



Children and Family Court Advisory and Support Service

Annual Report and Accounts 2017-18

An executive non-departmental public body







Children and Family Court Advisory and Support Service

Annual Report and Accounts 2017-18

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

Accounts presented to Parliament pursuant to paragraph 13(4) of Schedule 2 to the Criminal Justice and Court Services Act 2000.

Ordered by the House of Commons to be printed on 28th June 2018.

HC 1181





© Crown copyright 2018

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications.

Any enquiries regarding this publication should be sent to us at:
Cafcass
21 Bloomsbury Street,
London,
WC1B 3HF

ISBN 978-1-5286-0313-3
CCS0418414702 06/18

Printed on paper containing 75% recycled fibre content minimum.

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office.



Contents

| | | | |
|---|-------------|---|----------|
|  | Section 1 | The performance report Overview | 06 06 |
| | Section 1.1 | Performance analysis | 30 |
|  | Section 2 | The accountability report Corporate Governance report | 44 44 |
| | Section 2.1 | Remuneration and staff report | 53 |
| | Section 2.2 | Parliamentary Accountability and Audit report | 64 |
| | | The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament | 66 |
|  | Section 3 | 2017-18 Annual Accounts Financial statements | 68 68 |
| | | Appendix and glossary | 90 |
| | | General contact details | 98 |

A glossary of terms used in this report, and in the family justice sector more widely, is set out on page 92. This is based on the glossary produced by the Family Justice Young People's Board¹ (FJYPB).

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

All months should be read as falling within the period this report covers (1st April 2017 to 31st March 2018) unless otherwise specified.

1 - The Family Justice Young People's Board (FJYPB) comprises over 50 children and young people aged between seven and 25 years old who have had direct experience of the family justice system or have an interest in children's rights and the family courts. The FJYPB works to ensure that the family justice system remains child-centred and child inclusive by promoting the voice of the child.



Section 1



The performance report

Overview

This section shows what we do and what we are aiming to achieve, and the key risks to achieving these. It also shows how we have performed during the year.

- *Introduction from the Chair of the Cafcass Board*
- *Introduction from the Chief Executive, Anthony Douglas*
- *Who we are and what do we do*
- *Demand for our services in 2017-18*
- *How we have continued to manage demand*
- *A child's journey through our service, in public and private law*
- *Information on commissioned services through the year*
- *Information on the quality of our practice through the year*
- *Our innovation and influence in the family justice sector*



Introduction from the Chair



I am delighted to have been appointed as Chair of the Cafcass Board from April 2018 for three years. Cafcass' work in supporting children and families is something very close to my heart. Having grown up in a family who fostered and adopted children, and as a former family barrister specialising in children's cases, I know just how complex and crucial the work of Cafcass is. My time as Children's Minister has also given me an appreciation and understanding of the wider family justice system and the role of Cafcass within it. I'm looking forward to supporting all those who help provide an outstanding service for children in need of our help, as well as ensuring Cafcass is at the forefront of the innovation and positive reform needed to ensure outcomes for vulnerable children are getting better.

April was a great time to join the organisation, with the recently published Ofsted report. Cafcass achieved its first ever 'Outstanding' rating of which everyone should be immensely proud. The result is a testament to the many years of hard graft put into pursuing such a goal and providing the best possible service for children. It acts as a superb springboard from which to continue making improvements and purposeful changes within the organisation as well as across the wider family justice system.

I know that over the past year variations in demand for our services and the pressures frontline practice staff have been under has been a priority issue for the Board. Cafcass used the additional resources they secured last year to increase the workforce capacity needed to manage demand. Further to this they have invested time and resources into their health and wellbeing initiatives to support staff, helping equip them to remain resilient while maintaining and improving their level of performance. The trust based model employed by Cafcass has also ensured a sense of empowerment and responsibility permeates through the organisation. By investing in frontline staff, Cafcass is well placed to continue to build a positive and productive organisation that has high quality practice at its core.

In 2018-19 the composition of the Board is changing; some members, including former Chair Baroness Claire Tyler, have moved on and we will soon be recruiting one new Board member to bring the membership up to the required number. Once these changes have been embedded, the Board and I will want to clarify our key priorities for the year ahead while ensuring we continue to make a significant and constructive contribution to the work and impact of Cafcass.

I am looking forward to meeting staff and working with Cafcass to improve on the 'Outstanding' rating, as well as on identifying where further developments can be made to benefit the children and families with whom we work. To that end I have already been able to visit our Liverpool office and the National Business Centre in Coventry to see first-hand the day-to-day demands with which Cafcass staff contend.

Finally, I would like to extend my warmest thanks and appreciation to Baroness Claire Tyler for the strong and dedicated leadership she provided to the Cafcass Board during her six years as Chair. I am sure I speak for all Board members in wishing her the very best for the future.

A handwritten signature in black ink, which appears to read 'Edward Timpson'.

Signed: Edward Timpson CBE, Chair of Cafcass Board.

Introduction from the Chief Executive



In our first national inspection since 2014, carried out in February 2018, we achieved an overall rating of 'Outstanding'. We are only the fourth social care organisation to reach this level and I am very proud of our collective performance as an organisation to achieve this rating, as it does mean the vast majority of children and young people we support receive a good or outstanding service from us. Ofsted inspectors were satisfied that despite significant demand pressures, we had made considerable progress on all fronts since our 2014 inspection. While we can be justifiably proud, we must guard against complacency, as we should have zero tolerance of any single child or young person receiving a poor service from us. It may be their only chance of a safe and happier future.

I was very pleased about the progress we have made in understanding, conveying and acting upon the voices of vulnerable children and young people. The needs of children today are changing rapidly, as are the difficulties they face. We have to work hard to keep up with social trends, trends in family life and especially how children themselves experience the changes going on all around them. I would point to the reform measures we have taken in private law as examples of how we are developing our service in Cafcass to focus in more depth on adverse child impacts. We are also trialling new interventions to divert families from court where it is safe to do so. For the very hardest-to-resolve private law cases we are working to help courts bring them to conclusion quicker using our new structured intervention. A series of new and innovative pathways for assessing harm to children in private law cases, which build on our Domestic Abuse Practice Pathway, are also being developed for launch during 2018. All of these private law initiatives put children first.

I am also delighted that on the corporate side, the Government Internal Audit Service gave us the top rating possible (substantial) for every single audit. This is the culmination of many years of hard work. It was also a good note for our former Chair, Baroness Claire Tyler (since 2012), to go out on, as her final term finished on 31st March 2018. I'd like to thank Claire for all her work as the Cafcass Board Chair and welcome Edward Timpson CBE, as her successor. I look forward to working with him, particularly on system-wide improvements and reforms.

Looking ahead, we will need to continue innovating to stand still. Demand is forecast to continue increasing throughout 2018-19. We will have to take additional steps to manage that demand if we are to continue to maintain our level of performance and quality. We will be strengthening the evidence bases we use to underpin and validate the way in which we work and we will be taking even more active steps to stay within our budget given we ended the year with a small overspend, our first in many years. I am determined we will stay within budget this year.

In our public law work we will continue to develop the framework in which Children's Guardians operate, so that their advice to courts and their impact upon the team around the child is early, decisive and formative.

2017-18 has been a good year, and it is now crucial that we maintain our commitment to continuous improvement so that in 2018-19 we continue to build on our strengths. Finally, I would like to thank our staff and our Board, each and every one of them, for their magnificent support and hard work this year. Their commitment and resilience under pressure was unsurpassable.

A handwritten signature in black ink that reads "Anthony Douglas". The signature is written in a cursive, flowing style.

Signed: Anthony Douglas CBE, Chief Executive of Cafcass.
Date: 15th June 2018

Who we are

Cafcass stands for Children and Family Court Advisory and Support Service. We aim to make sure that children's voices are heard and decisions are taken in their best interests. We operate within the law set by Parliament (Criminal Justice and Court Services Act 2000) and under the rules and directions of the family courts. Our role is to:






- | | |
|--|--|
|  <p>safeguard and promote the welfare of children</p> |  <p>give advice to the family courts</p> |
|  <p>make provision for children to be represented</p> |  <p>provide information, advice and support to children and their families</p> |

We may be asked by the court to work with families in two main areas:

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

We work within the strategic objectives agreed by our sponsor department, the Ministry of Justice (MoJ), and contribute to wider government objectives relating to children. We also have our own strategic priorities 2015-20 and a national business plan which set out what we are aiming to achieve.

Our strategic priorities to help courts choose the best outcomes for children are:

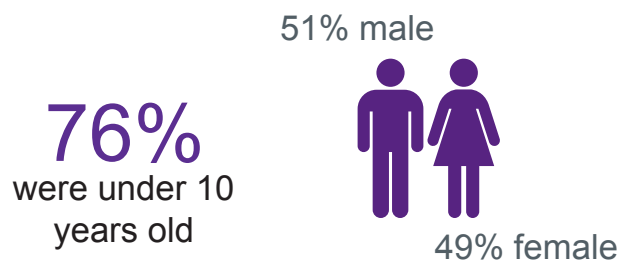
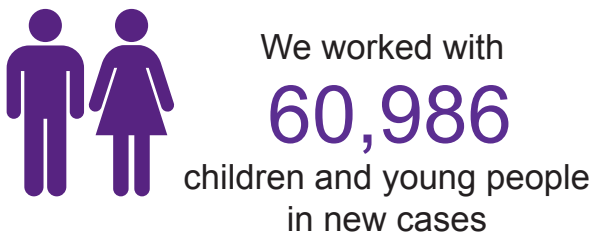
- | | |
|--|---|
|  <p>Quality: continue with further improvements to the quality of our work.</p> |  <p>Family justice innovation: implement our part of the family justice reform and bring innovation to our services.</p> |
|  <p>Diversity: build further on our understanding of diversity in casework,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

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

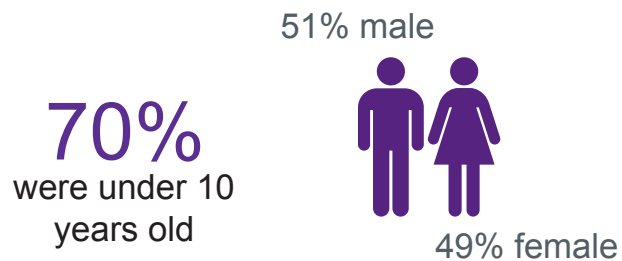
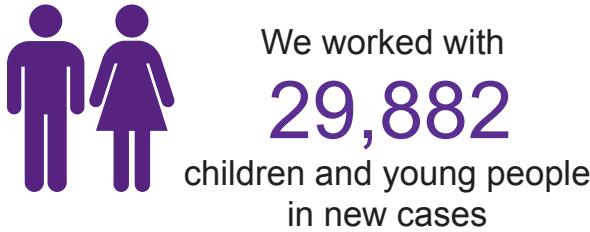
Demand for our services in 2017-18



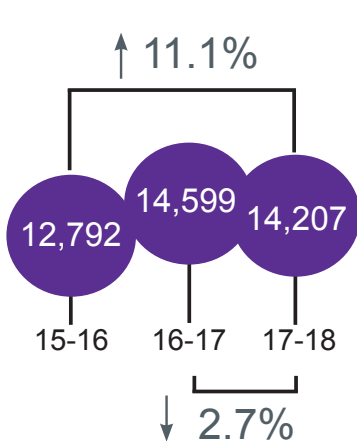
Private law



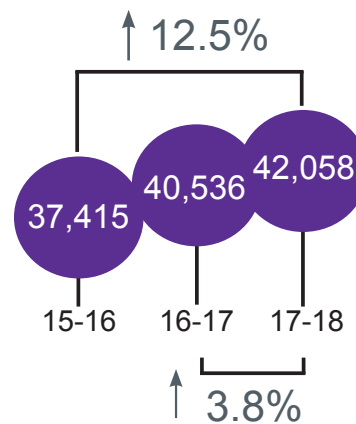
Public law



Care applications

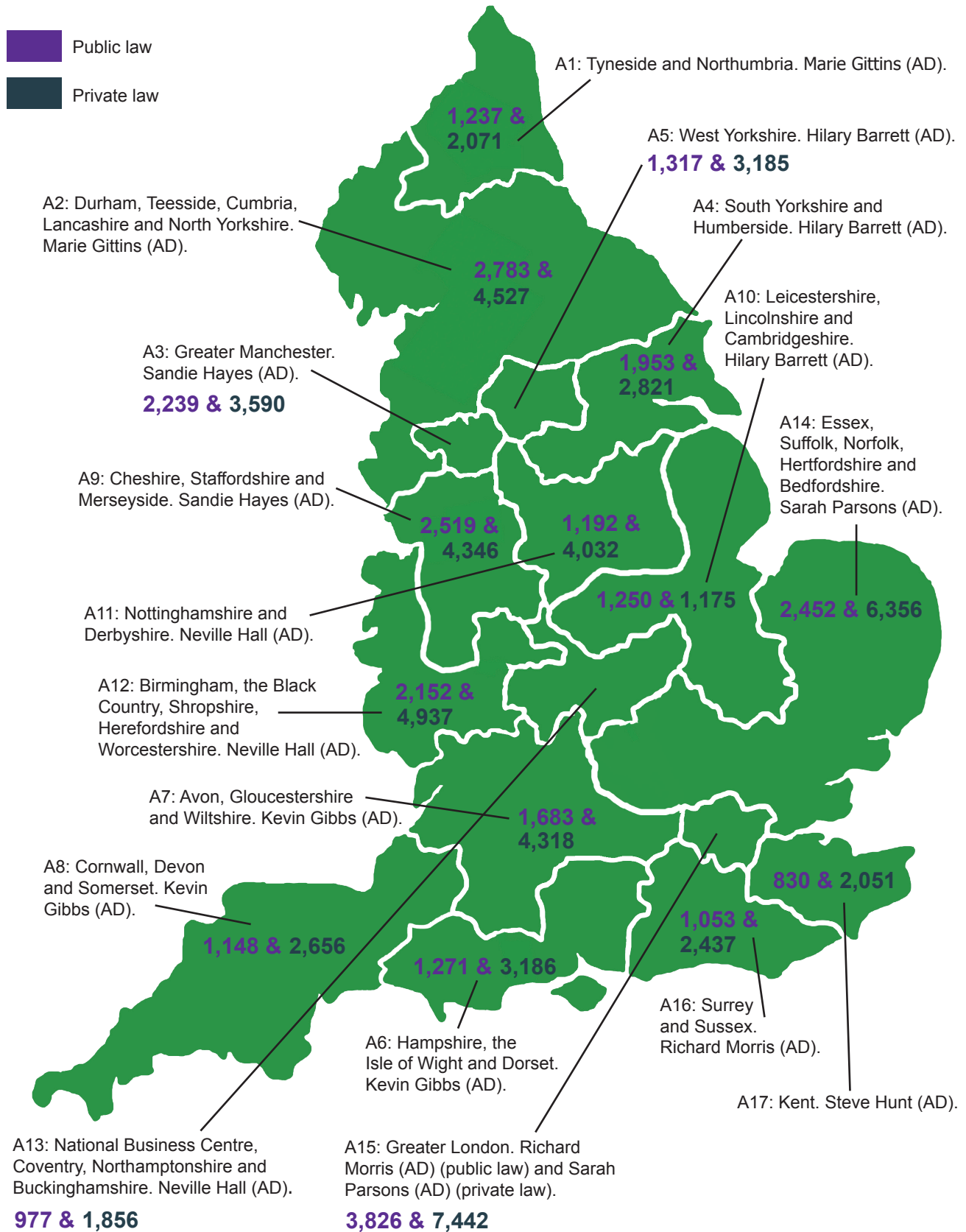


Private law applications



2 - Cases 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 cases which were closed during the year.
3 - 1,092 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.

Numbers of children in new cases received per service area, including areas and Assistant Directors (AD).



Demand has risen in our private law work and slightly decreased in our public law work, compared to last year. Some service areas have seen a greater increase in cases than others. Norfolk, Suffolk, Essex, Hertfordshire and Bedfordshire (service area A14) experienced a 14.1% increase in private law applications, and Greater Manchester (service area A3) saw a 19.9% increase in care applications.

This continued to place the organisation under pressure this year. Our focus has been on how to build on the supportive measures we introduced last year and on how we can keep innovating; in turn continuing to provide high quality services to the children and families we work with.

Despite increased demand, in March 2018 we achieved 'Outstanding' as our most recent Ofsted rating.

“ Throughout Cafcass, we are thrilled with our 'Outstanding' rating from Ofsted. While we've spent a lot of time not slipping back we have managed to improve. We will try to reproduce that next year, making sure we keep at the level we've got to, to possibly absorb even more work and find further innovative ways of working. ”

Anthony Douglas, Chief Executive of Cafcass

How we have continued to manage demand

To manage the fluctuations in demand we focused on **recruitment**, making use of a **flexible workforce**, **supporting our staff** and **embedding leadership** within the organisation.

In May 2017 we launched our new Workforce Development Strategy, which sets out the priorities that contribute to the delivery of Cafcass' strategic objectives. This strategy was key to ensuring that we recruited and maintained a highly skilled, credible and motivated workforce.

