers are appointed based on balanced criteria including elements such as financial stability, health, safety and environment management considerations.

### Forward plans for sustainability

Cafcass' challenge for the future is to continue to make energy savings and efficiencies within our current estate. Moving forward it is anticipated that our estate will remain at its current number for the next financial year. This will give the opportunity for SSG to focus on office initiatives relating to greater efficiency across lighting, heating and recycling.

The Sustainable Development plan will focus on new strategies in line with new Government sustainability commitment and will have targets set to ensure further reductions will be visible on our environmental impact.

The SSG group is pro-actively exploring areas which still need to be improved and have created the "STAR" campaign: **S**witching power off, **T**ravelling responsibly, **A**dapting to New Technology and **R**ecycling by default.

One service area, A8 (Cornwall, Devon, Somerset and Dorset) has removed all non-Multi Functional Devices (MFDs) in conjunction with providing advice on how to print less. This has contributed to the number of sheets of paper being used for printing in the last financial year reducing from 516,688 per month to 301,663 per month across the whole organisation, which represents a 42% reduction. Following the positive results of this trial, it is planned that a number of MFDs and non-MFDs are to be removed from the printer estate in various offices around the organisation.

A trial in the service area A1 (Tyneside, Northumbria and Cumbria) is underway, assessing the impact of using PIN printing on the amount of paper that is printed.

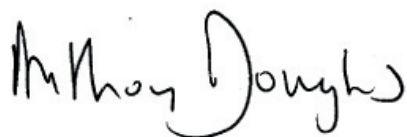
### Sustainability Governance

Cafcass continually monitors its Greening Government Commitment performance through monthly reports which feed into quarterly dashboards and are submitted to senior management for scrutiny. This dashboard highlights progress made in the reduction of emissions and environment factors affecting this.

A large percentage of the data within this report has been compiled using accurately measured data, verified through internal controls. Where data is not available, internal benchmarking figures have been applied based on known parameters.

## Long term liabilities

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



Signed: Anthony Douglas CBE  
Cafcass Chief Executive

Date: 19th June 2015



# Section 2

Directors' Report



# Directors' Report

The Minister with responsibility for Cafcass during 2014-15 was Simon Hughes, Minister of State for Justice.

At 31st March 2015 the Cafcass Board comprised the following members:

Baroness Claire Tyler (Chair; Performance Committee Chair)  
 Mary MacLeod (Deputy Chair; Quality Committee Chair)  
 Professor Ian Butler (left April 2014)  
 Terance Connor (left 31st March 2014)  
 Kamaljit Singh  
 John Lakin  
 Fay Selvan  
 Stuart Smith  
 Francis Plowden (Audit and Risk Assurance Committee Chair)  
 Honor Rhodes  
 Geoffrey Bush CB DL (co-opted member)  
 Nickie Aiken (joined December 2014)  
 Caroline Corby (joined December 2014)

Cafcass has issued guidance for Board members and staff whose portfolio includes work in or for other organisations. Further information on our policies and guidance for identifying and declaring potential conflicts for Board members can be found at <http://www.cafcass.gov.uk/leaflets-resources/organisational-material/freedom-of-information/cafcass-publication-scheme.aspx>. Contact details for further information on declared interests can also be found there.

The structure of Cafcass' Corporate Management Team is set out in my Governance Statement on page 41.

## Cafcass' workforce

At 31st March 2015, Cafcass employed 1804 staff: 80.8% female and 19.2% male. Of the senior employees (our 12 Board members and four Corporate Management Team members) 10 are female (62.5%) and six are male (37.5%).

We continued to support our staff throughout the year with comprehensive programmes to develop individuals and improve performance. These include our Learning and Development programme, the Emerging Talent Programme, and our Health and Wellbeing plan.

Our Equality and Diversity (E&D) Strategy, which was introduced in April 2013 and extended in March 2015 for an additional year, demonstrates how Cafcass will deliver a focus on E&D considerations within frontline casework and how we will engender a learning and development approach to E&D.

Looking ahead to the next year, our Workforce Strategy, introduced in May 2015, details how we will develop a workforce with the skills and resources needed to meet current demand for the services, while developing our capacity to meet the challenges we face in the future. Our revised Recruitment & Retention Policy, also introduced from May, sets out Cafcass' approach to the recruitment, induction, confirmation, retention and internal movement of staff.

Cafcass has well-established processes for the exchange of information from staff through to our Operational Management and Corporate Management teams. Senior Operational Managers meet on the third week of

each month and this sets the agenda for service area and team meetings which follow on a scheduled basis. The views of staff were sought throughout the year via team meetings, direct emails and through other means such as online surveys. In addition to the formal meeting structure staff are kept informed of organisational developments, and made aware of the opportunity to share their views, through our intranet news and our monthly electronic newsletter, Channel C. Cafcass also hosts a national meeting for all operational service managers and one meeting for all Cafcass managers, each year. This year's National Managers' Meeting focused on innovation in the context of responding to future challenges.

Cafcass will continue to hold the managers' meetings in the coming year. We will support and attend the annual Family Justice Young People's Board conference, to be held in July this year. Cafcass also hosts two Open Board meetings each year, which will continue in 2015-16.

## Sickness absence data

Our sickness absence levels have increased by comparison to the previous year, but remain at a level which is significantly below historical values for working days lost. The current average absence for social work staff is 8.9 days which is an increase from 7.3 days for 2013-14. Among non-social work staff, the figure for sickness absence is 8.8 days for 2014-15. The total average sickness absence for all staff in 2014-15 (social work and non-social work combined) is 8.8 days compared to 7.0 days in 2013-14, 7.0 days in 2012-13 and 10.1 days in 2011-12.

When considering the figures for current staff only (i.e. excluding those who have left our employment in the year 2014-15), sickness absence for social work staff is 7.6 days, by comparison with 6.1 days in 2013-14. For non-social work staff, the figure is 6.4 days. The composite figure for all staff (social work and non-social work combined) is 7.3 days for 2014-15. The HR team has continued to work closely with operational managers in the last twelve months, not only to support timely and proactive absence management, but also in delivering focused health and wellbeing interventions and support at team and individual staff level. It has developed a range of proactive resources to facilitate a continuation of the longer term downward trend in sickness absence levels going forward. These have been coupled with a rigorous focus on resolving all absence cases, early intervention and supporting a timely and sustainable return to work wherever possible. The additional resources are already having a positive effect; there had been a strong winter seasonal increase in absence during 2014-15 although this has been reversed and current absence levels are now lower than at the same point 12 months previously.

**Table 7: Average working days lost**

	2014-15	2013-14	2012-13	2011-12
Overall *AWDL in 12 months including leavers	8.8	7	7	10.1
Overall AWDL in 12 months excluding leavers	7.3	6	5.6	7.7
Social Workers' AWDL in 12 months including leavers	8.9	7.3	7.4	10.7
Social Workers' AWDL in 12 months excluding leavers	7.6	6.1	5.8	8
Non-Social Workers' AWDL in 12 months including leavers	8.8	6.1	5.7	7.9
Non-Social Workers' AWDL in 12 months excluding leavers	6.4	5.7	4.8	6.4

**\*Average Working Days Lost (AWDL) is the average working days lost to sickness per person in the year in question.**

Cafcass' approach to job applicants and existing employees ensures provision of opportunity for all. Where reasonable adjustments are required, they are provided in order to support and sustain this approach. We ensure our training programmes and materials are accessible to all. We continue to monitor our employees and our recruitment and selection processes in accordance with our legislative requirements. Relevant and appropriate information is regularly reviewed and analysed to ensure that our policies, procedures and approaches adhere to best practice in terms of E&D considerations.

## Information Assurance

A summary of personal data related incidents is available in table 8.

There has been one protected personal data related incident which required reporting to the Information Commissioner's Office (ICO). In this instance the risks were mitigated by prompt remedial action taken at a local and national level, and the ICO took no further action.

**Table 8: Summary of other Protected Personal Data Related Incidents in 2014-15**

Data breaches reported internally according to Cabinet Office guidance, one of which falls 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 secured government premises	1
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Cafcass premises	17
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	63
V	Other	0

Cafcass has noted that over the last three years, the number of reported breaches has risen steadily. This increase may in part reflect increased staff awareness of the need to report data breaches and of the reporting process itself. Action is being taken to reduce incidents in future. I have set out further detail on our approach to Information Assurance, as part of good governance, in my Governance Statement on page 44.

The Statement of Accounts of Cafcass for the year ended 31st March 2015 has been prepared in a form directed by the Secretary of State with the consent of the Treasury in accordance with the Accounts Direction dated 12th April 2002 given under Schedule 2, paragraph 13(2) of the Criminal Justice and Court Services Act 2000.

The Accounts are audited by the Comptroller and Auditor General, who is appointed by Statute. The audit fee is £52,000 for 2014-15 (cf 2013-14). There have been no non-audit services during 2014-15.

As far as I, in my role as Accounting Officer, am aware, there is no relevant audit information of which Cafcass' auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Cafcass' auditors are aware of that information.

In 2014-15, Cafcass was awarded grant funding from Central Government of £118.300 million. We also commissioned a range of contact services and programmes on behalf of the MoJ. The cost of these in 2014-15 was £5.239 million, which was funded separately by the MoJ.

A summary of how we spent our budget is shown in table 9 and further details are provided within our 2014-15 Accounts in Section 5.

**Table 9: How we spent our budget 2014-15**

Staff costs	83.82m	70.2%
Self employed contractors (SECs)	1.70m	1.4%
Agency staff	5.13m	4.3%
Other operating charges	26.35m	22.1%
Depreciation and asset write downs	0.29m	0.2%
Partnerships costs	2.13m	1.8%

**Total £119.44m**

We also incurred an Annually Managed Expenditure (AME) of £4.02 million in 2014-15, the majority of which was relating to Cafcass' pension scheme as we accounted for its service cost and finance cost in accordance with IAS 19 – Employee benefits. The total of the grant in aid spend and the AME is £123.44 million which is the Net Expenditure, after interest, reported in the Statement of Comprehensive Net Expenditure.

The Cafcass Statement of Financial Position as at 31st March 2015 shows net liabilities of £179.050 million, including the pension liability of £174.827 million. This reflects the inclusion of liabilities falling 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' sponsor Department. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.

The aggregate amount owed to trade creditors at 31st March 2015 compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days in the same proportion to the total number of days in the financial year, is equal to 5.73 days (4.95 days in 2013-14).

Interest of £nil has been paid or claimed by creditors under the Late Payment of Commercial Debts Act (£nil in 2013-14).

### 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.

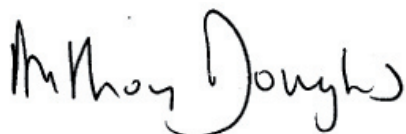
The scheme assets are measured at realisable value. Scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

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.

## Public Sector Information Holder's Disclosure

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



Signed: Anthony Douglas CBE  
Cafcass Chief Executive

Date: 19th June 2015



# Remuneration Report

## Part A: (unaudited information)

### Remuneration policy

Cafcass staff members are subject to levels of remuneration and terms and conditions of service (including superannuation) within the general pay structure approved by the Ministry of Justice (MoJ), the sponsor Department for this reporting period.

### Remuneration Panel

A Remuneration Panel identifies appropriate remuneration packages for Cafcass' senior executives. The Panel is made up of three Board members, the Chair, the Deputy Chair and the Chair of the Audit and Risk Assurance Committee.

### Governance

The Remuneration Panel recommends proposals for the remuneration of the Chief Executive to the Department and approves proposals from the Chief Executive about the remuneration of senior executive staff. The Department approves annual pay reviews and performance-related payments for the Chief Executive. The Department appoints Cafcass Board members and determines their remuneration. Board members are public appointees and as such do not hold a contract of employment.

### Service contracts

Cafcass appointments are made in accordance with the Cafcass Recruitment and Retention Policy. The Code 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 who share our aims and values, and who have the skills and abilities to perform effectively at all levels through fair and open competition. Unless otherwise stated, those covered by this Report hold appointments that are open-ended until they reach the normal retiring age of 65. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the individual contract of employment. Members of the Corporate Management Team are required to provide four or six months' notice to terminate their contract.

Cafcass Board Members are appointed on one, two or three-year terms.

## Part B: (audited information)

**Table 10: Board members' remuneration (salary, benefits in kind and pensions)**

Single total figure of remuneration

Board members	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100) <sup>10</sup>		Pension benefits (£000) <sup>11</sup>		Total (£000)	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Baroness Claire Tyler of Enfield	44	44	-	-	-	-	70	11 <sup>12</sup>	114	55
Mary MacLeod (Deputy Chair) OBE	20	20	-	-	100	-	-	-	20	20
Professor Ian Butler AcSS (until 31st October 2014)	10	5 (10 full-year equivalent)	-	-	1,100	200	-	-	11	5
Terence Connor (until 31st March 2014)	10	-	-	-	-	-	-	-	10	-
Kamaljit Kaur Singh	10	10	-	-	100	100	-	-	10	10
Honor Rhodes OBE	10	10	-	-	-	-	-	-	10	10
John Lakin	10	10	-	-	200	100	42	1	52	11
Francis Plowden	10	10	-	-	-	-	-	-	10	10
Fay Selvan	10	10	-	-	900	300	-	-	11	10
Stuart Smith	10	10	-	-	900	800	-	-	11	11
Geoffrey Bush CB DL	10	10	-	-	800	600	-	-	11	11
Nickie Aiken (from 1st December 2014)	-	3 (10 full-year equivalent)	-	-	-	-	-	-	-	3
Caroline Corby (from 1st December 2014)	-	3 (10 full-year equivalent)	-	-	-	-	-	-	-	3

**Table 11: The Board pension benefits**

	Real increase in pension and related lump sum at age 60 (£2,500) bands (£000)	Total accrued pension at age 60 at 31st March 2015 and related lump sum (£2,500) bands (£000)	CETV at 31st March 2014 (£000)	CETV at 31st March 2015 (£000)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £000)
Baroness Claire Tyler	0.0-2.5 plus 0.0-2.5	5-10 plus 0-5 lump sum	76	90	13
John Lakin	0.0-2.5 plus 0.0-2.5	0-5 plus 0-5 lump sum	31	35	3

10 This is the first year Cafcass has reported on benefit in kind remuneration for Board members. Both 2013-14 and 2014-15 have been included for comparison.

11 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 decrease due to a transfer of pension rights.

12 After Claire Tyler's reappointment to the Cafcass Board on 23rd January 2015, pension entitlement benefits were removed.

## Salary and pension entitlements

The remuneration for Cafcass Board members is shown on page 34 and the remuneration for the Corporate Management Team is shown on page 36. Remuneration includes gross salary, allowances and ordinarily, for the Corporate Management Team, up to 10% performance related pay (PRP) and employer's contributions to the West Yorkshire Pension Scheme (WYPS).

Cafcass salary ranges are established by considering factors such as relevant external comparator pay levels, internal relativities, affordability, recruitment and retention risks, and political sensitivity. Further information on the Cafcass pension schemes can be found in notes 1(f), 5 and 23 to the Accounts.

## 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). The pay-out levels are determined by the Remuneration Committee and the Chief Executive for the Corporate Management Team. For the Chief Executive it is the Remuneration Committee and the sponsor Department.

The Business Plan objectives which are relevant for this purpose are:

- Continue with further improvements to the quality of our work.
- Implement our part of the family justice reform programme and bring innovation to our services.
- Build further on our understanding of diversity in casework, always seeing the uniqueness of each child we have responsibilities towards.
- Continue to pursue efficiency and effectiveness in all services, looking to make further savings in our budget.
- Use our influence positively as the voice of the child and the eyes and ears of family courts.

Threshold performance would result in a single, non-consolidated PRP payment of no more than 10% of basic salary. Performance below threshold would result in no payment being paid.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by Cafcass and treated by HM Revenue and Customs as taxable emolument. Board members travel costs to National Office are reimbursed to them, which acts as a benefit in kind. The organisational Health and Wellbeing Plan, funded for all Cafcass employees at the basic level, acts as a benefit in kind for the Central Management Team.

## Pension benefits

Columns four and five of the table on page 34 show the members' cash equivalent transfer value (CETV) accrued at the end and at the beginning of the reporting period. Column six reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee, including the value of any benefits transferred from another pension scheme or arrangement, and uses common market valuation factors for the start and the end of the period.