Recruitment

Our improved workforce planning and recruitment processes have resulted in us recruiting a higher number of frontline practice staff to help with the fluctuations in demand this year. We reviewed our advertising process to maximise our reach to potential candidates and introduced new systems to speed up the recruitment and selection process. The impact of this has resulted in increased applications and a shorter time to recruit; critical in a competitive market. The success from this campaign won 'Best Frontline Recruitment Campaign' at the PPMA Excellence in People Management Awards, announced in April 2018.

“ Successful workforce planning and innovations in Cafcass' recruitment processes (plus additional investment secured by the Chief Executive) have resulted in a higher number of frontline practitioners with more capacity to sustain a high-quality service. ”

Ofsted report, 2018

Flexible workforce

Proving both sustainable and cost-effective in prior years, we have continued to make use of a flexible workforce this year. Using both agency staff and contracted social workers (Cafcass Associates) meant we could work flexibly in every service area across the country to meet any local gaps in resources.

Cafcass Associates, commissioned by local Cafcass teams, helped to manage case demand and complement the work of our employed practitioners. Contracting Cafcass Associates enables us to retain talented, passionate people who were previously employed by us, as well as attract new skilled individuals. Within the year, 16 Cafcass employees who were either leaving or retiring from the organisation were retained by moving to become Cafcass Associates.

We also use experienced agency practitioners, engaging just over 100 by the end of the year.

“ Investment in the well-managed ‘Cafcass associates’ (independent FCAs and guardians) enables managers to quickly deploy additional staff in times of higher demand nationally. ”

Ofsted report, 2018

Supporting our staff

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

Our Health and Wellbeing Officers launched a new holistic wellbeing model this year. The model is a foundation upon which our staff can be productive, build a positive work life balance, and maintain high levels of resilience in a high-pressured environment, all within a context of increasing workload demands.

We worked with managers to ensure that working environments are safe, workloads are manageable and that staff are equipped and supported to carry out their roles.

- 45 health and wellbeing sessions were delivered to approximately 900 staff members. The sessions covered several topics including mental health awareness, resilience and mindfulness.
- 135 members of staff received individual, expert support via referrals to the in-house one-to-one support service.

“ Effective investment in thoughtful, well-implemented health and well-being programmes and the use of technology support flexible working. As a result, Cafcass continues to attract and retain a high-calibre and committed workforce. ”

Ofsted report, 2018

Embedding leadership

Our model for leadership is based on empowering all staff to develop and enhance their own leadership skills. We have worked on embedding this philosophy both locally and nationally by supporting staff to make their own decisions about their own professional tasks.

One way we have achieved this is through our Emerging Talent Programme. This continues to identify, develop and retain our highest performers, ensuring that we help them to realise their potential and progress within Cafcass. Since the programme started in 2013:

- 323 people have participated, with 1 in 3 colleagues who enter the programme achieving a role change or promotion either during their time on the programme or once they have completed it.

We have also introduced the Practice Expert Project. This creates a framework for the immense specialist knowledge that exists in Cafcass to be shared and applied to specific cases. Cafcass Practice Experts are Cafcass practitioners and managers who have built up considerable learning and insight in specialist practice areas, for example 'assisted conception', that feature less often in our cases. Other staff can pull on this support to help within their cases as and when needed, instilling confidence in the evidence-based reports they write for the courts.

Enhancing the skills, confidence and knowledge of our practitioners and managers ensures that we have the best chance of delivering high quality work with a positive impact wherever possible at a time when demand is increasingly stretching resources.

Next steps

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

Managing risk

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

The SRR is reported on a rolling basis thereby acknowledging the continuous changes to the risk environment, including uncertainty identified in our environment analysis, and mitigating activities. These are considered through various meetings from operational to Board level that review and recalibrate the level of risk reflected in the register.

Key issues and risks that could affect us in delivering our objectives during 2017-18 were identified as:

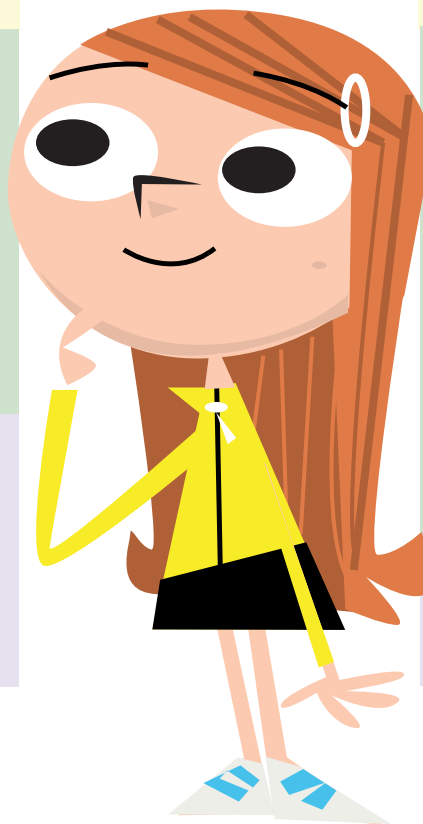
- grant funding
- quality of work
- rises in demand
- workforce capacity
- effective commissioning services & partnership working
- workforce engagement
- failure to protect the personal/sensitive data of service users.

A child's journey through our service

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

| | |
|-----------------------|--|
| Ellie's point of view | "My mum and dad were shouting all the time, and one day dad just left. He came back after a few days, but my mum got really upset, so he left again. Mum then told me that someone from Cafcass would come to talk to me about what I wanted to happen, because even though Dad wasn't living with us, he told Mum he still wanted to see me." |
| The process | Ellie's dad had made a Child Arrangements Order (CAO) application. |
| Our performance | We received 42,058 private law applications last year. |

| |
|--|
| "Things are really good now. Jason told the judge that I should see my dad sometimes and the judge said yes. I love seeing my dad, we do really cool and fun things together." |
| Jason recommended contact once a week and that Ellie's mum and dad work together on a Parenting Plan to help with planning and communicating with each other. There are clear processes in place for making sure the work and reports are high quality and child centred, and that everyone understands the reason behind the recommendations. |
| Our cases are quality assured against the four child outcome domains in the Quality Assurance and Impact Framework (QAIF). These are ensuring the child is safe, heard, better represented and enabled/advised. |



| |
|---|
| "A lady called Anne from Cafcass called my mum and dad. I didn't get to talk to her, but she made sure I was safe while Mum and Dad sorted things out with the judge." |
| Once an application is received the court asks Cafcass to find out more about the situation, and write a safeguarding letter. Part of our checks involve asking Cafcass' Police National Computer Unit what information the police have about the parties (level 1). We also request checks from the LA, and then call and talk to both parties. Anne, who is a FCA from the Early Intervention Team, assessed that more work needed to be done with the family. The judge agreed and ordered Cafcass to complete further work. The case was then passed on to Jason who is from the local team and he continued to work with the family. |
| We wrote 38,615 safeguarding letters and completed 90,050 level 1 police checks. |

| |
|---|
| "Someone from Cafcass came to see me; his name was Jason. Jason talked to me about my mum and dad and asked about what mattered to me, and what I wanted to happen. He said he was going to write a report to the court and the judge. It was cool because he let me use his tablet, which had apps on it. Jason said he was also going to talk to my mum and dad, just like Anne did." |
| The court may ask Cafcass to carry out further work and provide a section 7 welfare report. Jason is also a FCA and he has been asked to provide the court with a section 7 report. He uses the Cafcass apps 'This Much' and 'Backdrop' to find out what Ellie's wishes and feelings are. |
| 34% of cases progressed to work after first hearing with a section 7 report being ordered, of which 26% had more than one report ordered. |

A child's journey through our service

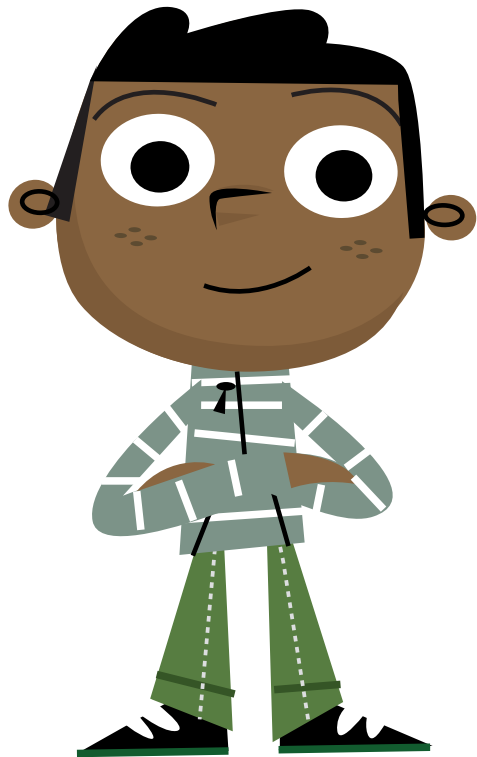
Here we show the journey a child and their family have taken in a **public law** case with Cafcass over the last year.

- Daniel's point of view
- The process
- Our performance

"I wasn't happy at home or at school. My mum and dad weren't always around and I didn't really listen to them when they were. I overheard them talking once about social services but didn't really pay any attention."

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

We received **14,207** care applications last year.



"An organisation called Cafcass got involved as well. A man named Alex from Cafcass checked what the social workers had done and came to meet me. I told him that I was worried about the court and that I was having nightmares. I also told Alex that I liked going to see my aunt at her house."

Alex is Daniel's Children's Guardian. Alex reviews the LA's work and agrees that Daniel should no longer live at home, but first Alex wants the LA to see if Daniel's aunt can look after him. Alex also has some questions about how he will work with Daniel, that he explores with Cafcass' in-house psychologist.

The National Psychology Service was used in **232** cases. The yearly evaluation in December 2017 showed that of those asked, 95% of FCAs said the service increased their confidence in assessing risk.

"Alex listened to what I wanted to happen and checked that it was okay with everyone. It was great because I got to go live with my aunt and still got to see my mum and dad sometimes. I was a lot happier."

Alex recommended that Daniel live with his aunt. The court makes the final decision after taking all the information and evidence into account. Throughout his work with Daniel, Alex kept a clear record of what he did and why. This information may be important to Daniel later on in his life.

We used feedback from a young person affected by poor recording on childhood social work files to express the importance of clear record keeping to our FCAs. This kept the perspective of the child/young person at the heart of guidance and it was rolled out at all team meetings.

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

Commissioned services

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

Court ordered interventions

Supervised and supported child contact intervention (CCI) programmes

These interventions enable safe contact to take place, often after a long break. We have continued to focus on dispute resolution during these interventions, helping parents develop sustainable long-term arrangements for them and their children. £1.59m was spent on CCIs. £0.45m in grants were given to 193 centres for supported contact.

2,148 families were referred to child contact services.

“ [The service] encouraged positive contact at all times, listened to the children’s worries and did its absolute best to get Dad to communicate with me verbally for the sake of the children. They went the extra mile to make sure the children felt comfortable and safe moving forward. ”

Parent using CCI

DNA testing service

This service delivers certainty for those making decisions in private law; Cafcass would oversee the process. DNA testing is used in cases where the findings will be essential and determinative in reaching a swift and beneficial decision about arrangements for the child. The adult being tested would take the sample themselves from a cheek swab. A child or young person’s sample would be taken by an adult accompanying them. £0.03m was spent on this DNA service.

624 DNA tests were commissioned.

Court ordered activities

Separated Parents Information Programme (SPIP)

This programme helps parents to focus on the needs and wishes of their children and emphasises practical steps to handling emotions and improving communications. £2.88m was spent on SPIPs.

26,532 parents were referred to a Separated Parents Information Programme.

“ The course focuses the awareness toward the child, and helps to identify that conflict is ultimately not in their best interests. ”

SPIP participant

Domestic Abuse Perpetrator and Safe Contact Programmes (DAPP)

These programmes challenge harmful behaviours and support change. They also offer a support service for those at risk of abuse. £1.06m was spent on these services.

795 families were involved with DAPP and support services.

Out of court options

Parenting Plan and Getting it right for children

These are dispute resolution tools that can be used by parents away from court, helping them listen to their children's views and make child-focused arrangements. Its use is encouraged within CCI work. £0.01m was spent on these out of court options.

17,021 Parenting Plans were downloaded from our website, including in different languages.

Quality of our practice

In our recent Ofsted national inspection, the National Improvement Service (NIS) was identified as having a key role in quality assurance and promoting consistency through a national overview of practice across the organisation. This quality assurance programme is undertaken collaboratively with operational managers and other internal corporate teams.

How our work is quality assured

NIS focuses on supporting quality improvement in frontline work to help Cafcass provide the best service possible to children and young people. NIS assures the quality of our work by carrying out thematic audits, area quality reviews and local area benchmarking sessions with the aim of achieving consistency in the grading and application of Cafcass' Quality Assurance and Impact Framework (QAIF). Below is a summary of the work carried out by NIS and teams this year to help assure the quality of our practice.

1 Standardising practice and application of the QAIF tool

This framework is used by Service Managers and Practice Supervisors across the organisation to quality assure cases.

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

We test the thresholds within the framework by holding local area benchmarking sessions. Last year we held 48 benchmarking sessions. The learning identified from the sessions was incorporated into a quarterly learning log. This learning informs the training plan to ensure quality.

2 National benchmarking audit (August 2017)

This audit was undertaken to test the consistency of thresholds within the QAIF.

76% of the case work was given the same grade, independently, by both the NIS Improvement Manager and the operational Service Manager/Practice Supervisor (described in the audit findings as 'aligned'). This finding can be compared to the National Benchmarking audit undertaken in July 2016, when 73% of the case work was graded the same or higher, evidencing greater consistency in the application of thresholds across the organisation.

17 cases (10%) were given a higher grade by Improvement Managers than by Service Managers/Practice Supervisors. The reason for this is that the files evidenced an improvement in practice in the short period of time between the audit undertaken by the operational managers and the Improvement Manager.

The purpose of the audit was to highlight the most significant areas of improvement for the outcome for the child.

3 Child exploitation audit (July 2017)

Child exploitation encompasses child sexual exploitation, radicalisation and trafficking. The methodology for this audit was underpinned by practice quality, child impact, and compliance, in accordance with the QAIF.

82 cases (48%) were graded as 'good' and 32 (19%) graded as 'outstanding', which reflects the positive impact of the Child Exploitation Strategy – now embedded into the Operating Framework – and the work of the ambassadors⁴ raising the profile of exploitation issues.

It was positive practice that male victims were identified and safeguarded in the case work audited, given the known under-reporting of males identified in Barnardo's/Natcen⁵ research.

4 Quality of our work

11,655 of cases were audited in 2017-18, a 48% increase (3,789) compared to the 7,866 audits recorded in 2016-17.

7,667 or 66% of cases audited were graded as either 'good' or 'outstanding', a 3% increase compared to 2016-17.

Our commitment to driving up quality

Other activities that demonstrate how we have continued to improve the quality of our work this year are set out on the next page.

4 - The ambassadors comprise FCAs, practice supervisors, service managers and senior service managers, and have had experience of cases in which child exploitation has been a factor.

5 - Research on the sexual exploitation of boys and young men, A UK scoping study Summary of findings. Barnardo's August 2014.

1 Ensuring the child's voice is heard

Auditing practice and the recent Ofsted inspection have found that the child's voice is more powerful and heard more fully when using their direct quotes in reports.

Direct work material is embedded into court reports, promoted by the delivery of specific training on contemporary techniques in direct work with children.

With the voice of the child being such an important aspect of our work, we are looking at innovative ways we can continue to engage with children and young people. With children now being born as 'digital natives' we must ensure we continue to develop our technology to engage with them.

The development of the 'Voice of the child' app is part of this. The app encourages children and young people to express their needs, wishes and feelings, through using drawing, writing and use of stickers, in a range of scenarios in their lives. The app will be made available in 2018-19, once final testing finishes and feedback is received.

“ In our private law work, strong evidence was found of how children's wishes and feelings are actively sought and the voice of the child influences future planning. ”
Ofsted report, 2018

2 Better use of child outcome letters

A new off-the-shelf training package has been developed called 'Writing to children involved in court proceedings'. This training highlights how important it is for a child to know the outcome of the court proceedings or for non-verbal children to have the letter for when they are older. A Practice Supervisor explained how a letter she wrote for a child when he was five years old has helped him to understand as a young adolescent why he could not be cared for by his parents. There is positive feedback from this training and evidence that the letters are making a difference to children receiving one.

3 Practice Supervisors

There is a national programme to develop and enhance the current Practice Supervisor (PS) role. PSs play an important role in improving our practice within Cafcass. In June/July 2017, PS development workshops were rolled out with identified targets set to improve the quality of reflective group supervisions, embedding learning and delivery of training within local teams. There is evidence through auditing and quality assurance processes that the PS role is making an impact on achieving better outcomes for children.

The Cafcass Practice Supervisor Development Programme was shortlisted for a Children and Young People Now award in September 2017. The feedback from local managers and FCAs evidenced the importance of this role within the organisation.

“ In public law, [our Practice Supervisor] is a beacon for knowledge and skill which he shares with the team both on a case-by-case basis in situational supervision and through his work leading the practice meetings – a forum for FCAs to share ideas and knowledge and work together on difficult areas of practice. ”

Staff member

4 Cafcass PLR

We redesigned our performance and learning review system, Cafcass PLR, and relaunched the format to all staff in September 2017. Developed in-house, the system facilitates a two-way interactive process between staff and managers that captures a range of information regarding health and wellbeing, workload, learning, and performance. The new self-assessment process is now undertaken by all staff and enables an open and supportive discussion with managers throughout the year.

Since the launch, over 3,800 PLR reviews have been completed, and the system continues to be enhanced in line with staff feedback.

5 FJYPB

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

- participating in service area development days;
- contributing to Area Quality Reviews (AQRs);
- sitting on recruitment panels including for Cafcass Board members;
- reviewing documents including the updated Operational Framework;
- working with NIS on training and resources, including a new voice of the child e-learning;
- working with Cafcass' major stakeholders, including ongoing liaison with the MoJ.

The FJYPB has developed further 'top tips' leaflets for FCAs and other professionals working with children and young people across the family justice system, including:

- Best practice for professionals working with brother and sisters;
- Professionals working with children and young people affected by domestic abuse;
- For Cafcass practitioners for keeping children and young people informed and keeping them at the centre of their case;
- Diversity and inclusion.

The FJYPB has produced their own Annual Review 2017 which includes further information about the FJYPB's work in 2017 and its impact. The FJYPB annual review also sets out the FJYPB's priorities for 2018-19.

“ The FJYPB plays a pivotal role in developing and improving services on behalf of Cafcass, the MoJ, the Judiciary, HMCTS and the National Association of Child Contact Centres. ”

Ofsted report, 2018

Supporting staff to deliver quality work

Webinars

The primary purpose of introducing open access webinars is to build on staff engagement and encourage two-way sharing of ideas and experience, in a creative and informal environment. The webinars also provide the opportunity to share local challenges, best practice and innovation.



Last year we ran **eight webinars** for staff.

Themes included parental alienation, sibling relationships, emotional harm, and indirect contact. On average 30-50 members of staff joined each session.

Library and Information service

Our library service strengthens our practitioners' advice to court using evidence informed practice. This year the library service:



completed **4,776** requests for items, subject searches, and reference enquiries – up 7% from last year

sent out **9,795** books and articles – up 8% from last year

responded to **1,069** requests for subject and literature searches – up 14% from last year.

Of the requests completed, **98%** were received from operational staff.

Practitioners use the Library and Information service to build knowledge that informs their decision making in a range of subject areas, including: shared care, emotional harm, parental substance misuse, coercive control, and radicalisation.

Jo Wood, Cafcass' Library and Information Service Manager, was awarded the Link Officer of the Year Silver Award from Research in Practice in 2017.

“ I have always valued the library's support when I have requested any information. I have not experienced this level of support and commitment to supporting practice with any previous employers. ”

Cafcass staff member

Cafcass Legal

Cafcass Legal supports staff by providing advice, training and legal updates:



The advice line for practitioners received **1,781** calls – up from 1,699 last year.

The team continues to provide a duty advice line for practitioners on all aspects of family law.

This year's legal training included sessions on separate representation and competence of older children, and data breaches and how to avoid them.

21 sessions were held throughout the year all over the country, including six sessions in the Royal Courts of Justice.

Equality and diversity



Ten training packages were developed and launched to help our practitioners understand the diversity of the service users we work with.

We have five internal Practice Experts to help our social workers with complex cases, including working with unaccompanied children seeking asylum, and transgender adults and young people.

We have Diversity Champions in every Cafcass service area, who are integral in sharing best practice around diversity and inclusion, and in delivering training and support.

IT



We have made significant progress migrating to fully **cloud-based** technology.

Moving our infrastructure to a cloud-based structure will allow Cafcass to realise the benefits of a more affordable, and significantly more flexible technical infrastructure.

It will provide better business continuity, continuous improvement in usability for staff, and supports our desire to continue to innovate in support of business improvement.



Innovations in technology and use of direct work tools increase the time that practitioners have for seeing children and understanding their views. Effective investment in thoughtful, well-implemented health and well-being programmes, and the use of technology support flexible working.



Ofsted report, 2018

Learning and development

We offer continuous learning and development opportunities for our staff. In 2017-18 we provided:

eLearning:



Over **5,186** pieces of learning have been completed.

This includes eLearning on protecting information in Cafcass, child sexual exploitation, working with Independent Reviewing Officers (IROs) and Surrogacy and parental order reports.

Resources:



152 resource packages available for staff have been requested for delivery to teams.

The most commonly requested packages were defensible decision making, high conflict child arrangements, and surrogacy and parental orders.

There have been ten new packages added to the catalogue which are relevant to diversity and inclusion.

Face to face:



3,252 staff attended 293 face-to-face workshops.

Learning via face-to-face workshops was delivered either internally by NIS and/or HR or by external experts.

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

Cafcass Analytics

Cafcass Analytics continues to work closely with staff and managers to develop business intelligence tools that support the professional task. Our data is also relied upon by external partners to track progress including the MoJ and Local Family Justice Boards.

Cafcass Analytics has continued to develop detailed interactive electronic information that is easily accessible for all staff via the Cafcass intranet. In response to continued increases in demand, Cafcass Analytics has worked with managers to design a number of tools to support the effective management of complex workloads. These tools bring together data from a range of systems and this insight enables better identification of capacity by complementing the local intelligence.

The team also supports a range of innovation projects through process redesign and digital transformation for example in 2017-18 Cafcass Analytics played pivotal roles in creating and launching the Performance Learning Review and Quality Impact Assessment electronic tools.

“ The contribution of the Analytics Team to understanding trends within practice, identifying strengths and improvement areas, and forecasting demand is vital. The team’s approach to innovation in the use of information has enabled the organisation to go from strength-to-strength and, in partnership with a focus on practice, encourages evidence based strategic thinking. ”

Cafcass Assistant Director

Our innovation and influence in the family justice sector

Innovation

We are committed to trialling and evaluating new ways of working to help improve outcomes for the children and families we work with and drive greater efficiency within the sector.

1 Support with making child arrangements pilot

This pilot offers a package of out-of-court dispute resolution services to parents in private law cases who are assessed as suitable, to try and resolve their dispute without the need for either a safeguarding letter or a court hearing (FHDRA).

The aim is to reduce the caseload of the court in the context of rising numbers of private law applications, and to improve outcomes for children and their families by ensuring sustainable agreements.

2 The Positive Parenting Programme pilot

The aim of this pilot is to introduce a structured intervention that can be applied to rule 16.4 cases (private law), to reduce conflict and the time spent by Cafcass and the courts on these cases. The pilot has been running since November 2017 and the effectiveness of the pilot will be evaluated before a national rollout is considered.

3 Private law assessment pathways

The 'pathways' are practice frameworks being developed to help our practitioners assess cases which feature adult behaviours associated with domestic abuse, high conflict and parental alienation.

The Domestic Abuse Practice Pathway has been in operation since 2016. The first operational versions of both the high conflict and parental alienation pathways are planned to be rolled out across Cafcass beginning in 2018. A full training programme will be undertaken, with completion likely to be in May 2019.

4 C100 scanning pilot

This is a joint Cafcass and HMCTS project to trial the centralised processing of C100 forms. Pilots are running in courts in Bournemouth, Brighton and Coventry. Applications for these courts will be sent to a central location, where payment will be processed; the C100 and attachments, are scanned and distributed electronically to Cafcass and HMCTS at the same time. As a result of this Cafcass will receive the C100 eight working days earlier on average.

5 Settlement conferences

We have participated in the judiciary's pilot of 'settlement conferences'. This is where the judge talks directly to parties to discuss the likely outcome of their case, and the judge and Children's Guardian carry out a 'mutual evaluation' of a local authority's case at pre-proceedings stage.

Anthony Douglas, Cafcass Chief Executive, represents Cafcass on the advisory group. MoJ is leading the evaluation of the pilot. We are assisting to help obtain service user feedback from eligible cases by requesting their permission to pass their contact details to MoJ researchers for telephone interviews.

6 Cafcass Plus

This is a pilot of our pre-court involvement in public law cases, with the aim of diverting cases from court or narrowing issues and improving assessments. The Children's Guardian acts as an independent voice and works with local authorities and parents to assess the viability of child protection plans. If cases progress to court, the Cafcass Plus work informs our initial case analysis to reduce delay.

Anthony Douglas, Cafcass Chief Executive, represents Cafcass on the advisory group.

Research

Our data is a valued source of information across the family justice system. We aim to use our unique position and insight to generate high impact and timely research to inform our own practice, and to influence policy across the family justice system. We conduct our own research projects to inform practice, and support high profile research by external researchers.

Internal research

- We published a study into the scale and patterns of private law cases that returned to court. This work is being used to inform discussions on family justice reform, better sustain court arrangements, safely resolve cases outside of court, and innovate within practice.
- We explored what can be learnt from the 97 Serious Case Reviews to which Cafcass has contributed between 2009-2016. This set out data showing how and when children suffer fatal or serious maltreatment, and found themes within cases and practice learning.
- We carried out a review of cases featuring children relinquished for adoption, to consider whether the best practice guidance for both Cafcass and local authorities should be updated to reduce delays in achieving permanent placements for these children.
- We sought feedback from adults and children involved in private law proceedings to better understand their needs and experiences. This has led to changes in communication within the early stages of private law cases.

External research – publications of external research involving Cafcass this year included:⁶

- Vulnerable mothers involved in recurrent care proceedings: Professor Karen Broadhurst and Professor Judith Harwin (Lancaster University).
- Parents who lack litigation capacity in care proceedings: Professor Penelope Welbourne (Plymouth University).
- Regional variation in care applications and outcomes: Professor Judith Harwin (Lancaster University).
- Provision of inter-parental relationship support: Fatima Husain and Ruth Hudson (NatCen).
- Creating paths to family justice for private family law issues: Professor Anne Barlow et al. (Exeter University).

Collaborative working

We continue to build strong links with research partners and are a key supporter of the Nuffield Foundation's plans for a 'Family Justice Observatory', which has the potential to build a valuable evidence base to inform our practice. This is being established by the Nuffield Foundation to improve family justice research, and how it is used within the sector. Our dataset is increasingly being used, alongside other family justice datasets, for population-level research about the operation of the family justice system. The Family Justice Observatory will further enable the use of our anonymised case data alongside other population-level data to better understand local variations in emerging trends, the needs of the children and families we work with, and their longer-term outcomes.

We continue to work with the MoJ to analyse family court and education data to better understand the demographic characteristics of children involved in the family justice system, which is a research priority for the Family Justice Board. We supported MoJ research through obtaining service user feedback for settlement conference pilots, and HMCTS research through participation of Cafcass staff in interviews about public law reform options.

Influence

To support those we work with, for example, LAs, we share our expertise and ideas on how best to meet the needs of children and families involved in family proceedings, drawing on knowledge from our frontline staff and the FJYPB. We build and maintain positive working relationships with partner organisations and interest groups so that we can share tools and knowledge to contribute to wider sector improvement.

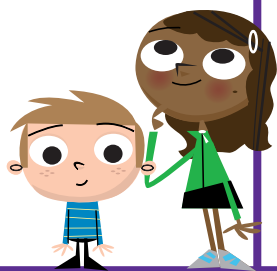
⁶ - <https://www.cafcass.gov.uk/about-cafcass/research-and-data/external-research-supported-cafcass/>

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

June – We presented on the **Support with making child arrangements pilot** in Manchester at the Boston Association of Family and Conciliation Courts (AFCC) conference on family conflict. We shared learning from international best practice about engaging parties in out-of-court dispute resolution services and brought back key learning on online dispute resolution, assessment tools, and working with high conflict families.

July – **The Family Justice Young People’s Board** continue to be influential within the family justice sector to ensure that children are at the heart of policy and practice. Members organised and led their annual Voice of the Child conference⁸ for an audience of 200 professionals from the sector. This year the theme was diversity and inclusion.

October – New research was published on **vulnerable birth mothers and recurrent care proceedings** by Lancaster University’s Centre for Child and Family Justice Research. Funded by the Nuffield Foundation and based on Cafcass data, the final report shed light on the number of mothers involved in care proceedings who return to court within seven years and the reasons why. We spoke at the launch event which explored the practice and policy implications of the report’s findings.



July – We **published joint research on domestic abuse with Women’s Aid**⁷ that highlighted the significant impact on children who experience domestic abuse. Specifically, 62% of applications to the family court about where a child should live or spend time feature allegations of domestic abuse. The research was covered in various media outlets, including on the Victoria Derbyshire show and in Children and Young People Now.

November – We presented a **workshop on the development of our draft High Conflict Practice Pathway and the Cafcass Positive Parenting Programme** at the Milwaukee AFCC Conference on High Conflict and Troubled Families.



7 - <https://www.cafcass.gov.uk/2017/07/25/cafcass-womens-aid-collaborate-domestic-abuse-research/?highlight=women%26%23039%3Bs%20aid>
 8 - <https://www.cafcass.gov.uk/2017/07/31/voice-child-conference-highlights-importance-diversity-inclusion/>

November – Together with Cafcass Cymru, the Association of Directors of Children’s Services (ADCS), and ADCS Cymru, we released a **joint position statement setting out best practice for settlement conferences**, which are being piloted across England and Wales. The statement endorsed an all-stage problem-solving approach to resolution of conflict, even during court proceedings.

February – We contributed to the **Family Rights Group’s Care Crisis Review’s call for evidence**. Our submission set out our evidence about the drivers for the rise in care proceedings and number of children in the system, and notes current practices that may safely lead to reductions in applications and children coming into or remaining in care.

December – Sarah Parsons, Assistant Director, spoke to Community Care⁹ about our **High Conflict Practice Pathway**. She explained our approach to cases involving parental alienation and how the pathway would further help practitioners to understand what is happening to the child in each individual case.

February – We contributed to central government’s **first guidance**¹⁰ for those becoming parents through surrogacy in England and Wales. We provided a section to help clarify the legal requirements and the ‘parental order process’, and to help demystify the process and ensure parents know what to expect.



January – We began work with the Department for Work and Pensions (DWP) to contribute to **discussions on programmes to reduce parental conflict**. The programme aims to: ensure proven interventions are more widely available to reduce parental conflict and improve child outcomes; and persuade local authorities to make services to help address parental conflict a part of mainstream provision for children.

March – Our **overall effectiveness was rated as ‘Outstanding’ by Ofsted** following a national inspection. We were praised for our continuous improvement against a backdrop of rising demand.

February – We made an **agreement with ADCS** on how social workers in both local authorities and those acting as guardians in family proceedings can better work together during care proceedings and pre-proceedings in the family courts. The agreement confirmed a ‘culture of urgency’ for children and young people.



9 - <http://www.communitycare.co.uk/2017/12/18/parental-alienation-critical-social-workers-know-recognise/>

10 - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684275/surrogacy-guidance-for-intended-parents-and-surrogates.pdf

Section 1.1

The performance report

Performance analysis

This section covers:

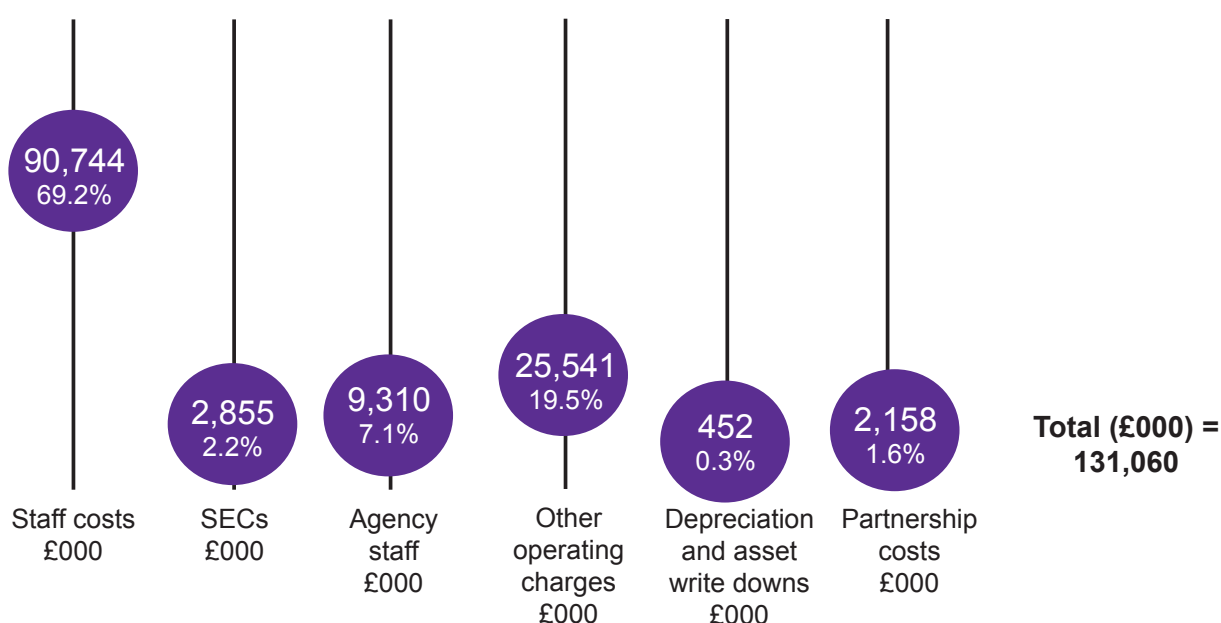
- the financial commentary
- how we have performed against our Key Performance Indicators this year
- our sustainability report.