## Cash equivalent transfer values

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figure shown relates to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figure include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the pension provider and for which the pension provider

has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing of additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

**Table 12: Single total figure of remuneration**

Directors	Salary (£000)		Performance related bonus payments (£000)		Benefits in kind (to nearest £100) <sup>13</sup>		Pension benefits (£000) <sup>14</sup>		Total (£000)	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Anthony Douglas, CBE Chief Executive	160-165	160-165	-	15-20 <sup>15</sup>	100	100	-	-	160-165	175-180
Jabbar Sardar, Director of HR & OD	125-130	125-130	10-15	-	100	100	14	30	145-150	155-160
Julie Brown, Director of Finance	120-125	125-130	10-15	-	100	100	43	33	170-175	155-160
Christine Banim, National Service Director	105-110	105-110	10-15	-	100	100	-	-	115-120	105-110
Bruce Clark, Director of Policy (left post on 31st May 2013)	15-20	-	-	-	-	-	-	-	15-20	-

**Table 13: Core Corporate Management Team remuneration 2014-15**

	Salary 2013-14 (performance pay) (£5,000 bands) (£000)	Salary 2014-15 (performance pay) (£5,000 bands) (£000)	Real increase in pension and related lump sum at age 60 (£2,500 bands) (£000)	Total accrued pension at age 60 at 31st March 2015 and related lump sum (£2,500 bands) (£000)	CETV at 31st March 2014 (£000)	CETV at 31st March 2015 (£000)	Real increase of CETV after adjustments for inflation and changes in factors (nearest £000)
Anthony Douglas, CBE Chief Executive	160-165 (-)	160-165 (15-20)	-	-	1,656	-	-
Jabbar Sardar, Director of HR & OD	125-130 (10-15)	125-130 (-)	0.0-2.5 plus 0.0-2.5 decrease	40-45 plus 85- 90 lump sum	531	574	37
Julie Brown, Director of Finance	120-125 (10-15)	125-130 (-)	2.5-5.0 plus 0.0-2.5	10-15 plus 0-5 lump sum	127	157	28
Christine Banim, National Service Director	135-140 <sup>16</sup> (10-15)	135-140 <sup>17</sup> (-)	-	-	946	-	-
Bruce Clark, Director of Policy (left post on 31st May 2013)	115-120 <sup>18</sup> (-)	-	-	-	981	-	-

13 This is the first year Cafcass has reported on benefit in kind remuneration for Directors. Both 2013-14 and 2014-15 have been included for comparison.

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 decrease due to a transfer of pension rights.

15 Payment relates to performance from the 2013-14 financial year, but was paid in the 2014-15 financial year.

16 This is a full-time equivalent salary. Actual salary is £105,000-£110,000.

17 This is a full-time equivalent salary. Actual salary is £105,000-£110,000.

18 This is a full-time equivalent salary. Actual salary is £15,000-£20,000.

**Table 14: Top to median staff pay multiples ratio**

	2014-15		2013-14
Band of Highest Earner's Total Remuneration (£000)	175-180	Band of Highest Earner's Total Remuneration (£000)	160-165
Median Total Remuneration	40-45	Median Total Remuneration	40-45
Ratio	1:4.375	Ratio	1:3.99

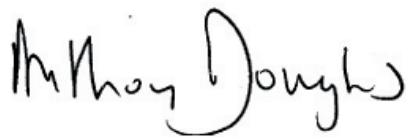
The increase in the top to median pay ratio is due to the payment of PRP in 2014-15 which increased the top earner's total remuneration compared to 2013-14.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Cafcass in the financial year 2014-15 (on a full year-equivalent) was £175,000 to £180,000 (2013-14, £160,000 to £165,000). This was 4.375 times (2013-14, 3.99 times) the median remuneration of the workforce, which was £40,000 to £45,000 (2013-14, £40,000 to £45,000).

In 2014-15, nil employees (2013-14, nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £10,000 to £180,000 (2013-14, £10,000 to £165,000).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and cash equivalent transfer value of pensions.



Signed: Anthony Douglas CBE  
 Chief Executive and Accounting Officer  
 Date: 19th June 2015



# Section 3

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



# Section 4

Governance Statement





# The Governance Framework

Cafcass is an executive non-departmental public body (NDPB) for which I am the 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. In 2014-15, regular meetings have been held between Cafcass and the Ministry of Justice (MoJ) where performance against the requirements set out in our annual remit letter has been scrutinised.

From 1st April 2014, and following a recommendation from the Family Justice Review (published in 2011), our sponsorship transferred to the MoJ from the Department for Education. The Permanent Secretary of the MoJ is the Principal Accounting Officer. No material change in our Governance Framework has taken place.

The Chair of the Cafcass Board is Baroness Claire Tyler. The Cafcass Board is made up of non-executive members appointed in accordance with the Membership, Committee and Procedure Regulations 2005 and regulated by the Commissioner for Public Appointments. Their work is supported by three main committees: the Audit and Risk Assurance Committee (ARAC), the Performance Committee, and the Quality Committee. Cafcass Board members use their expertise and experience to establish the organisation's strategic aims and objectives. The Board met six times in the year and the Committees met quarterly. There is also a Remuneration Committee which is convened as and when needed and which met once during 2014-15. The following table shows Board member attendance figures and the number of meetings they were eligible to attend:

**Table 15: Board members attendance**

Board member	Board	ARAC	Quality	Performance
Baroness Claire Tyler (Chair)	5/5	n/a	n/a	4/4
Mary MacLeod (Deputy Chair)	5/5	5/5	4/4	n/a
Professor Ian Butler (left April 2014)	1/4	n/a	1/4	n/a
Kamaljit Singh	5/5	5/5	n/a	4/4
John Lakin	4/5	5/5	n/a	4/4
Fay Selvan	5/5	n/a	3/4	n/a
Stuart Smith	5/5	n/a	n/a	3/4
Francis Plowden	5/5	5/5	n/a	n/a
Honor Rhodes	5/5	4/5	3/4	n/a
Geoffrey Bush CB DL (Co-opted member)	5/5	4/5	n/a	n/a
Nickie Aiken (joined Dec 2014)	*2/2	n/a	*1/1	n/a
Caroline Corby (joined Dec 2014)	*1/2	n/a	*1/1	n/a

\*Meetings reduced according to the number eligible to attend from start date.

The Family Justice Young Peoples Board (FJYPB) acts across the whole of the Family Justice System, and is integral to the family justice reform process. Two representatives of the FJYPB attend Cafcass Board meetings and provide an update about the work for the Board.

I am currently supported by three Directors, who make up the Corporate Management Team (CMT) to whom I will be adding a Director of Strategy to provide additional capacity and help further drive forward our work in strategic change and family justice reform. CMT meets weekly to run the organisation. The Operational Management Team (OMT) is led by the National Service Director who is also a member of CMT. Its membership comprises Senior Heads of Service, Heads of Service, Assistant Directors, and includes staff from Finance, Human Resources and Management Information who directly support operational services. OMT meets monthly to manage performance across the country. 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 all learning across the organisation (from best practice, mistakes and near misses).

There are internally in place and managed by members of the CMT: an Innovation Board; an Information Assurance Board; a Business Change Board; a Business Continuity Steering Group; and a Budget Approval Panel, all of which ensure that we keep abreast of regulations and requirements in line with good governance principles.

The diagram below provides information on how each element of our Governance Framework interrelates.

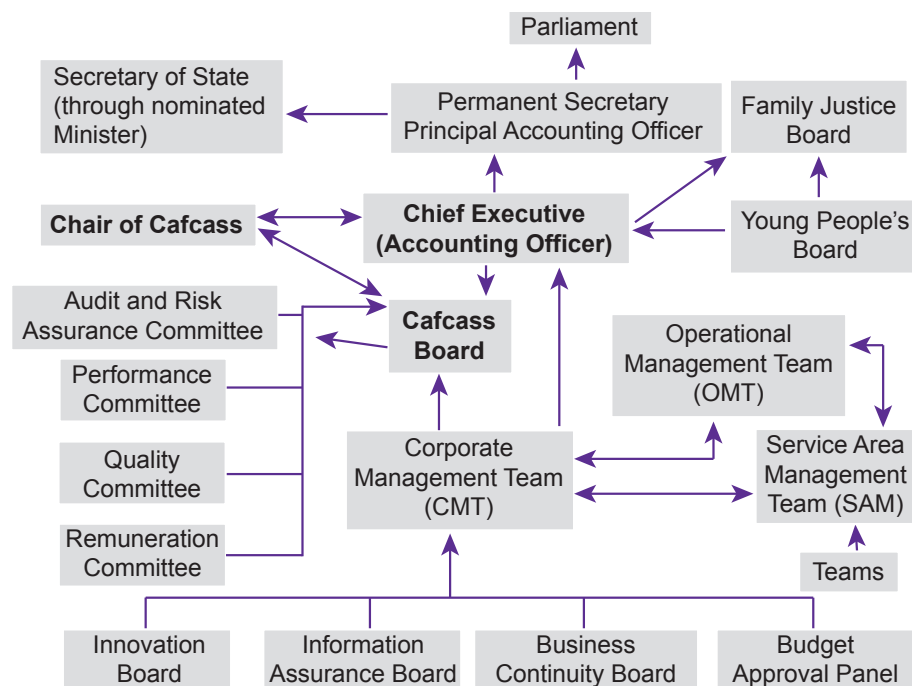


Figure 12: The Cafcass Governance Framework

## The Board’s Performance

The membership of the Board has changed during the year as Board members’ terms expired. Two new members joined during the year and three existing members were reappointed. During 2014-15 the Board has continued to govern and perform well. Prior to the end of the last year, the Board approved an update to the Cafcass Strategic Plan.

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 stringent 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 and external audit and inspection results. None of these results this year, or in the previous 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. The Dashboard is aligned with the corporate work programme which drives the actions needed to meet our objectives.