Financial commentary

In 2017-18, Cafcass received grant funding of £118.558m from Central Government, plus £0.453m for depreciation.

We also drew down from the sponsor separate additional funding of £1.592m for contact services.

A summary of how we spent our budget is shown below and further details are provided within our 2017-18 Accounts in Section 3.



During the year, costs of replacement laptops for staff (£0.604m) and development costs (£0.093m) of a digital version of one of our key tools for working with children i.e Voice of the Child application have been capitalised.

The Cafcass Statement of Financial Position as at 31st March 2018 shows net liabilities of £201.569m, including the pension liability of £199.212m. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from Cafcass' other sources of income, may only be met by future grants or grants-in-aid from Cafcass' sponsorship department. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.

The pension deficit as at 31st March 2018 has increased compared to 31st March 2017; this is due principally to changes in the financial assumptions that underpin this and so drive the estimation of the future liability. These assumptions are proposed by scheme actuaries and scrutinised through the Audit and Risk Assurance Committee. They are considered to be reasonable and reflect a range of broader economic factors.

The total of trade payables as at 31st March 2018 is £0.298m (£1.794m as at 31st March 2017).

Interest and late payment charges of £nil has been paid or claimed by creditors under the Late Payment of Commercial Debts Act (£nil in 2016-17).

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

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

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

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

Cafcass also promotes an anti-fraud culture and asks staff to be vigilant to the risk of fraud. If staff suspect there may be any actual or potential instances of this, they must talk to their manager or use our Whistle Blowing Policy.¹¹ The Cafcass Whistleblowing Policy is much wider than financial fraud, and applies to all aspects of Cafcass accountability.

¹¹ - <https://www.cafcass.gov.uk/download/2378/>

Key Performance Indicators: how we have performed

How we measure performance

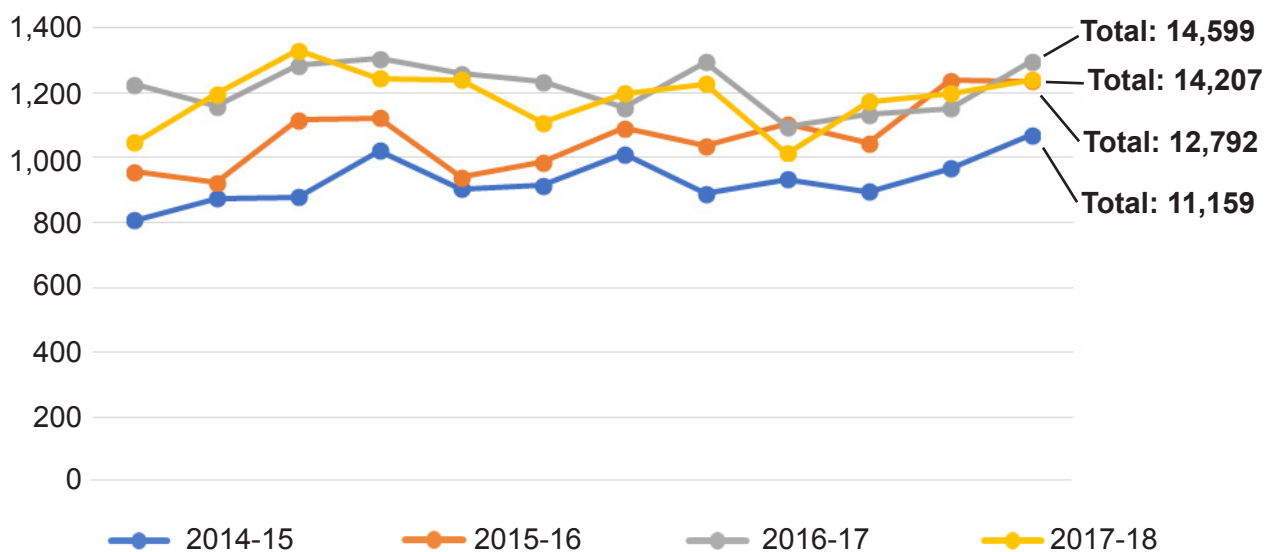
Cafcass has four Key Performance Indicators (KPIs) which are agreed with our sponsor department. These cover our work in both public and private law cases.

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

- For public law, we measure how quickly a Cafcass practitioner is allocated to a case (KPI 2). We measure this because we recognise that unnecessary delay negatively impacts children in public law proceedings, who need safe and stable outcomes as quickly as possible. We aim for allocation within three days.
- For private law, we measure how many section 7 court reports are completed by the date the court has set (KPI 4). We measure this because we recognise the importance for families of receiving our reports on the agreed date so that proceedings can progress and children have safe and stable arrangements as quickly as possible. We aim for at least 97% of reports to be filed on time.

How we have performed in public law

Care applications received



| Rise in demand | New cases | 'Open cases' | Case duration |
|--|---|--|---|
| <p>Received 14,207 care applications</p> <p> lower than 2016-17</p> <p>&</p> <p> higher than 2015-16</p> | <p>We received on average 1,150 new care applications per month.</p> | <p>Despite the decrease the total number of open public law care cases rose from 10,717 in March 2017 to 10,321 in March 2018, a 1.5% increase.</p> | <p>The average duration of care cases has increased from 29 weeks in 2016-17 to 31 weeks in 2017-18.</p> |

Other public law case types

Our public law work also involves 'non-care' cases, which are set out below. The snapshot number of open 'non-care' cases was 2,297 at the end of March 2018, compared to 2,055 at the end of March 2017, an increase of 11.8%.

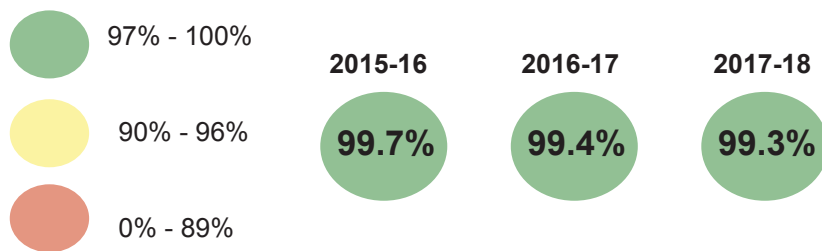
| Public law application type | Number of applications received | | Trend |
|---|---------------------------------|---------|-------|
| | 2016-17 | 2017-18 | |
| Placement Order applications | 2,564 | 2,347 | |
| Adoption applications involving Cafcass | 1,086 | 1,148 | |
| Special Guardianship applications ¹² | 892 | 879 | |
| Standalone Supervision Order applications | 486 | 713 | |
| Cafcass witnessing consent in respect of relinquished babies and children | 60 | 90 | |

¹² - These applications can be public or private.

Public law KPIs

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

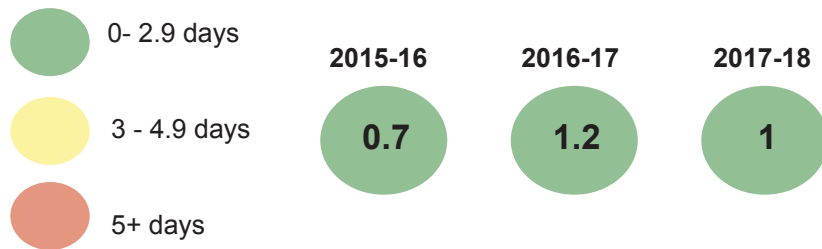
KPI 1: the proportion of open public law care workload allocated to an appointed Children’s Guardian



Performance against this indicator has decreased slightly compared to the same period in 2016-17 but remains well within the 97% to 100% target.

All service areas met this target over the 2017-18 period as a whole.

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

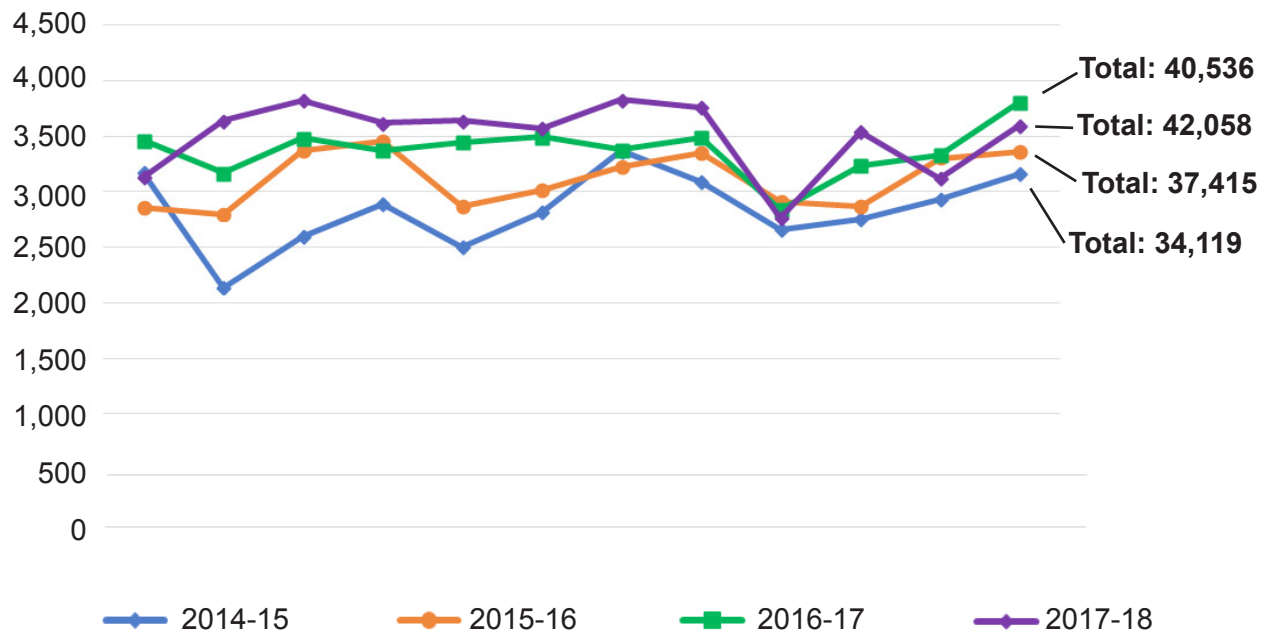


Performance against this indicator has improved slightly compared to the same period in 2016-17 and remains well within the three working day target.

Five service areas had an amber rating for a single month in the period, and one service area had an amber rating for two months in the period.

How we have performed in private law

Care applications received



| Rise in demand | New cases | 'Open cases' | Case duration |
|--|--|--|--|
| <p>Received 42,058 private law cases</p> <p>3.8% higher than 2016-17</p> <p>12.5% higher than 2015-16</p> | <p>We received on average 3,500 new private law applications per month.</p> | <p>The overall number of open private law cases rose from 17,021 in March 2017 to 19,334 in March 2018, a 13.6% increase.</p> | <p>The average duration of private law cases was 17 weeks in 2017-18, the same as in 2016-17.</p> |

Private law case types

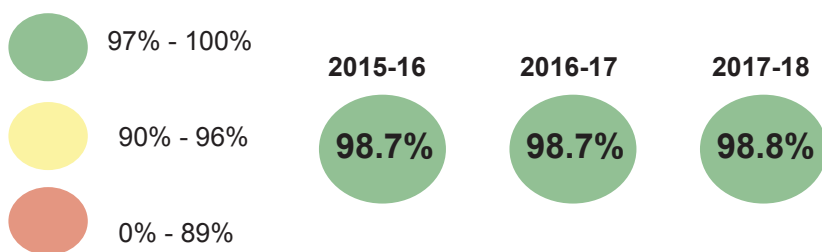
- 88% of private law cases in 2017-18 were received on a C100 form. These cases predominantly involve Child Arrangements Orders (CAOs). Of our 33,071 completed CAO cases, 34% required further work after the hearing (a section 7 report). Of those cases requiring a section 7 report, 26% had more than one report ordered. A total of 38,615 safeguarding letters and 18,278 section 7 reports were filed. For CAO cases which completed at the first hearing, the average duration was nine weeks; for those which required further work after the first hearing the average duration was 39 weeks.

- Rule 16.4 appointments may be made in some private law cases which mean the child is separately represented in court by a Children’s Guardian and a solicitor. The number of new 16.4 appointments has increased by 16.9% (from 1,880 appointments in 2016-17 to 2,198 appointments in 2017-18).
- Parental order applications, where parents have had a child through surrogacy, decreased by 10.2% (from 315 in 2016-17 to 283 in 2017-18).
- Family assistance orders, where the Cafcass practitioner is required to advise and assist on the implementation of the ordered child arrangements, decreased by 19% (from 463 in 2016-17 to 375 in 2017-18).

Private law KPIs

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

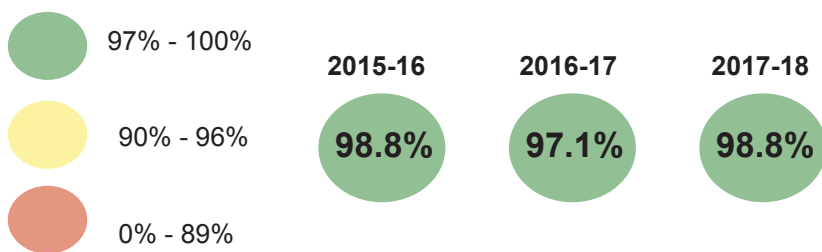
KPI 3: the proportion of open private law workload allocated to a Family Court Adviser



Performance against this indicator has increased slightly compared to the same period in 2016-17 and remains well within the 97% to 100% target.

National performance exceeded the ‘Green’ level in each individual month, with all 17 service areas exceeding the ‘Green’ level in each individual month.

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

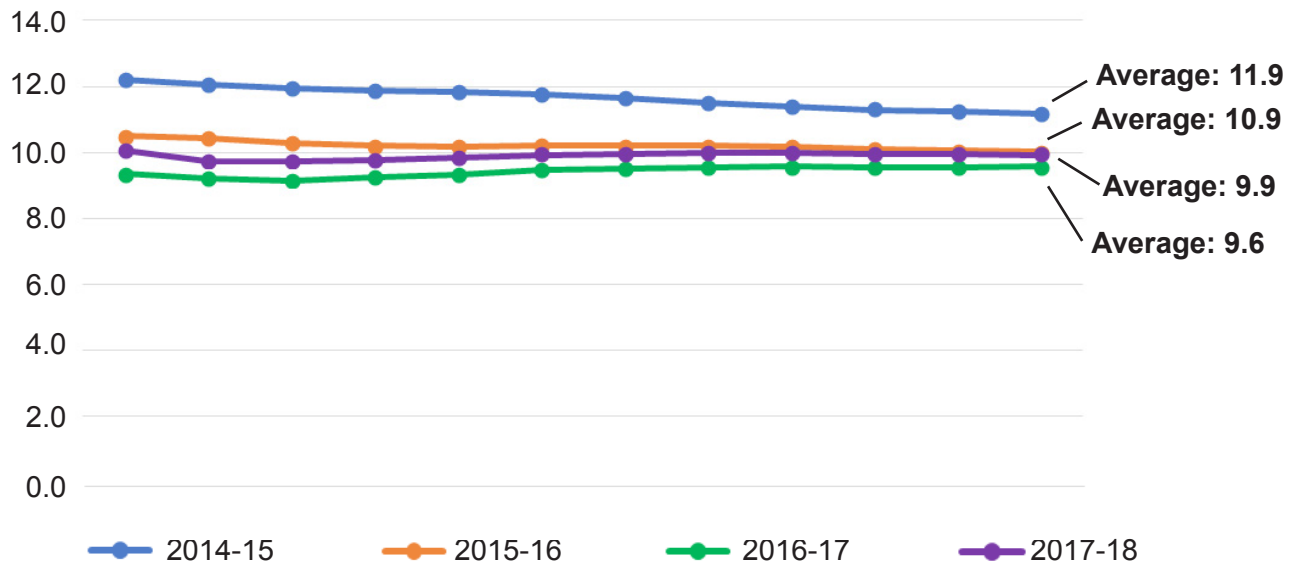


Performance has increased compared to the same period in 2016-17 and overall remains within the target of the green band.

16 of the 17 service areas exceeded the ‘Green’ level in 2017-18. The remaining one area performed at amber level at 96.5%.

On average, reports that were not filed on time were filed two calendar days after their due date.

Filing times of section 7 reports (in weeks)



Compliments, complaints and other correspondence

We aim to respond to concerns raised about our work in a way which prioritises the safeguarding and promotion of children’s welfare.

Complaints and compliments

We take account of service users’ feedback and aim to put things right wherever possible. We also record compliments to learn from and to share good practice.

- We received 1,144 complaints. This means we receive three complaints for every 1,000 open cases. We completed 89% of responses to these within our target of 15 working days.
- We received 572 compliments (one compliment for every two complaints).