## The Audit and Risk Assurance Committee

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 resource accounts each year. Examples of the areas of assurance specifically reviewed during 2014-15 included arrangements for managing threats to staff, declarations under the Gifts and Hospitality Policy, appointment of Children's Solicitors, and Information Assurance arrangements.

The ARAC oversees the internal audit programme work and delivery arrangements. The Internal Audit service is delivered through a joint provision model. The Head of Internal Audit (HIA) role, and reviews of a specialist nature, are provided by an outsourced provider (PricewaterhouseCoopers) and in-house service (Business Assurance) delivers a number of reviews with oversight from the Head of Internal Audit. From 1st April 2015, internal audit services were transferred and are now delivered through the MoJ Internal Audit Service Group, along with the HIA role.

## The Organisation's Risk 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 quarterly by the Board. Our register identifies the risks to the achievement of our strategic priorities and objectives, and the mitigations are categorised using a three-line defence model: operational controls; management monitoring; and independent assurance. This approach was implemented last year and continues to add clarity to the register, including identifying any risk mitigation gaps.

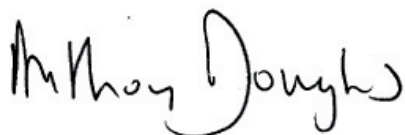
During the year, we identified a number of noteworthy areas within our strategic risk profile:

- Grant funding within the year was assessed as low risk reflecting that the current funding situation was manageable but that the risk over funding for the subsequent year was moving steadily up in light of the rising scale of future uncertainty.
- We continued to ensure that the quality of our casework met required standards, mitigating any shortfall through the continuous strengthening of our performance and quality assurance systems, the effectiveness of which was confirmed through the results of the November 2014 internal benchmark audit of casework.
- Fluctuations in demand in both public and private law and ensuring that our monitoring systems are robust and that we are able to make adjustments early enough. For example, in March 2014, we had the highest number of public law applications ever and the lowest number of private law applications ever, showing how volatility has become the norm.
- Ensuring that we keep our stakeholders engaged in a meaningful way that consistently captures their input and allows us to use that information to shape future delivery models accordingly. This can be seen through our work with the Ombudsman (PHSO) and improvements to our complaints handling.
- Ensuring that we remain a key player in family justice reforms seen through our active participation in National and Local Family Justice Boards.
- Ensuring that we keep our workforce engaged and implementing a new strategy to ensure that we are taking the right approach, so that we have the right skills, experience, qualifications and capacity.

## Information Assurance

Position statement on Cafcass' Information Assurance (IA) arrangements:

- The National Child Care Policy Manager remains the Senior Information Risk Owner (SIRO) and is supported in this role by the Information Assurance Officer and IT Business Partner.
- The quarterly Information Assurance Programme Board (IAPB) meetings have in attendance the organisation's business area Information Asset Owners and regularly assess any information management associated risks.
- The IAPB discusses the log of data breaches and any changes in the nature of breaches are monitored. As with the previous year, Cafcass has noted that the number of reported breaches has risen steadily. This increase may in part reflect increased staff awareness of the need to report data breaches and of the reporting process itself. Most data breaches occur in the category of unauthorised disclosure and are mainly related to case papers being sent to the wrong address.
- Cafcass reports annually its position in relation to the Security Policy Framework and planned future work to the Cabinet Office via the MoJ. Cafcass continues to self-assess at a high level of assurance.
- In 2014-15, Cafcass has continued to promote good IA through the mandatory completion of information security training for both new starters and existing staff. The implementation of Egress Switch, allows data to be sent securely via email to service users and external agencies, which is of importance to us as Cafcass case files have becoming increasingly electronic. Staff have been made aware of the Government's security classification scheme which came into effect from April 2nd 2014.
- In March 2015, Cafcass invited the Information Commissioner's Office to conduct an audit into information assurance processes and systems covering Subject Access Requests, the results of which were very positive.



Signed: Anthony Douglas CBE  
Chief Executive and Accounting Officer  
Date: 19th June 2015



# Section 5

Accounts 2014-15



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

I certify that I have audited the financial statements of the Children and Family Court Advisory Support Service (Cafcass) for the year ended 31 March 2015 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board's and Chief Executive's responsibilities, the Board and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Criminal Justice and Court Services Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Cafcass' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Cafcass; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

## Opinion on regularity

In my opinion, in all material respects the expenditure and income 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.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Cafcass' affairs as at 31st March 2015 and of the 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 other matters

In my opinion:

- the part of the Remuneration Report to be audited has 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 Strategic Report and the Director's 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 part of the Remuneration 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.

Sir Amyas C E Morse  
Comptroller and Auditor General

Date: 22nd June 2015

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

# Financial Statements

## Statement of Comprehensive Net Expenditure for the year ended 31st March 2015

	Note	2014-15		2013-14	
		£000	£000	£000	£000
<b>Expenditure</b>					
Staff costs		83,265		84,975	
Past pension service cost	4	36		245	
Total staff costs	4	<b>83,301</b>		<b>85,220</b>	
Self-employed contractors and agency staff	21	6,831		10,192	
Depreciation	8/9	288		234	
Partnerships	22	2,129		2,851	
Other expenditure	6	25,371		27,508	
			<b>117,920</b>		<b>126,005</b>
<b>Income</b>					
Income from activities	3/7	96		74	
			96		74
Net expenditure			<b>(117,824)</b>		<b>(125,931)</b>
Net interest cost	23		(5,614)		(7,071)
Net expenditure after interest			<b>(123,438)</b>		<b>(133,002)</b>
<b>Other comprehensive expenditure</b>					
Net gain on revaluation of property, plant and equipment	8		96		10
Re-measurement of pension benefits	23		<b>(32,748)</b>		<b>41,559</b>
<b>Total comprehensive expenditure for the year ended 31st March 2015</b>			<b>(156,090)</b>		<b>(91,433)</b>

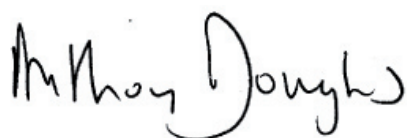
The Notes on pages 52 to 77 form part of these Accounts.



## Statement of Financial Position as at 31st March 2015

	Note	31st March 2015		31st March 2014	
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	8	843		794	
Intangible assets	9	1,667		1,908	
<b>Total non-current assets</b>	3		<b>2,510</b>		<b>2,702</b>
<b>Current assets</b>					
Trade and other receivables	12	2,243		1,954	
<b>Other current assets</b>					
Cash and cash equivalents	13	1,698		5,397	
<b>Total current assets</b>			<b>3,941</b>		<b>7,351</b>
<b>Total assets</b>			<b>6,451</b>		<b>10,053</b>
<b>Current liabilities</b>					
Trade and other payables	14	(8,353)		(9,777)	
<b>Total current liabilities</b>			<b>(8,353)</b>		<b>(9,777)</b>
<b>Non-current assets less net current liabilities</b>			<b>(1,902)</b>		<b>(276)</b>
<b>Non-current liabilities</b>					
Provisions	15	(2,321)		(3,399)	
Pension liabilities	23	(174,827)		(136,981)	
<b>Total non-current liabilities</b>			<b>(177,148)</b>		<b>(140,380)</b>
<b>Assets less liabilities</b>			<b>(179,050)</b>		<b>(140,104)</b>
<b>Taxpayer's equity</b>					
General reserve			(180,202)		(141,234)
Revaluation reserve			1,152		1,130
			<b>(179,050)</b>		<b>(140,104)</b>

The Financial Statements on pages 48 to 77 were approved by the Board on 19th June 2015 and signed on its behalf by:



Signed: Anthony Douglas CBE  
Chief Executive and Accounting Officer  
Date: 19th June 2015

## Statement of Cash Flows for the year ended 31st March 2015

	Note	2014-15 £000	2013-14 £000
<b>Cash flows from operating activities</b>			
Net expenditure after interest	3	(123,438)	(133,002)
Depreciation	8/9	288	234
Loss on disposal of assets	8/9	0	2
(Increase)/decrease in trade and other receivables	12	(289)	526
Decrease in trade payables	14	(1,424)	(6,087)
Increase in payables not passing through the Statement of Comprehensive Net Expenditure		0	(9)
In year additional pension cost		5,098	7,772
Decrease in provisions	15	(1,078)	(707)
Impairments	11	0	5
<b>Net cash outflow from operating activities</b>		<b>(120,843)</b>	<b>(131,266)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	0	(13)
Purchase of intangible assets	9	0	(1,908)
Proceeds of disposal of property, plant and equipment		0	65
<b>Net cash outflow from investing activities</b>		<b>0</b>	<b>(1,856)</b>
<b>Cash flows from financing activities</b>			
Grant-in-Aid from parent department for resource expenditure		115,565	132,893
Grant-in-Aid from parent department for capital expenditure	8/9	0	1,921
Other grant funding received		1,579	2,400
<b>Net cash inflow from financing activities</b>		<b>117,144</b>	<b>137,214</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>			
Cash and cash equivalents at the beginning of the period	13	5,397	1,305
<b>Cash and cash equivalents at the end of the period</b>	13	<b>1,698</b>	<b>5,397</b>