This year we have started to capture a wider range of feedback from children and adult parties by nationally recording feedback given at local offices using the feedback trees and the ‘you said, we did’ process. A quarterly analysis of complaints and compliments is carried out, with learning shared through the quarterly learning log.

Investigations by the Parliamentary and Health Service Ombudsman

The PHSO proposed to investigate six complaints about Cafcass, which is lower than the 32 investigations proposed last year.

We received 14 final reports and we complied with all recommendations made. There have been six consecutive quarters during which the PHSO has not upheld a complaint about Cafcass.

| PHSO decision on complaints | | |
|-----------------------------|---------------|------------|
| Upheld | Partly upheld | Not upheld |
| 0 | 3 | 11 |

Other correspondence

- We received 194 Freedom of Information requests (FOIs), with 100% responded to within the required timescale.
- We received 88 Subject Access Requests (SARs), with 99% responded to within the required timescale.
- We received 135 enquiries made by MPs on behalf of their constituents. We responded within seven working days on average.

Sustainability report

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

| Environmental | Economic | Social |
|---|---|---|
| Deliver plans in line with the Greening Government Commitments (GGC). | Buy more sustainable and efficient products and contract with small businesses. | Uphold and share values of corporate social responsibility. |
|  |  |  |

Sustainability Steering Group

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

Performance against our Greening Government Commitments (GGC)

We have met, or are on track to meet, the five GGC target areas. Each target area contains specific targets; these targets, and our performance, are set out in tables below.¹³ Our overall reductions can be partly attributed to the reduction in our number of offices.¹⁴

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


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

Target area 1: reduce our emissions

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

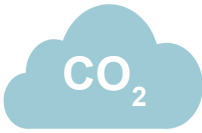
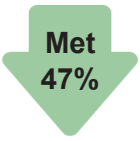
- We are working to reduce travel-related emissions and its related costs, mainly through our flexible working policy, our video conferencing enabled laptops and our encouragement of staff to travel ‘sustainably smart’. This has been complemented by our continued policy change from 2015-16 to limit business-critical situations and ensure it is booked in advanced wherever possible.
- An increase in domestic flights in the last three years is being targeted by the Sustainability Steering Group to ensure reduction by the 2020 target.
- Smart meters are used to ensure accurate billing for utilities and our expenditure on energy has reduced.


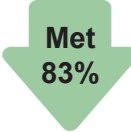
 Target met



 Target on track to be met



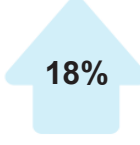
 Target not yet met

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

| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress |
|--|--|---------|---------|---------|--------------------|---|
| Reduce greenhouse gas emissions by at least 32%  | Scope 1 and 2 emissions: site based, leased transport and supplied energy (tonnes CO ₂ e) | 358 | 508 | 646 | 2,298 | |
| | Scope 3 emissions: business travel using non-owned transport (tonnes CO ₂ e) | 1,313 | 1,208 | 1,290 | 884 | |
| | Total emissions (tonnes CO ₂ e) | 1,671 | 1,717 | 1,936 | 3,182 |  |

| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress | |
|---|---------------------|--------------------|---------|---------|--------------------|-----------------|---|
|  | Reduce energy usage | Electricity (MWh) | 489 | 804 | 976 | 3,380 |  |
| | | Gas (MWh) | 570 | 622 | 714 | 2,913 | |
| | | Total energy (MWh) | 1,059 | 1,426 | 1,690 | 6,293 | |




| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress | |
|---|---|---|---------|---------|--------------------|-----------------|---|
|  | Reduce number of domestic flights by at least 30% | Domestic air travel (number of flights) | 103 | 115 | 73 | 0 |  |

| Financial indicators | | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Trend | |
|---|-------------------------|----------------------------------|---------|---------|--------------------|-------|---|
|  | Energy and travel costs | Total energy (£000s) | 97 | 155 | 166 | 338 |  £241,000 saved |
| | | Official business travel (£000s) | 788 | 622 | 664 | 719 | |
| | | Domestic air travel (£000s) | 7 | 21 | 7 | 0 |  £127,000 spent |
| | | Total travel (£000s) | 843 | 643 | 671 | 716 | |

Target area 2: improve our waste management

We have substantially reduced our overall waste generated, and have achieved reductions in the proportion of waste sent to landfill, although this has not yet met the 2020 target. Our waste management data is currently calculated using some estimated data due to diverse lease arrangements across our 36 offices.¹⁵

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

| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress |
|--|---|---------|---------|---------|--------------------|--|
| Reduce landfill proportion to under 10% of overall waste  | Hazardous waste (tonnes) | 0 | 0 | 0 | 0 | Landfill: 46% of total waste Not yet met |
| | Non-hazardous waste: landfill (tonnes) | 17 | 31 | 33 | 44 | |
| Increase proportion of waste which is recycled  | Non-hazardous waste: reused/recycled (tonnes) | 14.5 | 36 | 42 | 263 | Recycled proportion: 54% decrease Not yet met |
| | ICT waste: recycled (tonnes) | 2.3 | 0.5 | 1.2 | 0 | |
| Reduce overall waste  | ICT waste: reused (tonnes) | 2.4 | 0.3 | 1 | 0 | Total waste 88% Met |
| | Total waste (tonnes) | 36.2 | 68 | 77 | 307 | |

¹⁵ - The majority of our offices have third party landlord waste disposal arrangements so actual data cannot be reported on; only confidential waste recycling and IT waste is based on actual data. For this reason, some figures are based on estimates and should be read with caution. Financial data is based on actual spend.

| Financial indicators | | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Trend |
|---------------------------------|--|----------|----------|----------|--------------------|----------------------|
| Waste management costs £ | Non-hazardous waste: landfill (£000s) | Not held | Not held | Not held | 5 | |
| | Non-hazardous waste: reused/recycled (£000s) | 4 | 7 | 9 | 17 | 76% £13,000 saved |
| | Total disposal (£000s) | 15 | 22 | 25 | 92 | 84% £77,000 saved |



Our paper usage still continues to fall in line with the more efficient workings of paperless office practice.



| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress |
|---|---------------------------|---------|---------|---------|--------------------|-----------------|
| Reduce paper usage by at least 50% 📄 | Paper consumption (reams) | 2,562 | 3,529 | 5,739 | Not held | 72%* Met |

| Financial indicators | | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Trend |
|----------------------|---------------|---------|---------|---------|--------------------|------------------------|
| Paper costs £ | Paper (£000s) | 7 | 8 | 12 | Not held | 73%* £19,000 saved* |

Target area 3: reduce our water use

Our use of water has almost met the GGC target, and has remained steady over the last three years. National water arrangements are to be explored following the deregulation of water companies, as this will enable greater access to water monitoring and saving initiatives.

| Target by 2020 | Indicator | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Target progress |
|--|---|---------|---------|---------|--------------------|--|
| Reduce water usage to 3m ³ per FTE  | Total water consumption (m ³) | 752 | 855 | 1,401 | Not held |  On track |
| | Water consumption per FTE (m ³) | 2.49 | 3.05 | 3.57 | Not held | |

| Financial indicators | 2017-18 | 2016-17 | 2015-16 | Baseline (2009-10) | Trend |
|--|---------|---------|---------|--------------------|--|
| Water costs  | 7 | 13 | 9 | 31 |  77% £24,000 saved |

Target area 4: buying 'greener' products and services

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

Target area 5: being transparent and open

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

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

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



Section 2



The accountability report

Corporate Governance report

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

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



The Directors report

The Directors present their annual report, together with the financial statements and auditor's report.¹⁶ The Chair of the Cafcass Board is Edward Timpson. Edward replaced Baroness Claire Tyler whose term came to an end at the end of March 2018.

The Board is made up of non-executive members, listed below, who have been appointed in accordance with the Membership, Committee and Procedure Regulations 2005.¹⁷

1. Edward Timpson (Chair) (commenced 9th April 2018)
2. Baroness Claire Tyler (Chair) (left 31st March 2018)
3. John Lakin (Performance Committee Chair) (left 31st March 2018)
4. Francis Plowden (Audit and Risk Assurance Committee Chair)
5. Fay Selvan (Quality Committee Chair)
6. Stuart Smith
7. Caroline Corby
8. Deep Sagar
9. Paul Grant
10. Mary MacLeod (left April 2017)
11. Nickie Aiken (left November 2017)
12. Joanna Nicolas (co-opted member, appointed April 2017)

We also have two Board and Committee advisors: Professor Simon Hackett (academic advisor) and Sir Mark Hedley (judicial advisor).

Register of interests

Board members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest; a register of interests can be found on our website.¹⁸

Personal data related incidents

No personal data breaches fell within the criteria for reporting to the Information Commissioner's Office (ICO)¹⁹ during 2017-18. Further detail on our information assurance processes is set out in the governance statement.

¹⁶ - This report uses the convention of confirming whether information is audited or non-audited in footnotes.

¹⁷ - Regulation 6 sets out eligibility to be a Board member, including the requirement that Board members are non-executive; executive staff attend Board meetings but are not Board members.

¹⁸ - <https://www.cafcass.gov.uk/about-cafcass/our-management/>

¹⁹ - The criteria for reporting to the ICO is set out within ICO guidance titled 'The notification of data security breaches to the ICO'.

The statement of Accounting Officer's responsibilities

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

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

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

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

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

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

The governance statement

Cafcass is an executive non-departmental public body (NDPB) for which I, Anthony Douglas, 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.

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

The Ministry of Justice

As a NDPB, Cafcass is accountable to our sponsoring department, the MoJ. We work within the strategic objectives agreed with MoJ. We agree an annual National Business Plan with MoJ which reflects our statutory duties, our contribution to MoJ targets, and our plans to deliver efficiency targets. In 2017-18, regular meetings have been held between Cafcass and MoJ where performance against these requirements has been scrutinised. We work closely with MoJ on policy development and we contribute in agreed, defined ways to MoJ policy objectives for the family justice system.

The Cafcass Board

The Board use their expertise and experience to establish the organisation's strategic aims and objectives. Their work is supported by three main committees:

- Audit and Risk Assurance Committee (ARAC): provides assurance to the Board and Accounting Officer on audit, risk and control issues.
- Performance Committee: supports the Board in scrutinising performance against Key Performance Indicators (KPIs) and monitoring our contribution to family justice key performance measures.
- Quality Committee: supports the Board in assessing the quality of safeguarding practice and casework.

The Board met on five occasions in the year. Of these, two were open to the public. One of the public meetings was convened as a seminar event for stakeholders and members of the public to attend, which focused on how the child's voice could be promoted, both domestically and internationally. The Committees all met quarterly. There is also a Remuneration Committee which is convened as and when needed; this met twice during 2017-18. The following table lists our Board members and their attendance at meetings of which they are members.

The Family Justice Young People's Board (FJYPB) acts across the whole of the family justice system, and is integral to the family justice reform process. One representative of the FJYPB attends each Board meeting and provides an update about their work.

Meetings attended per member out of those eligible to attend

| Board member | Board | ARAC | Quality | Performance |
|-----------------------------------|--------|--------|---------|-------------|
| Baroness Claire Tyler (Chair) | 5 of 5 | n/a | n/a | 4 of 4 |
| Caroline Corby | 4 of 5 | 5 of 5 | 4 of 4 | n/a |
| Deep Sagar | 5 of 5 | 5 of 5 | 3 of 4 | n/a |
| Fay Selvan | 5 of 5 | n/a | 4 of 4 | n/a |
| Francis Plowden | 5 of 5 | 5 of 5 | n/a | n/a |
| Joanna Nicolas | 5 of 5 | n/a | 4 of 4 | n/a |
| John Lakin | 3 of 5 | 4 of 5 | n/a | 4 of 4 |
| Mary MacLeod (left April 2017) | n/a | 1 of 1 | n/a | n/a |
| Nickie Aiken (left November 2017) | 2 of 2 | n/a | n/a | 1 of 2 |
| Paul Grant | 5 of 5 | n/a | 4 of 4 | 4 of 4 |
| Stuart Smith | 3 of 5 | n/a | 3 of 4 | 3 of 4 |
| Simon Hackett | n/a | n/a | 3 of 4 | n/a |

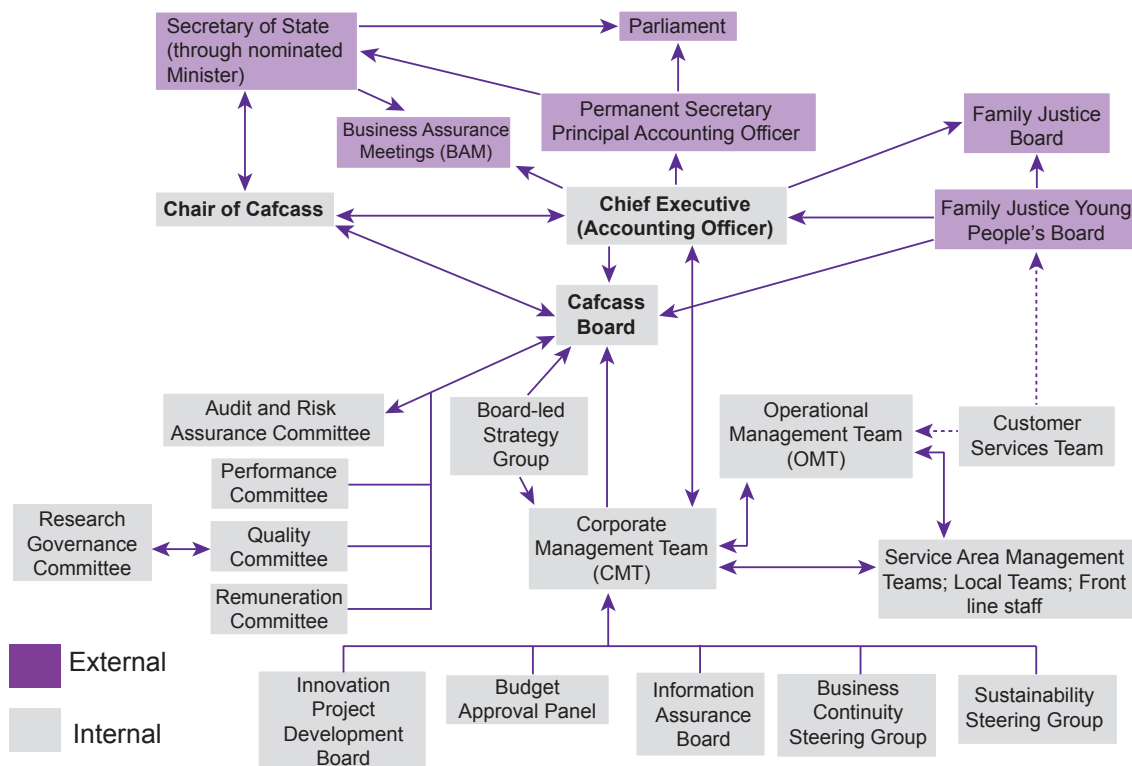
Internal management structure

I am currently supported by three Directors, who make up the Corporate Management Team (CMT): the Director of Strategy, the Director of Resources and the National Service Director. CMT meets weekly and collectively we lead and manage the organisation.

The Operational Management Team (OMT) is led by the National Service Director. Its membership is made up of the Assistant Directors, operational Heads of Practice, and staff from teams which directly support operational services including Finance, Human Resources and Business Analysis. 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 the learning both from mistakes and from best practice.

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



The Board's performance

During the year, Mary MacLeod and Nickie Aiken concluded their terms of appointment. The Board appointed Joanna Nicolas as a co-opted member and the MoJ reappointed six existing Board members (Stuart Smith, Fay Selvan, Francis Plowden, Caroline Corby, Paul Grant and Deep Sagar) for terms of two to three years.

During 2017-18 the Board has continued to govern and perform well. All Board members have lead roles, which are linked to key strategic priorities in the Strategic Plan, working closely with members of the CMT to provide strong leadership to achieve our priorities.

I am confident that the quality of the data used by the Board is robust. All reports prior to submission to the Board are subject to 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 audit and inspection results. None of these results this year, or in the previous year, were of a low or inadequate opinion.²⁰ We aim to keep reports clear, concise and focused on the purpose of the Board's reviewing. An example of this is our Performance Dashboard, which provides an overall high level position and assessment of our performance against our strategic objectives and risks, and is aligned with the corporate work programme which drives the actions needed to meet our objectives.

Assurance arrangements

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

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

Internal audit

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

| Rating | Audit |
|-------------|--|
| Substantial | Itrent – November 2017 |
| Substantial | Whistleblowing – August 2017 |
| Substantial | IT Replacement Project – September 2017 |
| Substantial | ECMS – May 2018 |
| Substantial | Financial Control Framework – January 2018 |
| Substantial | Recruitment – May 2018 |
| Substantial | Operating Framework – May 2018 |

Strategic and business plans

We maintain a strategic plan which sets out the priorities for the organisation. We have a dashboard for the National Business Plan and Strategic Plan which tracks and reports on the performance of relevant activities. This is updated quarterly and monitored by the CMT and the Cafcass Board. The strategic plan remains in force for the next financial year. CMT conducts a review of key work priorities for the coming year and these are shared with the Board at their planning day in April each year.