## Statement of Changes in Taxpayers' Equity as at 31st March 2015

	Note	General reserve £000	Revaluation reserve £000	Total £000
<b>Balance at 31st March 2013</b>		<b>(187,020)</b>	<b>1,135</b>	<b>(185,885)</b>
<b>Changes in taxpayers' equity</b>				
Net gain on revaluation of property, plant and equipment	8	0	10	10
Release of revaluation reserve to general reserve due to impairments		5	(5)	0
Release of revaluation reserve to general reserve due to disposals		10	(10)	0
Restated net expenditure after interest	3	(133,002)	0	(133,002)
Restated pension fund actuarial gains	23	41,559	0	41,559
<b>Total comprehensive expenditure</b>		<b>(91,428)</b>	<b>(5)</b>	<b>(91,433)</b>
Grant-in-Aid from parent department for resource expenditure		132,893	0	132,893
Grant-in-Aid from parent department for capital expenditure	8/9	1,921	0	1,921
Other grant funding received		2,400	0	2,400
<b>Balance at 31st March 2014</b>		<b>(141,234)</b>	<b>1,130</b>	<b>(140,104)</b>
<b>Changes in taxpayers' equity</b>				
Net gain on revaluation of property, plant and equipment	8	0	96	96
Release of revaluation reserve to general reserve due to impairments		0	0	0
Release of revaluation reserve to general reserve due to disposals		74	(74)	0
Net expenditure after interest	3	(123,438)	0	(123,438)
Pension fund actuarial losses	23	(32,748)	0	(32,748)
<b>Total comprehensive expenditure</b>		<b>(156,112)</b>	<b>22</b>	<b>(156,090)</b>
Grant-in-Aid from parent department for resource expenditure		115,565	0	115,565
Grant-in-Aid from parent department for capital expenditure	8/9	0	0	0
Other grant funding received		1,579	0	1,579
<b>Balance at 31st March 2015</b>		<b>(180,202)</b>	<b>1,152</b>	<b>(179,050)</b>

# Notes to the Accounts for the year ended 31st March 2015

## 1A Accounting policies

These Financial Statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Cafcass for the purpose of giving a true and fair view has been selected.

The particular policies adopted by Cafcass for the 2014-15 financial year 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 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.

On the 1st April 2014 our sponsorship transferred from the Department for Education to the Ministry of Justice. We remain a non-departmental public body.

### c) Property, plant and equipment

Freehold land and buildings were externally valued by the Valuation Office Agency (VOA) as at 31st March 2015 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.

Freehold land and buildings that are available for immediate sale (and are expected to sell within one year from date of classification), have been reclassified in the Accounts as 'Assets classified as held for sale', in accordance with IFRS 5 and are presented separately under current assets in the Statement of Financial Position. There were no 'Assets classified as held for sale' as at 31st March 2015.

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. Individual items valued at less than the threshold are capitalised if they constitute integral parts of a composite asset that is in total valued at more than the threshold. Furniture and fittings are not capitalised but fully expensed in the year of acquisition.

#### d) Intangible fixed assets

Intangible assets consist of software, software licenses and website and intranet costs. These have been stated at their value to the business using appropriate indices published by the 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. Individual items valued at less than the threshold are capitalised if they constitute integral parts of a composite asset that is in total valued at more than the threshold.

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

#### e) Depreciation 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.

Due to the Flex contract initiating laptop replacements, additional depreciation has been applied in the Accounts consistent with the reduction in life of existing Flexed laptops from five years to the estimated replacement date. Non-Flexed laptops continue to be depreciated over five years.

Expected useful lives are as follows:

Freehold buildings	Up to 60 years
Leasehold land and buildings	Up to 50 years, or over the term of the lease
Leasehold improvements	Over the term of the lease
Office equipment	Seven years
Information technology	Five years
Laptops under Flex	Estimated replacement date
Laptops (non-Flex)	Five years

## f) Pensions

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

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

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

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

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

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

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

## j) Operating leases

Rentals under operating leases are charged to the 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 12 and 14).

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.

# 1B Critical accounting judgements and key sources of estimation uncertainty

In the application of Cafcass' accounting policies, which are described in note 1A, the Corporate Management Team (CMT) are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## Critical judgements in applying Cafcass' accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that CMT have made in the process of applying Cafcass' accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

### Provision for dilapidation liabilities on leasehold premises

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.

In making its judgement, CMT considers dilapidations as an obligation arising from the execution of a lease and so recognises this liability until such a time as the leasehold agreement has expired, the property vacated and settlement of the dilapidation claim agreed and made with the landlord.

### Provision for liabilities arising through legal proceedings

Cafcass keeps under review the level of risk presented through the bringing of formal action against it, typically through Employment Tribunal claims. In making its judgement, Cafcass considers the cost and risk profile of

individual known cases and recognises these as a liability where there is reasonable assurance of a claim being accepted by a tribunal for hearing, which may or may not result in court attendance. A small number of claims are settled prior to the start of the tribunal.

### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### Provisions for liabilities and charges

Provision estimates occur through an internal review process and in accordance with IAS 37. Where a provision is deemed to exist, the amount created is estimated with reference to suitable expert opinion (e.g. legal provisions after reference to legal representation, estates provisions after reference to suitably qualified estates personnel).

### Pension costs and valuations

Pension assets are estimated at realisable value. Scheme liabilities are estimated 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. All estimates are performed by actuaries and in accordance with IAS 19.

## 2 Change of accounting policy

There have been no significant changes to the accounting policies, as described in Cafcass' 2013-14 Annual Report and Accounts.

## 3 Analysis of net expenditure by segment

	Operational service areas	Other	Total
	£000	£000	£000
<b>2014-15</b>			
Gross expenditure	81,907	41,627	<b>123,534</b>
Income	(95)	(1)	<b>(96)</b>
<b>Net expenditure</b>	<b>81,812</b>	<b>41,626</b>	<b>123,438</b>
<b>Non-current assets</b>	<b>811</b>	<b>1,699</b>	<b>2,510</b>
<b>*2013-14</b>			
Gross expenditure	85,592	47,484	<b>133,076</b>
Income	(69)	(5)	<b>(74)</b>
<b>Net expenditure</b>	<b>85,523</b>	<b>47,479</b>	<b>133,002</b>
<b>Non-current assets</b>	<b>726</b>	<b>1,976</b>	<b>2,702</b>

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



\*In 2013-14, capital expenditure of £1.921m was included in the standard monthly management information provided to the chief operating decision makers, but was excluded from the above for Statutory Accounting purposes.

There was no capital expenditure in 2014-15.

## 4 Staff numbers and related costs

	Cafcass Board members	Corporate National Office staff	Regional staff	Total
	£000	£000	£000	£000
<b>2014-15</b>				
Salaries and wages	146	5,238	59,034	<b>64,418</b>
Social security costs	8	468	4,874	<b>5,350</b>
Other pension costs	7	4,264	8,167	<b>12,438</b>
Past pension service cost	0	3	33	<b>36</b>
<b>Total payroll costs</b>	<b>161</b>	<b>9,973</b>	<b>72,108</b>	<b>82,242</b>
Temporary staff costs	0	10	1,015	<b>1,025</b>
Inward secondee costs	0	34	0	<b>34</b>
<b>Total staff costs</b>	<b>161</b>	<b>10,017</b>	<b>73,123</b>	<b>83,301</b>

### Average number of persons employed

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

Average whole time equivalent numbers employed	<b>2</b>	<b>128</b>	<b>1,546</b>	<b>1,676</b>
Average number of temporary staff	<b>0</b>	<b>0</b>	<b>46</b>	<b>46</b>

### 2013-14

Salaries and wages	157	5,595	59,189	<b>62,941</b>
Social security costs	8	484	4,987	<b>5,479</b>
Other pension costs	8	4,616	8,183	<b>12,807</b>
Past pension service cost	0	22	223	<b>245</b>
<b>Total payroll costs</b>	<b>170</b>	<b>10,720</b>	<b>72,582</b>	<b>83,472</b>
Temporary staff costs	0	44	1,714	<b>1,758</b>
Inward secondee costs	0	(10)	0	<b>(10)</b>
<b>Total staff costs</b>	<b>170</b>	<b>10,754</b>	<b>74,296</b>	<b>85,220</b>

### Average number of persons employed

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

Average whole time equivalent numbers employed	<b>2</b>	<b>132</b>	<b>1,559</b>	<b>1,693</b>
Average number of temporary staff	<b>0</b>	<b>3</b>	<b>76</b>	<b>79</b>

The total staff cost includes a cost of £0.338 million relating to severance/voluntary early redundancy in 2014-15. In total 22 employees were involved. In 2013-14 there were severance/voluntary early redundancy costs of £0.013 million involving two employees.

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

## 4.1 Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	2014-15 (2013-14)	2014-15 (2013-14)	2014-15 (2013-14)
Less than £10,000	6 (2)	5 (1)	11 (3)
£10,000 - £25,000	0 (0)	6 (1)	6 (1)
£25,000 - £50,000	0 (0)	3 (0)	3 (0)
£50,000 - £100,000	0 (0)	2 (1)	2 (1)
£100,000 - £150,000	0 (0)	0 (0)	0 (0)
£150,000 - £200,000	0 (0)	0 (0)	0 (0)
<b>Total number of exit packages by type</b>	<b>6 (2)</b>	<b>16 (3)</b>	<b>22 (5)</b>
<b>Total resource cost/£000</b>	<b>17 (9)</b>	<b>320 (88)</b>	<b>337 (97)</b>

Redundancy and other departure costs have been paid under the terms of the Local Government Pension Scheme and in accordance with the Cafcass Redundancy Policy. Exit costs are accounted for in full in the year of departure.

## 5 Pension costs (and see note 23)

Cafcass participates in the WYPF scheme and the PCSPS. The WYPF scheme is a multi-employer defined benefit scheme in which Cafcass' share of the underlying assets and liabilities are identified.

The current contribution rate was previously determined by the independent fund actuaries at the time of the 2013 revaluation, being Aon Hewitt Limited, is 15.8% for 2014-15. Aon Hewitt Limited is the currently appointed fund actuaries. The contribution rate is based on service to Cafcass and ill health retirements. Employer's contributions to the scheme for the year amounted to £12.946 million (costs relating to the voluntary early retirement programme were nil) with 1,855 employees participating in the scheme during 2014-15 (2013-14: £12.533 million excluding costs of £0.083 million relating to voluntary early retirement/1,826 employees).

The last independent actuarial valuation of the WYPF scheme was on 31st March 2013 and revealed that the scheme was 96% funded in relation to past service. The valuation is based on assets and liabilities at 31st March 2013. Following the actuarial valuation, the revised employer contribution rates for Cafcass have been set as follows:

	Contribution rate %	Additional cash contribution
Year 2015-16	15.8%	£3.564m
Year 2016-17	15.8%	£3.584m

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 2014. Full details can be found at [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions).

For 2014-15, employer's contributions of £0.057 million (2013-14: £0.065m) were payable to the PCSPS at one of three rates in the range of 21.80% to 24.30% 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.

Five employees participated in the PCSPS during 2014-15 (2013-14: 7), and none of these individuals were in a partnership pension account or a stakeholder pension.

## 6 Other expenditure

		2014-15	2013-14
	Note	£000	£000
Outsourced finance and ITC services		9,996	10,406
Accommodation costs		7,035	7,687
Travel and subsistence		3,011	3,225
Telecommunications and postage		1,833	2,136
Office supplies, printing and stationery		1,078	1,022
Legal costs		604	963
Training costs		438	434
Staff related costs		408	269
Interpreters and translators		365	280
Fuel and utilities		190	211
Contract changes	15	186	425
Vehicle costs		175	194
Recruitment costs		129	116
External audit costs		52	52
Internal audit costs		49	185
Impairments	11	0	5
Loss on disposal of property, plant and equipment	8	0	2
Other provision on longer required	15	(895)	(854)
Other		717	750
<b>Total</b>		<b>25,371</b>	<b>27,508</b>

## 7 Income

	2014 -15	2013 -14
	£000	£000
Training	95	69
Other income	1	5
<b>Total income from activities</b>	<b>96</b>	<b>74</b>

## 8 Property, plant and equipment

	Note	Land and buildings excluding dwellings £000	Leasehold land, buildings and improvements £000	Information technology and telecoms £000	Office equipment £000	Total £000
<b>2014-15</b>						
<b>Cost or valuation</b>						
As at 01/04/14		830	521	3,233	22	4,606
Additions		0	0	0	0	0
Disposals		0	0	(204)	0	(204)
Revaluations		95	0	1	0	96
Impairments	11	0	0	0	0	0
As at 31/03/15		<b>925</b>	<b>521</b>	<b>3,030</b>	<b>22</b>	<b>4,498</b>
<b>Depreciation</b>						
As at 01/04/14		106	520	3,164	22	3,812
Charged in year		9	0	38	0	47
Disposals		0	0	(204)	0	(204)
Revaluations		0	0	0	0	0
Impairments	11	0	0	0	0	0
As at 31/03/15		<b>115</b>	<b>520</b>	<b>2,998</b>	<b>22</b>	<b>3,655</b>
<b>NBV as at 31/03/15</b>		<b>810</b>	<b>1</b>	<b>32</b>	<b>0</b>	<b>843</b>
<b>NBV as at 31/03/14</b>		<b>724</b>	<b>1</b>	<b>69</b>	<b>0</b>	<b>794</b>
<b>Asset financing</b>						
Owned		810	1	32	0	843
NBV as at 31/03/2015		<b>810</b>	<b>1</b>	<b>32</b>	<b>0</b>	<b>843</b>

## 8 Property, plant and equipment continued

	Note	Land and buildings excluding dwellings £000	Leasehold land, buildings and improvements £000	Information technology and telecoms £000	Office equipment £000	Total £000
<b>2013-14</b>						
<b>Cost or valuation</b>						
As at 01/04/13		820	521	3,283	22	<b>4,646</b>
Additions		0	0	13	0	<b>13</b>
Disposals		0	0	(49)	0	<b>(49)</b>
Revaluations		10	0	0	0	<b>10</b>
Impairments	11	0	0	(14)	0	<b>(14)</b>
As at 31/03/14		<b>830</b>	<b>521</b>	<b>3,233</b>	<b>22</b>	<b>4,606</b>
<b>Depreciation</b>						
As at 01/04/13		96	519	3,023	18	<b>3,656</b>
Charged in year		10	1	197	4	<b>212</b>
Disposals		0	0	(47)	0	<b>(47)</b>
Revaluations		0	0	0	0	<b>0</b>
Impairments	11	0	0	(9)	0	<b>(9)</b>
As at 31/03/14		<b>106</b>	<b>520</b>	<b>3,164</b>	<b>22</b>	<b>3,812</b>
<b>NBV as at 31/03/14</b>		<b>724</b>	<b>1</b>	<b>69</b>	<b>0</b>	<b>794</b>
<b>NBV as at 31/03/13</b>		<b>724</b>	<b>2</b>	<b>260</b>	<b>4</b>	<b>990</b>
<b>Asset financing</b>						
Owned		724	1	69	0	<b>794</b>
NBV as at 31/03/2014		<b>724</b>	<b>1</b>	<b>69</b>	<b>0</b>	<b>794</b>

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

Freehold land as at 31st March 2015 was valued at £0.299 million (2013-14: £0.280 million).

Property assets were independently revalued by the VOA as at 31st March 2015 in accordance with the RICS Appraisal and Valuation Manual, published by the Royal Institution of Chartered Surveyors, insofar as this is consistent with current Treasury accounting guidance.

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

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.

Appropriate ONS indices have been applied to other property, plant and equipment for the 2014-15 financial year-end.

## 8.1 Assets classified as held for sale

The classes of assets classified as held for sale are as follows:

	Cost £000	Depreciation £000	NBV £000
<b>2014-15</b>			
Property, plant and equipment - land and buildings	0	0	0
Disposals	0	0	0
<b>Total assets classified as held for sale 31/03/15</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2013-14</b>			
Property, plant and equipment - land and buildings	65	9	56
Disposals	(65)	(9)	(56)
<b>Total assets classified as held for sale 31/03/14</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9 Intangible assets

Intangible assets comprise software, software licences, and website and intranet costs.