²⁰ - This means that none of the areas reviewed by the internal auditors was found to have a control framework of low or inadequate design or operation.

Business continuity planning

Business continuity planning creates resilience within our processes and tools (such as IT systems) so that we can continue to deliver our service effectively during unexpected disruptive events. Each Cafcass site has a continuity plan in place. Our Business Continuity Steering Group and Incident Management Team support this work. A desktop simulation test of continuity planning was successfully carried out in January 2018.

Risk management and profile

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

Our strategic risks are captured in a risk register which is reviewed at every meeting of the ARAC, the lead Board Committee (Quality or Performance) 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 of defence model; operational controls, management monitoring, and independent assurance. We also conduct a separate risk assessment of the wider environment in which we work, to provide more transparency around our understanding and management of risks outside the organisation, which do or could impact on our work. During the year, we identified a number of noteworthy areas within our strategic risk profile:

- The in-year funding situation was in the most part manageable but pressures emerged in the latter part of the year through continuing demand pressures. Funding for subsequent years remains an area of risk as the level of demand continues to place pressure on the service, driving a need to maintain resources if quality and performance are not to be compromised.
- Our assessment of the risk to maintaining quality of casework remained consistent during the year, in acknowledgment of the continual increase in demand and the consequent increase in individual workloads.
- The assessment of residual risk relating to demand was retained at 'Amber' to acknowledge the rising demand and the uncertainty of the duration of the continual rise.
- Our risk relating to workforce capacity moved down through to 'Amber/Green' to reflect the successful recruitment of permanent and flexible workers to meet the rising demand and for which the MoJ had provided additional funding.
- Our risk relating to the complex re-procurement of our core IT services also reduced from 'Amber' to 'Amber/Green' following the successful completion of both the challenging procurement and approval processes.

Information Assurance

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

- The National Child Care Policy Manager remains the Senior Information Risk Owner (SIRO) for Cafcass and is supported in this role by the Information Assurance Officer and Head of IT, who is our Chief Information Officer.
- The quarterly Information Assurance Board (IAB) meetings have in attendance Cafcass' business area Information Asset Owners, who monitor and assess any information management associated risks. The IAB reviews the log of data breaches and monitors any changes in the trends, nature and volume of breaches.
- A data breach report is presented to ARAC twice per annum for further scrutiny and oversight.
- A deep dive analysis of data breaches for Q1 and Q2 2017-18 was conducted in order to gain a deeper understanding of what is causing breaches and to identify areas of improvement.

- Information stored electronically, which involves all current case information, is considered to be appropriately secure as we maintain compliance with recommended government security levels. This is audited independently and all electronic devices are encrypted.
- We continue to use Egress Switch which allows personal sensitive information to be sent securely via email to service users and external agencies.
- Cafcass has IT, Information Assurance and Case Recording Policies which are reviewed annually to ensure they reflect current legislation and good practice.
- We promote awareness and good practice through regular news items and training. A Cafcass-specific training module 'Protecting Information in Cafcass' was launched in September 2016, which is based on our policies and processes and is mandatory for all staff. Completion rates of the training are at 88% and are monitored by the IAB.
- Security incident returns are submitted quarterly to the MoJ. We report our position annually in relation to the Security Policy Framework and planned future work to the Cabinet Office via MoJ. We continue to self-assess at a high level of assurance.

As set out above, no personal data breaches fell within the criteria for reporting to the ICO. All breaches are taken seriously, recorded, and responded to, with learning and improvement points identified. There were 295 data breaches in 2017-18. This reflects incidents in a very small proportion of cases: approximately 0.5% of cases received in 2017-18 (and a far smaller percentage of total communications).

This is a slight increase in number compared with the previous year (236 in total), although this increase may in part reflect the fact that Cafcass processed thousands more cases this year compared with previous years, which necessarily involved an increase in Cafcass' overall case correspondence.

Almost half of the data breaches (49%) concerned paper correspondence being delivered to a wrong address provided by an external third party. We continue to take steps to digitise correspondence where possible so that preventable breaches and manual error is reduced. Updates include:

- automated 'workflow' processes to send electronic correspondence directly from the case management system to reduce the risk of error through manually typing.
- our printer service mandates PIN use for printing, which reduces the risk of mixing paper documents which relate to different cases.
- MoJ Digital are working with HMCTS and Cafcass to develop an online form to enable applicants to complete and submit a C100 application online. It will allow HCMTS and Cafcass to receive accurate and complete information in electronic data format to save time in the current processing of applications, rather than handwritten copies of C100s which can be difficult to decipher. This work is in the pilot phase.

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

- Key data breaches and learning is shared in the national organisational learning log which is shared across the organisation.
- Training on the consequences of data breaches and how to avoid them was a topic on the Legal Roadshow for 2017-18.
- Guidance and webinars on working electronically are available to staff to help minimise the use of paper and paper recording.

Summary of other protected personal data related incidents in 2017-18

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

| Category | Nature of incident | Total |
|----------|---|-------|
| I | Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Cafcass premises | 4 |
| II | Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises | 28 |
| III | Insecure disposal of inadequately protected electronic equipment devices or paper documents | 0 |
| IV | Unauthorised disclosure ²¹ | 262 |
| V | Other | 1 |

Overall conclusions

I consider that our governance framework is operating effectively and is proportionate to the risks and challenges we face as a frontline service operating with the intrinsic risk that comes with carrying a large child protection caseload. Our focus is squarely on supporting our frontline service which continues to operate under significant demand pressure. Assuring the safety and quality of work for all cases referred to us is paramount. This in turn places pressure on our support services as key enablers of service delivery so that we continue to prioritise work to make best use of our contracts, technology and estates. Our culture of continuous review and improvement has led to the highest possible ratings for both operational and corporate services during 2017-18 and we will continue to make further improvements to what are basically safe underlying systems, processes and procedures. I am as confident as it is prudent to be about this and all the associated risks we carry.

Anthony Douglas CBE, Chief Executive of Cafcass.

²¹ - 'Unauthorised disclosures' are instances where personal data has been disclosed in error to the wrong person, but which has been recovered or securely destroyed in order to limit the impact of the breach.



Section 2.1

The accountability report

Remuneration and staff report

This section sets out the pay and benefits received by Cafcass Directors and Board members, our pay and pensions policies, details of staff numbers and costs, and our policies supporting staff, including equality and diversity commitments.

- *Information on remuneration*
- *Our staff report and information*
- *Our staff policies*
- *Information on pensions*

Remuneration policy

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

The remuneration for Cafcass Board members is determined by MoJ.

Service contracts

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

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

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

Remuneration of Cafcass Board member and senior management

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

Single total figure of remuneration for Cafcass Board members²²

| Board members | Salary (£000) | | Bonus payments (£000) | | Benefits in kind (to nearest £100) | | Pension benefits (£000) | | Total (£000) | |
|--|-------------------------------|---------|-----------------------|---------|------------------------------------|---------|-------------------------|---------|--------------------------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Baroness Claire Tyler of Enfield (Until 31st March 2018) | 30-35 | 35-40 | - | - | - | - | - | - | 30-35 | 35-40 |
| Mary MacLeod (Deputy Chair) OBE (until 31st March 2017) | - | 10-15 | - | - | - | - | - | - | - | 10-15 |
| John Lakin (until 31st March 2018) | 10-15 | 10-15 | - | - | 3,200 | 3,600 | - | - | 10-15 | 10-15 |
| Francis Plowden | 10-15 | 10-15 | - | - | - | - | - | - | 10-15 | 10-15 |
| Fay Selvan | 10-15 | 10-15 | - | - | 2,500 | 2,200 | - | - | 10-15 | 10-15 |
| Stuart Smith | 10-15 | 10-15 | - | - | 1,700 | 1,900 | - | - | 10-15 | 10-15 |
| Nickie Aiken (until 30th November 2017) | 5-10 (10-15 annualised) | 10-15 | - | - | - | - | - | - | 5-10 (10-15 annualised) | 10-15 |
| Caroline Corby | 10-15 | 10-15 | - | - | - | - | - | - | 10-15 | 10-15 |
| Paul Grant | 10-15 | 10-15 | - | - | 2,200 | 2,500 | - | - | 10-15 | 10-15 |
| Deep Sagar | 10-15 | 10-15 | - | - | 1,000 | 900 | - | - | 10-15 | 10-15 |
| Sir Mark Hedley | 0-5 | 0-5 | - | - | 100 | 100 | - | - | 0-5 | 0-5 |
| Joanna Nicolas (from 1st May 2017) | 5-10 (10-15 annualised) | - | - | - | 4,000 | - | - | - | 10-15 (10-15 annualised) | - |
| Simon Hackett (from 1st January 2018) | 0-5 (0-5) | - | - | - | - | - | - | - | 0-5 (0-5 annualised) | - |

22 - This information has been audited.

Single total figure of remuneration for Directors²³

| Directors | Salary (£000) | | Bonus payments (£000) | | Benefits in kind (to nearest £100) | | Pension benefits (£000) ²⁴ | | Total (£000) | |
|---|----------------------------------|---------|-----------------------|---------|------------------------------------|---------|---------------------------------------|---------|----------------------------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Anthony Douglas, CBE Chief Executive | 165-170 | 160-165 | - | - | 100 | 100 | - | - | 165-170 | 160-165 |
| Julie Brown, Director of Resources | 125-130 | 125-130 | 10-15 ²⁵ | 10-15 | 100 | 100 | 39 | 39 | 175-180 | 170-175 |
| Christine Banim, National Service Director | 110-115 | 110-115 | 5-10 ²⁶ | 5-10 | 100 | 100 | - | - | 120-125 | 115-120 |
| Helen Watson, Director of Strategy (left on 20th August 2017) | 45-50 (125-130 annualised) | 125-130 | - | - | 0 | 100 | 12 | 37 | 60-65 (135-140 annualised) | 160-165 |
| Teresa Williams, Director of Strategy (from 1st March 2018) | 5-10 (105-110 annualised) | - | - | - | 0 | - | 3 | - | 10-15 (105-110 annualised) | - |

No payments made to past Directors.²⁷

Salary

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

Bonus payments (performance related pay)

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

PRP awards for Cafcass staff are determined by the Chief Executive and must be endorsed by the Remuneration Committee. PRP for the Chief Executive is determined by the Remuneration Committee and MoJ. Only three members of staff have a contract with PRP eligibility.

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

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

23 - This information has been audited.

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

25 - Related to performance in 2016-17 financial year but paid in 2017-18 following sponsor department approval.

26 - As above.

27 - This information has been audited.

Benefits in kind

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

Pension benefits

This sets out the value of pension benefits accrued during the year which were paid by Cafcass as employer's contributions. The contribution rate from April 2017 is 16.2%.

Pension entitlements for Directors

Pension benefits are provided by the West Yorkshire Pension Fund (WYPF), to which Cafcass makes employer's contributions. Further information on the Cafcass pension schemes can be found in notes 1(f) and 22 in the Accounts, which are on pages 73 and 83.

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

Cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme (or arrangement) when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The pension figures shown relate to the benefits that individuals have accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figure includes the value of any pension benefit in another scheme or arrangement which the individual has transferred to the pension provider and for which the pension provider has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing of additional years of pension service in the scheme at their own cost.

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

| | Real increase in pension and related lump sum at retirement age (£2,00 bands) (£000) | Total accrued pension at retirement age at 31st March 2018 and related lump sum (£5,000 bands) (£000) | CETV at 31st March 2017 (£000) ²⁸ | CETV at 31st March 2018 (£000) ²⁹ | Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £000) ³⁰ |
|--|--|---|--|--|--|
| Anthony Douglas, CBE, Chief Executive | - | - | - | - | - |
| Julie Brown, Director of Resources | 0-2.5 plus 0-2.5 | 20-25 plus 0-0.5 lump sum | 229 | 266 | 31 |
| Christine Banim, National Service Director | - | - | - | - | - |
| Helen Watson, Director of Strategy (left on 20th August 2017) | 0-2.5 plus 0-2.5 | 50-55 plus 90-95 lump sum | 863 | 881 | -7 |
| Teresa Williams, Director of Strategy (joined on 1st March 2018) | 0-2.5 plus 0-2.5 | 0-0.5 plus 0-5.0 lump sum | - | 2 | 2 |

Compensation on early retirement or for loss of office

No senior managers received compensatory payments in 2017-18.³¹

Fair pay disclosure

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

Top to median staff pay multiple ratio

| | 2017-18 | 2016-17 |
|--|---------|---------|
| Highest earner's total banded remuneration (£000) | 165-170 | 160-165 |
| Median total remuneration | £41,558 | £41,085 |
| Ratio | 1:4.03 | 1:3.97 |

In 2017-18, nil (2016-17, nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £10,000 to £166,000 (2016-17, £10,000 to £165,000).

28 - This information has been audited.

29 - This information has been audited.

30 - This information has been audited.

31 - This information has been audited.

Staff report

Number of Senior Civil Service equivalent staff

Cafcass has 37 staff who are the equivalent of Senior Civil Servants (SCS): 22 members of the Operational Management Team and 15 senior managers in corporate teams (this excludes Directors, whose remuneration has been set out above).

| Salary band | Number of SCS equivalent within band as at 31st March 2018 |
|------------------------|--|
| £60,000-£70,000 | 20 |
| £70,000-£80,000 | 3 |
| £80,000-£90,000 | 4 |
| £90,000-100,000 | 10 |
| Total | 37 |

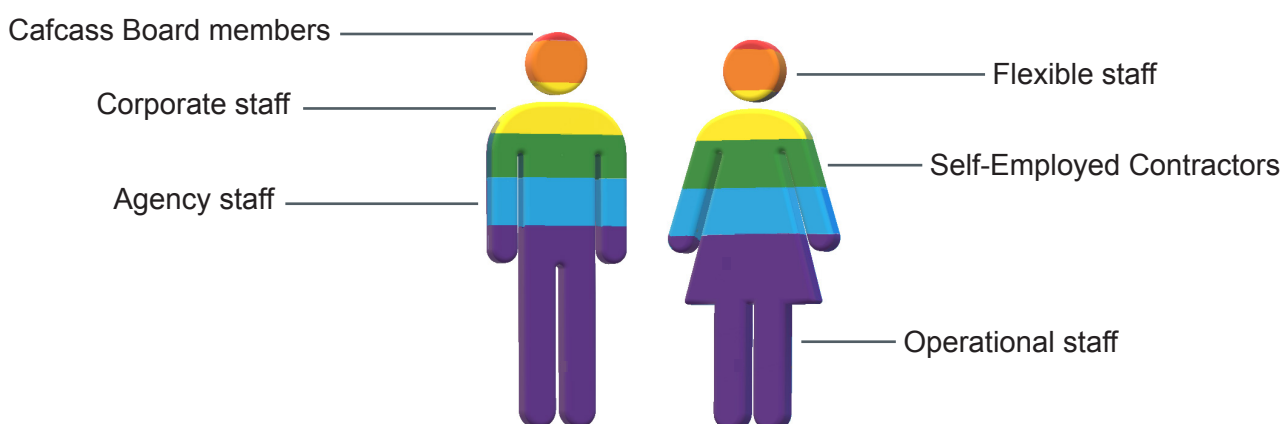
Staff numbers and costs

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

An analysis of staff numbers and costs is set out below, distinguishing between staff with permanent contracts, and staff who are flexible, agency, and self-employed contractors. All staff numbers are presented on an actual basis³² as at the reporting date (31st March 2018) and reflect headcount; staff costs are presented on total cost during the reporting period (April 2017 – March 2018).³³

Staff numbers (as at 31st March 2018)

| | Social worker | | Other | | Total | |
|---------------------------------|---------------|---------|---------|---------|---------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Cafcass Board member | - | - | 9 | 11 | 9 | 11 |
| Corporate staff | - | - | 110 | 93 | 110 | 93 |
| Operational staff | 1,406 | 1,254 | 319 | 273 | 1,725 | 1,527 |
| Flexible staff (bank/sessional) | 56 | 62 | - | - | 56 | 62 |
| Agency staff | 79 | 107 | 53 | 40 | 132 | 147 |
| Self-Employed Contractors | 124 | 103 | - | - | 124 | 103 |



³² - The figures show staff numbers based on headcount, not full-time equivalent (FTE).

³³ - Staff costs information is audited. Spend based on full International Reporting Financial Standards (IRFS) stated costs, further information on which is set out in Section 3 Accounts.

| Staff cost 2017-18 | | | | |
|---------------------------------|------------------------------|------------------------|--------------------------|----------------|
| | Cafcass Board members (£000) | Corporate staff (£000) | Operational staff (£000) | Total (£000) |
| Salaries and wages | 119 | 6,158 | 57,800 | 64,077 |
| Apprentice Levy | 0 | 31 | 277 | 308 |
| Social security costs | 6 | 699 | 6,210 | 6,915 |
| Other pension cost | 0 | 4,637 | 13,735 | 18,372 |
| Past pension service cost | 0 | 0 | 0 | 0 |
| Total payroll cost | 125 | 11,525 | 78,022 | 89,672 |
| Agency social worker costs | 0 | 0 | 9,310 | 9,310 |
| Other agency staff costs | 0 | 67 | 1,005 | 1,072 |
| Self-Employed Contractors costs | 0 | 0 | 2,855 | 2,855 |
| Inward secondees costs | 0 | 0 | 0 | 0 |
| Total staff costs | 125 | 11,592 | 91,192 | 102,909 |

We have disclosed information on the number of hours and associated cost to Cafcass of employees who were relevant unions officials during 2017-18 in the appendix.