Note	Information technology £000	Software licences £000	Websites that deliver services £000	*Assets under construction £000	Total £000
<b>2014-15</b>					
<b>Cost or valuation</b>					
As at 01/04/14	515	210	89	1,856	2,670
Additions	0	0	0	0	0
Transfers from assets under construction	1,856	0	0	(1,856)	0
Disposals	(40)	(5)	0	0	(45)
Revaluations	0	0	0	0	0
Impairments	11	0	0	0	0
As at 31/03/15	<b>2,331</b>	<b>205</b>	<b>89</b>	<b>0</b>	<b>2,625</b>
<b>Amortisation</b>					
As at 01/04/14	510	163	89	0	762
Charged in year	230	11	0	0	241
Disposals	(40)	(5)	0	0	(45)
Revaluations	0	0	0	0	0
Impairments	11	0	0	0	0
As at 31/03/15	<b>700</b>	<b>169</b>	<b>89</b>	<b>0</b>	<b>958</b>
<b>NBV as at 31/03/15</b>	<b>1,631</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>1,667</b>
<b>NBV as at 31/03/14</b>	<b>5</b>	<b>47</b>	<b>0</b>	<b>1,856</b>	<b>1,908</b>

## 9 Intangible assets continued

	Note	Information technology £000	Software licences £000	Websites that deliver services £000	*Assets under construction £000	Total £000
<b>2013-14</b>						
<b>Cost or valuation</b>						
As at 01/04/13		518	159	89	0	<b>766</b>
Additions		0	52	0	1,856	<b>1,908</b>
Transfers from assets under construction		0	0	0	0	<b>0</b>
Disposals		0	0	0	0	<b>0</b>
Revaluations		0	0	0	0	<b>0</b>
Impairments	11	(3)	(1)	0	0	<b>(4)</b>
As at 31/03/14		<b>515</b>	<b>210</b>	<b>89</b>	<b>1,856</b>	<b>2,670</b>
<b>Amortisation</b>						
As at 01/04/13		504	151	89	0	<b>744</b>
Charged in year		9	13	0	0	<b>22</b>
Disposals		0	0	0	0	<b>0</b>
Revaluations		0	0	0	0	<b>0</b>
Impairments	11	(3)	(1)	0	0	<b>(4)</b>
As at 31/03/14		<b>510</b>	<b>163</b>	<b>89</b>	<b>0</b>	<b>762</b>
<b>NBV as at 31/03/14</b>		<b>5</b>	<b>47</b>	<b>0</b>	<b>1,856</b>	<b>1,908</b>
<b>NBV as at 31/03/13</b>		<b>14</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>22</b>

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

\*£1.856 million of assets were reported as being under construction in Cafcass' 2013-14 Annual Report and Accounts. These assets related to Cafcass' Electronic Case Management System, in particular to its core design and build, but also to its enhancements and integration costs with other software and systems on the ICT network. These assets were bought into use during the 2014-15 financial year.

## 10 Financial instruments

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

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

## Fair values

There is no significant difference between the book value and fair value of any of Cafcass' financial assets and liabilities as at 31st March 2015.

## Liquidity risk

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

## Interest rate risk

Cafcass is not exposed to significant interest rate risk.

## Credit risk

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

## Foreign currency risk

Cafcass is not exposed to any significant foreign currency risk.

# 11 Impairments

	Cost charged to Comprehensive Net Expenditure	Depreciation credited to Comprehensive Net Expenditure	Net impact of impairments in Comprehensive Net Expenditure
	£000	£000	£000
<b>2014-15</b>			
Land and buildings	0	0	0
IT and telecoms	0	0	0
Intangible assets	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>2013-14</b>			
Land and buildings	0	0	0
IT and telecoms	14	9	5
Intangible assets	4	4	0
	<b>18</b>	<b>13</b>	<b>5</b>



## 12 Trade receivables and other current assets

	2014-15 £000	2013-14 £000
<b>Amounts falling due within one year</b>		
Other receivables	742	511
Provision for bad debts	(2)	(2)
Prepayments	1,499	1,430
Travel advances	4	3
	<b>2,243</b>	<b>1,942</b>
<b>Amounts falling due after more than one year</b>		
Deposits and advances	0	12
	<b>0</b>	<b>12</b>
<b>Analysis of balances by counterparty</b>		
Balances with Central Government bodies	659	437
Balances with Local Authorities	741	674
Balances with bodies external to Government	843	843
	<b>2,243</b>	<b>1,954</b>

## 13 Cash and cash equivalents

	Cash £000	Bank £000	Total £000
<b>2014-15</b>			
Balance at 1st April 2014	9	5,388	<b>5,397</b>
Net change in cash and cash equivalent balance	(2)	(3,697)	<b>(3,699)</b>
Balance at 31st March 2015	<b>7</b>	<b>1,691</b>	<b>1,698</b>
The following balances at 31st March 2015 were held at:			
Government Banking Service and cash in hand	7	1,691	<b>1,698</b>
Balance at 31st March 2015	<b>7</b>	<b>1,691</b>	<b>1,698</b>
<b>2013-14</b>			
Balance at 1st April 2013	13	1,292	<b>1,305</b>
Net change in cash and cash equivalent balance	(4)	4,096	<b>4,092</b>
Balance at 31st March 2014	<b>9</b>	<b>5,388</b>	<b>5,397</b>
The following balances at 31st March 2014 were held at:			
Government Banking Service and cash in hand	9	5,388	<b>5,397</b>
Balance at 31st March 2014	<b>9</b>	<b>5,388</b>	<b>5,397</b>

## 14 Trade payables and other current liabilities

	2014-15	2013-14
	£000	£000
<b>Amounts falling due within one year</b>		
Taxation and social security	1,544	1,648
Trade payables	1,216	1,014
Other payables	80	22
Accruals and deferred income	5,290	6,677
Annual leave accrual	223	416
	<b>8,353</b>	<b>9,777</b>
<b>Analysis of balances by counterparty</b>		
Balances with Central Government bodies	2,552	2,445
Balances with Local Authorities	88	70
Balances with Public Corporations	3	26
Balances with bodies external to Government	5,710	7,236
	<b>8,353</b>	<b>9,777</b>

## 15 Provisions for liabilities and charges

	Employment claims	Other claims	Contract changes	Dilapidations	Total
	£000	£000	£000	£000	£000
<b>2014-15</b>					
Balance at 1st April 2014	216	34	425	2,724	<b>3,399</b>
Provided in the year	175	0	186	296	<b>657</b>
Provisions not required written back	(140)	(34)	0	(721)	<b>(895)</b>
Provisions reclassified as accruals	0	0	(611)	0	<b>(611)</b>
Provisions utilised in the year	(70)	0	0	(159)	<b>(229)</b>
Balance at 31st March 2015	<b>181</b>	<b>0</b>	<b>0</b>	<b>2,140</b>	<b>2,321</b>
<b>Analysis of expecting timing of discounted flows</b>					
Not later than one year	181	0	0	1,748	<b>1,929</b>
Later than one year and not later than five years	0	0	0	364	<b>364</b>
Later than five years	0	0	0	28	<b>28</b>
	<b>181</b>	<b>0</b>	<b>0</b>	<b>2,140</b>	<b>2,321</b>
<b>2013-14</b>					
Balance at 1st April 2013	438	139	0	3,529	<b>4,106</b>
Provided in the year	192	0	425	215	<b>832</b>
Provisions not required written back	(215)	(19)	0	(620)	<b>(854)</b>
Provisions reclassified as accruals	0	0	0	(70)	<b>(70)</b>
Provisions utilised in the year	(199)	(86)	0	(330)	<b>(615)</b>
Balance at 31st March 2014	<b>216</b>	<b>34</b>	<b>425</b>	<b>2,724</b>	<b>3,399</b>
<b>Analysis of expecting timing of discounted flows</b>					
Not later than one year	216	34	0	2,040	<b>2,290</b>
Later than one year and not later than five years	0	0	425	674	<b>1,099</b>
Later than five years	0	0	0	10	<b>10</b>
	<b>216</b>	<b>34</b>	<b>425</b>	<b>2,724</b>	<b>3,399</b>

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, on the basis of 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.

## Other claims

Other claims related to legal and/or contractual obligations other than those identified separately below.

## Contract changes

Likely increases in Flex contractual payments, due to third party departures from shared services resulting in the loss of volume discounts, were provided for in Cafcass' 2013-14 Annual Report and Accounts. These departures have now occurred and the provision in question has been transferred to accruals.

## 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.

There is an ongoing programme of planned closures instigated as part of an overall efficiency programme, but further extended through the requirement of the Cabinet Office exercise lease-breaks and expiries. This has caused a rapid acceleration in realisation of dilapidation costs, in particular where a large number of lease agreements, entered in to when Cafcass was formed, coming – or have come – to their 10 year review/expiry terms.

## 16 Capital commitments

There were no material contracted capital commitments as at 31st March 2015 (2013-14: £nil).

## 17 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.

	2014-15	2013-14
	£000	£000
Obligations under operating leases comprise:		
<b>Land</b>		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
	<b>0</b>	<b>0</b>
<b>Buildings</b>		
Not later than one year	3,262	3,491
Later than one year and not later than five years	4,516	6,397
Later than five years	1,375	2,089
	<b>9,153</b>	<b>11,977</b>
<b>Other</b>		
Not later than one year	115	132
Later than one year and not later than five years	115	80
Later than five years	0	0
	<b>230</b>	<b>212</b>
<b>Finance Leases</b>		

There were no finance leases as at 31st March 2015 (2013-14: £nil).

## 18 Other financial commitments

	2014-15	2013-14
	£000	£000
Not later than one year	10,436	8,803
Later than one year and not later than five years	7,827	15,405
Later than five years	0	0
	<b>18,263</b>	<b>24,208</b>

Cafcass has signed a seven-year contract with Fujitsu to provide an integrated information and communication technology service across the organisation. The Flex shared service solution includes a refresh of hardware after four years.