Staff composition³⁴

| Staff | Female | Male | BME ³⁵ | Disability |
|---|------------------|----------------|-------------------|---------------|
| Directors | 3 | 1 | 0 | 0 |
| Senior Civil Service equivalent (excluding Directors) ³⁶ | 22 (59.5%) | 15 (40.5%) | 2 (5.4%) | 2 (5.4%) |
| Other Cafcass staff | 1,544 (83.5%) | 306 (16.5%) | 250 (13.5%) | 145 (7.8%) |
| Total staff | 1,569 (83.0%) | 322 (17.0%) | 252 (13.3%) | 147 (7.8%) |

Sickness absence data

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

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Social workers AWDL (excluding leavers) | 8.7 (7.5) | 10.6 (9.0) | 7.6 (6.7) | 8.9 (7.6) | 7.3 (6.1) |
| Non-social workers AWDL (excluding leavers) | 8.7 (8.1) | 8.1 (7.1) | 7.1 (6.2) | 8.8 (6.4) | 6.1 (5.7) |
| Overall AWDL (excluding leavers) | 8.7 (7.7) | 10.0 (8.6) | 7.5 (6.6) | 8.8 (7.3) | 7.0 (6.0) |

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

35 - Black, Asian and Minority Ethnic.

36 - 22 members of the Operational Management Team and 15 senior managers in corporate teams.

Staff policies

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

Diversity and Inclusion Strategy

Launched in August 2017, the Diversity and Inclusion Strategy 2017-20 (formerly the Equality and Diversity Strategy) includes three strands of work: 'Child Impact', 'Inclusive Employer', and 'Staff Diversity'.

The aim of the child impact section is to help improve outcomes for children by strengthening our frontline practice in terms of diversity. We have completed case audits to look at different diversity factors, and ensured that each area reviews and reports on diversity in their cases. This has helped us identify relevant training needs, which we are continuing to make available to all practice staff.

The work around 'Inclusive Employer' and 'Staff Diversity' recognises the diversity and inclusion needs of our staff and the importance of focusing on the diversity make-up of our workforce. We have developed a detailed and comprehensive diversity data dashboard that facilitates this. A progress report, presented to the Board and CMT on a six-monthly basis, contains data that informs future action to improve our diversity profile.

We are a 'Disability Confident Employer', an accreditation given by the Department for Work and Pensions. This demonstrates our commitment to employ, train and develop careers of people with disabilities. We also have a Carers Commitment, which acknowledges the caring responsibilities our staff may have outside of work, and the potential impact of these on their health and wellbeing.

In November 2017, we launched our 'Virtual' Diversity Networks', providing an opportunity for staff to support and network with each other and help shape best practice. Some of the groups we have currently have are: 'BAME', 'Sexuality and Gender Identity (LGBT+)' and 'Mental health'.

Workforce development

Under our workforce development there are four key themes which enable us to provide outstanding services to children and families.

Talent attraction



Continuing demand meant that talent attraction was a key priority. We reviewed our processes to help speed up recruitment and changed our job advertising strategy. In turn we were able to recruit quicker and help reduce the workload pressures.

Supporting our people



We have continued our award-winning approach to supporting the health and wellbeing of our workforce. We have collaborated with: MacMillan to help managers to support staff affected by cancer; Mental Health First Aid to increase awareness and reduce the stigma around mental health; British Dyslexia to help inform staff of the impact of dyslexia at work. Internally we have initiated a series of mindfulness pilots.

People development



Recognising the importance of retaining and supporting new staff, we undertook a survey of recent starters. Working with operational colleagues we now have a revised induction process, a revised confirmation of employment process, and we are trialling a new and innovative online platform to support new staff during the period from offer to start date.

We have refreshed our approach to Performance and Learning Reviews to include a consistent approach to self-assessment, which is providing management with valuable insight into how staff across Cafcass are feeling about their workload, work-life balance and the support they receive.

Rewarding performance



It is our aim to recognise and reward the contribution of colleagues in a way which encourages all to perform to their best and achieve their potential. Our approach to reward recognises the need to be flexible and sustainable in line with current and future budgets and government policy guidelines.

We have maximised what we are able to pay to staff via our annual pay award and have implemented a pay award for 2017-18 which provides a consolidated 1% increase for all staff; the best outcome we have been able to achieve in any of the last five years. We have rebalanced the pay bands that apply to Practice Supervisors and Service Managers, ensuring that career progression is better aligned with appropriate increases in pay.

Health, safety and wellbeing

Building on our successes we have continued to prioritise the health and wellbeing of our staff. We are committed to creating an environment that enables staff to feel engaged, motivated, and able to provide the best service possible to the children and families we work with.

In 2017-18:

- We increased the number of accredited mental health first aiders to 18 and have delivered three workshops to managers to increase awareness of, and reduce stigma around, mental health. We also created a Managers Guide to 'Supporting Positive Mental Health'. Developed by our own health and wellbeing officers and tailored to the needs of our FCAs, we have introduced a series of mindfulness sessions where we are promoting and developing the knowledge and skills of a range of mindfulness-based techniques. Feedback has been overwhelmingly positive.
- There has been external recognition for the Cafcass' Health and Wellbeing offer:
 - Winner – HR Distinction Awards 2018: 'Holistic Approach to Wellbeing'.
 - Shortlisted – Reward & Employee Benefits Association REBA Awards 2018: 'Mental Health Strategy'.
 - Shortlisted – PPMA Excellence in People Management Awards – 'Improving productivity through better work life balance'.

Staff engagement

Cafcass is characterised by strong workforce engagement. The 2018 Ofsted staff survey results highlighted that the overwhelming majority of our staff "felt extremely positive about working for an organisation in which they are treated well, as professional adults, and their views and needs are important and highly valued".

We deploy a range of internal communication and engagement tools, one of which is a clear, monthly structure through team meetings to engage staff in key organisational topics either face-to-face or via teleconference. When required, these meetings provide an effective method to engage all staff in common key organisational, practice and policy issues. They provide an opportunity for staff to share their concerns, suggest ideas or ask questions.

We recognise the importance of senior leadership visibility. As well as visiting as many regional offices as possible throughout 2018, our Chief Executive, hosted regular webinars where staff could dial in, and ask any questions they had.

Our new Performance Learning Review self-assessment provides an opportunity for staff to feedback how they are feeling, which helps management tailor their support to individuals and teams. Staff turnover has reduced during the year and is low at 11.9%.

Expenditure on consultancy

No consultancy costs were incurred during 2017-18.

Off-payroll engagements

Cafcass conforms to relevant regulations in respect of tax arrangements for all off-payroll appointments and this includes an assessment of employment status as required under IR35. Where engaged through an intermediary we notify the assessment of employment status and where relevant instruct that required deductions for income tax and national insurance are made. We have been liaising closely on these matters during 2017-18 with both the taxation team at MoJ and with HMRC. There have been no known instances of non-tax compliant off-payroll engagements (brought to the attention of the organisation) as at 31st March 2018.

Exit packages³⁷

A summary of exit packages for employed staff through compensation schemes is set out below. No early exits occurred in 2017-18.

| Exit package cost band | Number of compulsory redundancies | | Number of other departures agreed | | Total number of exit packages by cost band | |
|--|-----------------------------------|------------|-----------------------------------|------------|--|------------|
| | 2017-18 | (2016-17) | 2017-18 | (2016-17) | 2017-18 | (2016-17) |
| Less than £10,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £10,000-£25,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £25,000-£50,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £50,000-£100,000 | 0 | (0) | 1 | (0) | 1 | (0) |
| £100,000-£150,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| £150,000-£200,000 | 0 | (0) | 0 | (0) | 0 | (0) |
| Total number of exit packages by type | 0³⁸ | (0) | 0 | (0) | 1 | (0) |
| Total resource cost (£000) | 0 | (0) | 59 | (0) | 59 | (0) |

³⁷ - This information has been audited.

³⁸ - As at March 2017 there were no early exits. However a cost of £0.070m was incurred during the 2016-17 financial year which relates to the 2015-16 early exits. The accrued 2015-16 early exit severances were calculated based on an average of 26 early exits at a cost of £0.410m. Following deployment and actual exits the final number of early exits was 18 with actual payment of £0.480m.

Pension costs

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

The current contribution rate was previously determined by the independent fund actuaries at the time of the 2016 revaluation, being Aon Hewitt Limited. The contribution rate for 2017-18 is 16.2%. Aon Hewitt Limited is the currently appointed fund actuaries. The contribution rate is based on a combination of future service and the effects of past service deficits and ill health retirements. Employer's contributions to the scheme for the year to March 2018 amounted to £12.988m (costs relating to the voluntary early retirement programme were nil) with 1,946 employees participating in the scheme (2016-17: employer's contributions £12.590m, nil voluntary early retirement, participating employees 1,763).

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

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

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

For 2017-18, employer's contributions of £0.041m (2016-17: £0.042m) were payable to the PCSPS at 20.9% to 22.10% of pensionable pay, based on salary bands.

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



Section 2.2

The accountability report

Parliamentary Accountability and Audit report

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

Our accounts

The Statement of Accounts of Cafcass for the year ending 31st March 2018 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 2017-18 (£52,000 2016-17). There have been no non-audit services during 2017-18.

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

Treatment of pension liabilities

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

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

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

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

Long-term liabilities

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

Remote contingent liabilities³⁹

There are no remote contingent liabilities.

Long-term expenditure trends

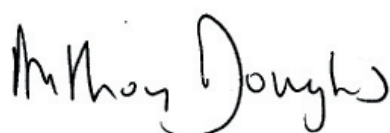
There have been no significant changes in the organisation's long-term expenditure trends.

Regularity of expenditure: losses and special payments⁴⁰

| | 2017-18 | | 2016-17 | |
|--|-----------|-----------------|------------|-----------------|
| | £000 | Number of cases | £000 | Number of cases |
| Losses statement | | | | |
| Administrative write-offs | 5 | 2 | 5 | 3 |
| Fruitless payments | 56 | 30 | 71 | 28 |
| Total value of losses | 61 | 32 | 76 | 31 |
| Special payments | | | | |
| Compensation payments | 0 | 0 | 35 | 2 |
| Total special payments | 0 | 0 | 35 | 2 |
| Total losses and special payments | 61 | 32 | 111 | 33 |

There were £0.061m of losses and special payments charged to the Accounts as at 31st March 2018 (2016-17: £0.111m). The actual cash amount paid in the period was £0.102m (2016-17: £0.115m).⁴¹

These payments were made in accordance with HM Treasury guidance.



Signed: Anthony Douglas CBE
Chief Executive and Accounting Officer
Date: 15th June 2018

³⁹ - This information has been audited.

⁴⁰ - This information has been audited.

⁴¹ - The last year cash amount has been restated to £0.115m from £0.478m. The amount £0.478m included severance payments which should not have been included as losses and special payments.

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

Opinion on financial statements

I certify that I have audited the financial statements of the Children and Family Court Advisory Support Service (Cafcass) for the year ended 31 March 2018 under the Criminal Justice and Court Services Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Children and Family Court Advisory Support Service's affairs as at 31 March 2018 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 regularity

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

Basis of opinions

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

Responsibilities of the Board and Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cafcass' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cafcass' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. [In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

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

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
19th June 2018

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

Section 3 £

2017-18 Annual Accounts

Financial Statements

Statement of Comprehensive Net Expenditure for year ended 31st March 2018.

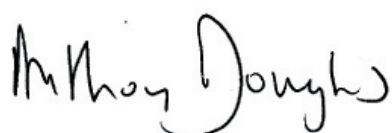
| | Note | 2017-18 | | 2016-17 | |
|---|------|---------|----------------|---------|----------------|
| | | £000 | £000 | £000 | £000 |
| Expenditure | | | | | |
| Staff costs | | 90,744 | | 80,867 | |
| Past pension service cost | 4 | 0 | | 124 | |
| Total staff costs | 4 | 90,744 | | 80,991 | |
| Self-Employed Contractors and agency staff | 20 | 12,165 | | 8,804 | |
| Depreciation and amortisation | 7/8 | 452 | | 406 | |
| Partnerships | 21 | 2,158 | | 2,105 | |
| Other expenditure | 5 | 21,048 | | 22,650 | |
| | | | 126,567 | | 114,956 |
| Income | | | | | |
| Income from activities | 3/6 | (143) | | (141) | |
| | | | (143) | | (141) |
| Net expenditure | | | 126,424 | | 114,815 |
| Net interest cost | 22 | | 4,636 | | 5,432 |
| Net expenditure after interest | 3 | | 131,060 | | 120,247 |
| Other comprehensive expenditure | | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | | (25) | | (59) |
| Net gain on revaluation of intangible assets | 8 | | (31) | | (123) |
| (Gain)/loss on re-measurement of pension benefits | 22 | | (2,625) | | 20,057 |
| Total comprehensive expenditure for year ended 31st March 2018 | | | 128,379 | | 140,122 |

The Notes on pages 71 to 89 form part of these Accounts.

Statement of Financial Position as at 31st March 2018.

| | Note | 31st March 2018 | | 31st March 2017 | |
|--|------|-----------------|------------------|-----------------|------------------|
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 7 | 1,506 | | 897 | |
| Intangible assets | 8 | 749 | | 1,057 | |
| Total non-current assets | 3 | | 2,255 | | 1,954 |
| Current assets | | | | | |
| Trade and other receivables | 11 | 3,756 | | 3,284 | |
| Other current assets | | | | | |
| Cash and cash equivalents | 12 | 997 | | 1,362 | |
| Total current assets | | | 4,753 | | 4,646 |
| Total assets | | | 7,008 | | 6,600 |
| Current liabilities | | | | | |
| Trade and other payables | 13 | (7,060) | | (6,085) | |
| Total current liabilities | | | (7,060) | | (6,085) |
| Non-current assets less net current liabilities | | | (52) | | 515 |
| Non-current liabilities | | | | | |
| Provisions | 14 | (2,305) | | (2,002) | |
| Pension liabilities | 22 | (199,212) | | (191,853) | |
| Total non-current liabilities | | | (201,517) | | (193,855) |
| Assets less liabilities | | | (201,569) | | (193,340) |
| Taxpayers' equity | | | | | |
| General reserve | | | (202,699) | | (194,703) |
| Revaluation reserve | | | 1,130 | | 1,363 |
| | | | (201,569) | | (193,340) |

The Financial Statements on pages 68 to 89 were approved by the Board on 15th June 2018 and signed on its behalf by:



Signed: Anthony Douglas CBE
Chief Executive and Accounting Officer
Date: 15th June 2018

Statement of Cash Flows for year ended 31st March 2018.

| | Note | 2017-18 £000 | 2016-17 £000 |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net expenditure after interest | 3 | (131,060) | (120,247) |
| Depreciation and amortisation | 7/8 | 452 | 406 |
| (Increase)/decrease/in trade and other receivables | 11 | (472) | 257 |
| Increase/(decrease) in trade payables | 13 | 975 | (380) |
| In year additional pension cost | 22 | 9,984 | 5,727 |
| Increase/(decrease) in provisions | 14 | 303 | (173) |
| Net cash outflow from operating activities | | (119,818) | (114,410) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (604) | 0 |
| Purchase of intangible assets | 8 | (93) | 0 |
| Net cash inflow from investing activities | | (697) | 0 |
| Cash flows from financing activities | | | |
| Grant-in-Aid from parent department for resource expenditure | | 118,558 | 113,500 |
| Other grant funding received | | 1,592 | 1,546 |
| Net cash inflow from financing activities | | 120,150 | 115,046 |
| Net(decrease)/increase in cash and cash equivalents in the period | | | |
| Cash and cash equivalents at the beginning of the period | 12 | 1,362 | 726 |
| Cash and cash equivalents at the end of the period | 12 | 997 | 1,362 |

Statement of Changes in Taxpayers' Equity as at 31st March 2018.

| | Note | General reserve £000 | Revaluation reserve £000 | Total £000 |
|--|------|----------------------------|--------------------------------|------------------|
| Balance at 1st April 2017 | | (194,703) | 1,363 | (193,340) |
| Changes in taxpayers' equity | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | 0 | 25 | 25 |
| Net gain on revaluation of intangible assets | 8 | 0 | 31 | 31 |
| Release of revaluation reserve to general reserve due to disposals | | 289 | (289) | 0 |
| Net expenditure after interest | 3 | (131,060) | 0 | (131,060) |
| Pension fund actuarial losses | | 2,625 | 0 | 2,625 |
| Total comprehensive expenditure | | (128,146) | (233) | (128,379) |
| Grant-in-Aid from parent department for resource expenditure | | 118,558 | 0 | 118,558 |
| Other grant funding received | | 1,592 | 0 | 1,592 |
| Balance at 31st March 2018 | | (202,699) | 1,130 | (201,569) |

| | | General reserve | Revaluation reserve | Total |
|--|------|--------------------|------------------------|------------------|
| | Note | £000 | £000 | £000 |
| Balance at 1st April 2016 | | (169,484) | 1,220 | (168,264) |
| Changes in taxpayers' equity | | | | |
| Net gain on revaluation of property, plant and equipment | 7 | 0 | 59 | 59 |
| Net gain on revaluation of intangible assets | 8 | 0 | 123 | 123 |
| Release of revaluation reserve to general reserve due to disposals | | 39 | (39) | 0 |
| Net expenditure after interest | 3 | (120,247) | 0 | (120,247) |
| Pension fund actuarial gains | | (20,057) | 0 | (20,057) |
| Total comprehensive expenditure | | (140,265) | 143 | (140,122) |
| Grant-in-Aid from parent department for resource expenditure | | 113,500 | 0 | 113,500 |
| Other grant funding received | | 1,546 | 0 | 1,546 |
| Balance at 31st March 2017 | | (194,703) | 1,363 | (193,340) |

Notes to the Accounts for the year ended 31st March 2018

1 Accounting policies

These Financial Statements have been prepared in accordance with the 2017-18 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.