## 19 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 2014-15, Cafcass had various material transactions with the Department, including the receipt of £117.144 million grant funding from the Department (2013-14: £137.214 million). Transactions with the Department not related to Grant-in-Aid or other funding totalled £0.031 million (2013-14: £0.524 million), which relates to secondment charges as at 31st March 2015.

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.

## 20 Events after Statement of Financial Position date

The Financial Statements were authorised for issue on the 23rd June 2015 by Anthony Douglas CBE (Chief Executive and Accounting Officer).

## 21 Self-employed contractors

In 2014-15 we contracted the services of 93 self-employed contractors (2013-14: 139), of which amounts paid amounted to £1.702 million in the year (2013-14: £2.653 million).

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 £5.129 million in the year (2013-14: £7.539 million).

## 22 Partnership costs

Partnership costs of £2.129 million (2013-14: £2.851 million) 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 2014-15 Cafcass received additional funding of £1.579 million from the Department (2013-14: £2.400 million).

## 23 Pension liabilities

West Yorkshire Pension Fund's actuary, Aon Hewitt Limited, carried out an IAS 19 valuation for Cafcass as at 31st March 2015.

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 disclosure contained in the Financial Statements, the following disclosures are in accordance with that standard.

## 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 31st March 2014 being linked to final salary. Benefits after 31st 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 Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

## 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 LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31st March 2013 and the contributions to be paid until 31st March 2017 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31st March 2016 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 1st April 2017.

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 to be applied to those notional assets over the accounting period. The Fund is large and 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 Administering Authority) is shown in the disclosures split by quoted and unquoted investments.

The 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 a deficit will be created from this yield 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.

## 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 either unaffected or loosely 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 who 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:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
*Present value of funded obligations	(575,382)	(495,345)
Fair value of plan assets	400,555	358,364
Net liability	<b>(174,827)</b>	<b>(136,981)</b>

\*The present value of the funded defined benefit obligation increased due to a reduction in the discount rate assumption from 4.3% to 3.2% per annum.

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

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Current service cost	12,433	13,229
Past service cost	36	245
Service cost	12,469	13,474
Interest on obligation	21,075	21,625
Interest income on plan assets	(15,461)	(14,554)
Net interest cost	5,614	7,071
Expense recognised in the Statement of Comprehensive Net Expenditure	<b>18,083</b>	<b>20,545</b>



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

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	495,345	505,406
Current service cost	12,433	13,229
Interest on obligation	21,075	21,625
Member contributions	4,252	3,882
Past service cost	36	245
Actuarial loss/(gain) due to changes in financial assumptions	59,872	(33,705)
Actuarial gain due to changes in demographic assumptions	0	(8,267)
Actuarial (gain)/loss due to liability experience	(2,624)	2,040
Benefits/transfers paid	(15,007)	(9,110)
Closing defined benefit obligation	<b>575,382</b>	<b>495,345</b>

## Changes in the fair value of plan assets are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of plan assets	358,364	334,638
Interest income on plan assets	15,461	14,554
Re-measurement gain on assets	24,500	1,627
Contributions by employer	12,985	12,773
Member contributions	4,252	3,882
Benefits/transfers paid	(15,007)	(9,110)
	<b>400,555</b>	<b>358,364</b>

## Asset allocation:

	<b>Quoted value at 31st March 2015</b>	<b>Unquoted value at 31st March 2015</b>	<b>Total at 31st March 2015</b>	<b>Total at 31st March 2014</b>
Equities	70.1%	6.3%	76.4%	75.6%
Property	4.2%	0.0%	4.2%	3.0%
Government bonds	10.5%	0.0%	10.5%	10.2%
Corporate bonds	4.6%	0.0%	4.6%	5.5%
Cash	2.1%	0.0%	2.1%	2.7%
Other	0.0%	2.2%	2.2%	3.0%
	<b>91.5%</b>	<b>8.5%</b>	<b>100.0%</b>	<b>100.0%</b>

## Actual return on assets:

	2014-15	2013-14
	£000	£000
Interest income on plan assets	15,461	14,554
Re-measurement gain on assets	24,500	1,627
	<b>39,961</b>	<b>16,181</b>

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

	2014-15	2013-14
Pension accounts revaluation rate	1.80%	n/a
Rate of increase in salaries	2.90%	3.30%
Rate of increase in pensions	1.80%	2.30%
Nominal discount rate	3.20%	4.30%

The basis for benefits in the LGPS changed to Career Average Related Earnings (CARE) on the 1st April 2014 from the previous basis on Final Salary. This means that each year members build up a pension based on their pensionable pay for that year.

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

## Analysis of amounts recognised in Other Comprehensive Expenditure:

	2014-15	2013-14	2012-13 restated	2011-12	2010-11
	£000	£000	£000	£000	£000
Re-measurement gain/(loss) on assets	24,500	1,627	29,384	(15,652)	20,673
Percentage of scheme assets	6%	0%	9%	5%	7%
Experience (loss)/gain on scheme liabilities	(57,248)	39,932	(46,341)	(2,649)	17,421
Percentage of present value of the scheme liabilities	(10%)	8%	(9%)	1%	4%
Changes in assumption	0	0	0	0	0
<b>Total amount recognised in Other Comprehensive Expenditure</b>	<b>(32,748)</b>	<b>41,559</b>	<b>(16,957)</b>	<b>(18,301)</b>	<b>38,094</b>
Percentage of present value of the scheme liabilities	(6%)	8%	(3%)	(4%)	9%

## 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 2016 £000	Year ending 31 March 2015 £000
Current service cost	15,069	12,433
Interest on net defined benefit liability	5,384	5,614
<b>Total estimated pension expense</b>	<b>20,453</b>	<b>18,047</b>
Allowance for administration expense included in current service cost	0.184	0.174
Estimated pensionable payroll over the period ending 31 March 2016	61,276	59,550

## Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2015 and the projected service cost for the year ending 31st March 2016 is set out below.

## Discount rate assumption:

<b>Adjustment to discount rate</b>	<b>+0.1% p.a. £000</b>	<b>Base figure £000</b>	<b>-0.1% p.a. £000</b>
Present value of total obligation	565,498	575,382	585,438
% change in present value of total obligation	(1.7%)		1.7%
Projected service cost	14,656	15,069	15,491
Approximate % change in projected service cost	(2.7%)		2.8%

## Rate of general increase in salaries:

<b>Adjustment to salary increase rate</b>	<b>+0.1% p.a. £000</b>	<b>Base figure £000</b>	<b>-0.1% p.a. £000</b>
Present value of total obligation	577,824	575,382	572,962
% change in present value of total obligation	0.4%		(0.4%)
Projected service cost	15,069	15,069	15,069
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:

<b>Adjustment to pension increase rate</b>	<b>+0.1% p.a. £000</b>	<b>Base figure £000</b>	<b>-0.1% p.a. £000</b>
Present value of total obligation	583,157	575,382	567,718
% change in present value of total obligation	1.4%		(1.3%)
Projected service cost	15,491	15,069	14,656
Approximate % change in projected service cost	2.8%		(2.7%)

Post retirement mortality assumption:

<b>*Adjustment to mortality age rating assumption</b>	<b>-1 year £000</b>	<b>Base figure £000</b>	<b>+1 year £000</b>
Adjustment to pension increase rate	590,643	575,382	560,122
% change in present value of total obligation	2.7%		(2.7%)
Projected service cost	15,588	15,069	14,550
Approximate % change in projected service cost	3.4%		(3.4)%

\*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.

## 24 Contingent liabilities

There were no qualifying contingent liabilities as at 31st March 2015 (2013-14: £nil).

## 25 Contingent assets


There were no qualifying contingent assets as at 31st March 2015 (2013-14: £nil).

## 26 Losses and special payments

	2014-15		2013-14	
	£000	No. of cases	£000	No. of cases
<b>Losses statement</b>				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	2	18	28	35
Fruitless payments	32	44	64	42
Store losses	0	0	0	0
Constructive losses	0	0	0	0
<b>Total value of losses</b>	<b>34</b>	<b>62</b>	<b>92</b>	<b>77</b>
<b>Special payments</b>				
Compensation payments	9	2	5	1
Ex gratia payments	0	0	0	0
Extra-contractual payments	0	0	0	0
Special severance payments	0	0	0	0
<b>Total special payments</b>	<b>9</b>	<b>2</b>	<b>5</b>	<b>1</b>
<b>Total losses and special payments</b>	<b>43</b>	<b>64</b>	<b>97</b>	<b>78</b>

There were £0.043 million of losses and special payments charged to the Accounts as at 31st March 2015 (2013-14: £0.097 million). The actual cash amount paid in the period was £0.047 million (2013-14: £0.263 million). These payments were made in accordance with HM Treasury guidance.

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