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

The policies adopted by Cafcass for 2017-18 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.

c) Property, plant and equipment

Freehold land and buildings were revalued in 2017-18 by reference to current cost indices as specified by the Valuation Office Agency (VOA).

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

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

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

Revaluations above the depreciated historic cost of these assets are credited to a revaluation reserve. Any downward revaluation of property, plant and equipment below the asset's depreciated historic cost is recognised when it occurs through the Statement of Comprehensive Net Expenditure.

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

d) Intangible fixed assets

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

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

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

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

e) Depreciation and amortisation

Freehold land is not depreciated.

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

Expected useful lives are as follows:

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

f) Pensions

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

The 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. All estimates are performed by actuaries and in accordance with IAS 19.

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

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

g) Grant-in-Aid

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

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

h) Income from activities

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

i) Insurance

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

j) Operating leases

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

k) Accounting for Value Added Tax

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

l) Financial instruments

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

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

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

m) Provisions

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

2 Change of accounting policy

IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) have been issued but are not yet effective for public sector reporting. These IFRS' are not material to Cafcass.

There were no significant changes to the accounting policies, as described in Cafcass' 2016-17 Annual Report and Accounts.

3 Analysis of net expenditure by segment

| | Operational service areas | Other | Total |
|---------------------------|------------------------------|---------------|----------------|
| | £000 | £000 | £000 |
| 2017-18 | | | |
| Gross expenditure | 82,394 | 48,809 | 131,203 |
| Income | 0 | (143) | (143) |
| Net expenditure | 82,394 | 48,666 | 131,060 |
| Non-current assets | 900 | 1,355 | 2,255 |

| | Operational service areas | Other | Total |
|---------------------------|------------------------------|---------------|----------------|
| | £000 | £000 | £000 |
| 2016-17 | | | |
| Gross expenditure | 77,494 | 42,894 | 120,388 |
| Income | (2) | (139) | (141) |
| Net expenditure | 77,492 | 42,755 | 120,247 |
| Non-current assets | 887 | 1,067 | 1,954 |

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

There was £0.697m capital expenditure in 2017-18 (2016-17: £nil).

4 Staff costs

| | Note | Cafcass Board members £000 | Corporate National Office staff £000 | Regional staff £000 | Total £000 |
|----------------------------|------|-------------------------------------|---|---------------------------|---------------|
| 2017-18 | | | | | |
| Salaries and wages | | 119 | 6,158 | 57,800 | 64,077 |
| Apprentice levy | | 0 | 31 | 277 | 308 |
| Social security costs | | 6 | 699 | 6,210 | 6,915 |
| Current service cost | 22 | 0 | 4,606 | 13,610 | 18,216 |
| Other pension costs | | 0 | 31 | 125 | 156 |
| Past pension service cost | 22 | 0 | 0 | 0 | 0 |
| Total payroll costs | | 125 | 11,525 | 78,022 | 89,672 |
| Temporary staff costs | | 0 | 67 | 1,005 | 1,072 |
| Total staff costs | | 125 | 11,592 | 79,027 | 90,744 |
| 2016-17 | | | | | |
| Salaries and wages | | 128 | 5,113 | 55,224 | 60,465 |
| Apprentice levy | | 0 | 0 | 0 | 0 |
| Social security costs | | 7 | 550 | 5,929 | 6,486 |
| Current service cost | 22 | 0 | 4,399 | 8,462 | 12,861 |
| Other pension costs | | 0 | (68) | 0 | (68) |
| Past pension service cost | 22 | 0 | 12 | 112 | 124 |
| Total payroll costs | | 135 | 10,006 | 69,727 | 79,868 |
| Temporary staff costs | | 0 | 51 | 1,072 | 1,123 |
| Total staff costs | | 135 | 10,057 | 70,799 | 80,991 |

5 Other expenditure

| | | 2017-18 | 2016-17 |
|--|------|---------------|---------------|
| | Note | £000 | £000 |
| Outsourced finance and ITC services | | 7,639 | 9,115 |
| Accommodation costs | | 5,518 | 6,099 |
| Travel and subsistence | | 2,877 | 2,744 |
| Telecommunications and postage | | 979 | 1,135 |
| Office supplies, printing and stationary | | 803 | 729 |
| Legal costs | | 403 | 431 |
| Staff related costs | | 373 | 373 |
| Interpreters and translators | | 349 | 371 |
| Recruitment costs | | 203 | 94 |
| Training costs | | 171 | 248 |
| Fuel and utilities | | 167 | 204 |
| Internal audit costs | | 151 | 151 |
| Vehicle costs | | 134 | 164 |
| External audit costs | | 52 | 52 |
| Other | | 900 | 813 |
| Total cash | | 20,719 | 22,723 |
| Annual leave amount | 14 | 233 | 0 |
| Accommodation costs | 14 | 133 | 27 |
| Legal costs | 14 | 99 | 146 |
| Other provisions no longer required | 14 | (136) | (246) |
| Total non-cash | | 329 | (73) |
| | | 21,048 | 22,650 |

6 Income

| | 2017-18 | 2016-17 |
|----------------------|------------|------------|
| | £000 | £000 |
| Training | 142 | 133 |
| Award of court costs | 0 | (1) |
| Other income | 1 | 9 |
| | 143 | 141 |

7 Property, plant and equipment

| | Land and buildings excluding dwellings | Leasehold land, buildings and improvements | Information technology and telecoms | Office equipment | Total |
|---------------------------|--|--|-------------------------------------|------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2017-18 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/17 | 1,025 | 521 | 3,011 | 22 | 4,579 |
| Additions | 0 | 0 | 604 | 0 | 604 |
| Disposals | 0 | 0 | (997) | 0 | (997) |
| Revaluations | 25 | 0 | 0 | 0 | 25 |
| As at 31/03/18 | 1,050 | 521 | 2,618 | 22 | 4,211 |
| Depreciation | | | | | |
| As at 01/04/17 | 138 | 520 | 3,002 | 22 | 3,682 |
| Charged in year | 12 | 1 | 7 | 0 | 20 |
| Disposals | 0 | 0 | (997) | 0 | (997) |
| As at 31/03/18 | 150 | 521 | 2,012 | 22 | 2,705 |
| NBV as at 31/03/18 | 900 | 0 | 606 | 0 | 1,506 |
| NBV as at 31/03/17 | 887 | 1 | 9 | 0 | 897 |
| Asset financing | | | | | |
| Owned | 900 | 0 | 606 | 0 | 1,506 |
| NBV as at 31/03/18 | 900 | 0 | 606 | 0 | 1,506 |
| 2016-17 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/16 | 970 | 521 | 3,007 | 22 | 4,520 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 55 | 0 | 4 | 0 | 59 |
| As at 31/03/17 | 1,025 | 521 | 3,011 | 22 | 4,579 |
| Depreciation | | | | | |
| As at 01/04/16 | 126 | 520 | 2,989 | 22 | 3,657 |
| Charged in year | 12 | 0 | 13 | 0 | 25 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| As at 31/03/17 | 138 | 520 | 3,002 | 22 | 3,682 |
| NBV as at 31/03/17 | 887 | 1 | 9 | 0 | 897 |
| NBV as at 31/03/16 | 844 | 1 | 18 | 0 | 863 |
| Asset financing | | | | | |
| Owned | 887 | 1 | 9 | 0 | 897 |
| NBV as at 31/03/17 | 887 | 1 | 9 | 0 | 897 |

Freehold land as at 31st March 2018 was valued at £0.336m (2016-17: £0.330m).

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

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

8 Intangible assets

| | Information technology | Software licences | Websites that deliver services | Assets under construction | Total |
|---------------------------|------------------------|-------------------|--------------------------------|---------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 2017-18 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/17 | 2,333 | 182 | 89 | 0 | 2,604 |
| Additions | 0 | 0 | 0 | 93 | 93 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 30 | 1 | 0 | 0 | 31 |
| As at 31/03/18 | 2,363 | 183 | 89 | 93 | 2,728 |
| Amortisation | | | | | |
| As at 01/04/17 | 1,295 | 163 | 89 | 0 | 1,547 |
| Charged in year | 419 | 13 | 0 | 0 | 432 |
| Disposals | 0 | 0 | 0 | 0 | 0 |
| As at 31/03/18 | 1,714 | 176 | 89 | 0 | 1,979 |
| NBV as at 31/03/18 | 649 | 7 | 0 | 93 | 749 |
| NBV as at 31/03/17 | 1,038 | 19 | 0 | 0 | 1,057 |
| 2016-17 | | | | | |
| Cost or valuation | | | | | |
| As at 01/04/16 | 2,360 | 205 | 89 | 0 | 2,654 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Disposals | (147) | (26) | 0 | 0 | (173) |
| Revaluations | 120 | 3 | 0 | 0 | 123 |
| As at 31/03/17 | 2,333 | 182 | 89 | 0 | 2,604 |
| Amortisation | | | | | |
| As at 01/04/16 | 1,071 | 179 | 89 | 0 | 1,339 |
| Charged in year | 371 | 10 | 0 | 0 | 381 |
| Disposals | (147) | (26) | 0 | 0 | (173) |
| As at 31/03/17 | 1,295 | 163 | 89 | 0 | 1,547 |
| NBV as at 31/03/17 | 1,038 | 19 | 0 | 0 | 1,057 |
| NBV as at 31/03/16 | 1,289 | 26 | 0 | 0 | 1,315 |

9 Financial instruments

As the cash requirements of Cafcass are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Most financial instruments relate to contracts to buy non-financial items in line with the non-departmental public bodies' (NDPBs) expected purchase and usage requirements and the NDPB is therefore exposed to minimal credit, liquidity or market risk.

10 Impairments

There were no impairments in 2017-18 (2016-17: £nil).

11 Trade receivables and other current assets

| | 2017-18 | 2016-17 |
|--|--------------|--------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Other receivables | 2,063 | 1,569 |
| Provision for bad debts | (7) | (2) |
| Prepayments | 1,698 | 1,715 |
| Travel advances | 2 | 2 |
| | 3,756 | 3,284 |

12 Cash and cash equivalents

| | Cash | Bank | Total |
|--|----------|--------------|--------------|
| | £000 | £000 | £000 |
| 2017-18 | | | |
| Balance at 1st April 2017 | 5 | 1,357 | 1,362 |
| Net change in cash and cash equivalent balance | 0 | (365) | (365) |
| Balance at 31st March 2018 | 5 | 992 | 997 |
| The following balances were held at: | | | |
| Government Banking Service and cash in hand | 5 | 992 | 997 |
| Balance at 31st March 2018 | 5 | 992 | 997 |
| 2016-17 | | | |
| Balance at 1st April 2016 | 6 | 720 | 726 |
| Net change in cash and cash equivalent balance | (1) | 637 | 636 |
| Balance at 31st March 2017 | 5 | 1,357 | 1,362 |
| The following balances were held at: | | | |
| Government Banking Service and cash in hand | 5 | 1,357 | 1,362 |
| Balance at 31st March 2017 | 5 | 1,357 | 1,362 |

13 Trade payables and other current liabilities

| | 2017-18 | 2016-17 |
|--|--------------|--------------|
| | £000 | £000 |
| Amounts falling due within one year | | |
| Taxation and social security | 1,826 | 0 |
| Trade payables | 298 | 1,794 |
| Other payables | 1,443 | 92 |
| Accruals and deferred income | 3,493 | 3,906 |
| Annual leave accrual | 0 | 293 |
| | 7,060 | 6,085 |

Annual leave amount

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

The policy on carry over of unused annual leave was revised so that leave could only be carried over in exceptional circumstances, and with the approval of the line manager and relevant director. Thus, the monetised value of annual leave that may be approved for carry over is no longer the sum of all annual leave unused as at 31st March each year.

As such, the annual leave amount has been reclassified in the 2017-18 Accounts as a provision, from accruals in 2016-17.

14 Provisions for liabilities and charges

| | Employment claims | Annual leave amount | Dilapidations | Total |
|--|-------------------|---------------------|---------------|--------------|
| | £000 | £000 | £000 | £000 |
| 2017-18 | | | | |
| Balance at 1st April 2017 | 146 | 0 | 1,856 | 2,002 |
| Provided in the year | 99 | 233 | 156 | 488 |
| Provision not required written back | (90) | 0 | (46) | (136) |
| Provision utilised in the year | 0 | 0 | (49) | (49) |
| Balance at 31st March 2018 | 155 | 233 | 1,917 | 2,305 |
| Analysis of expected timing of discounted flows | | | | |
| Not later than one year | 155 | 0 | 1,830 | 1,985 |
| Later than one year and not later than five years | 0 | 233 | 87 | 320 |
| Later than five years | 0 | 0 | 0 | 0 |
| | 155 | 233 | 1,917 | 2,305 |

| | Employment claims | Annual leave amount | Dilapidations | Total |
|--|-------------------|---------------------|---------------|--------------|
| | £000 | £000 | £000 | £000 |
| 2016-17 | | | | |
| Balance at 1st April 2016 | 26 | 0 | 2,149 | 2,175 |
| Provided in the year | 146 | 0 | 77 | 223 |
| Provision not required written back | (26) | 0 | (220) | (246) |
| Provision utilised in the year | 0 | 0 | (150) | (150) |
| Balance at 31st March 2017 | 146 | 0 | 1,856 | 2,002 |
| Analysis of expected timing of discounted flows | | | | |
| Not later than one year | 146 | 0 | 1,548 | 1,694 |
| Later than one year and not later than five years | 0 | 0 | 264 | 264 |
| Later than five years | 0 | 0 | 44 | 44 |
| | 146 | 0 | 1,856 | 2,002 |

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

Employment claims

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

Annual leave amount

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

Dilapidations

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

Cafcass considers it appropriate to recognise these liabilities through the creation of a provision whilst premises are in active use, and to accrue for these liabilities once settlement has been agreed. Provisions have been maintained for these using actual information and industry information on the most likely costs for dilapidations per square metre.

15 Capital commitments

There were no material contracted capital commitments as at 31st March 2018 (2016-17: £nil).

16 Commitments under leases

Operating leases commitments

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

| | 2017-18 | 2016-17 |
|--|--------------|--------------|
| | £000 | £000 |
| Obligations under operating leases comprise: | | |
| Buildings | | |
| Not later than one year | 2,224 | 3,185 |
| Later than one year and not later than five years | 2,644 | 2,912 |
| Later than five years | 0 | 383 |
| | 4,868 | 6,480 |
| Other | | |
| Not later than one year | 88 | 111 |
| Later than one year and not later than five years | 83 | 47 |
| Later than five years | 0 | 0 |
| | 171 | 158 |
| Finance leases | | |
| There were no finance leases as at 31st March 2018 (2016-17:£nil). | | |

17 Other financial commitments

| | 2017-18 | 2016-17 |
|---|--------------|--------------|
| | £000 | £000 |
| Not later than one year | 1,575 | 5,826 |
| Later than one year and not later than five years | 0 | 1,456 |
| Later than five years | 0 | 0 |
| | 1,575 | 7,282 |

Cafcass signed a seven-year contract with Fujitsu, which ended December 2016, to provide an integrated information and communication technology service across the organisation. This contract was extended for a further 18 months until June 2018.

Fujitsu will be replaced by Littlefish under the terms and conditions of a three-year contract as Cafcass' new IT supplier.

18 Related party transactions

Cafcass is an executive non-departmental public body that is sponsored by the Department. The Department as such is regarded as a related party. During 2017-18, Cafcass had various material transactions with the Department, including the receipt of £120.150m grant funding from the Department (2016-17: £115.046m). Transactions with the Department not related to Grant-in-Aid or other funding totalled £0.076m (2016-17: £0.106m), which relates to internal audit service charges as at 31st March 2018.

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

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

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

19 Events after Statement of Financial Position date

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

20 Self-Employed Contractors

In 2017-18 we contracted the services of 138 Self-Employed Contractors (2016-17: 103), of which amounts paid amounted to £2.855m in the year (2016-17: £2.507m).

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 £9.310m in the year (2016-17: £6.297m).

21 Partnership costs

Partnership costs of £2.158m (2016-17: £2.105m) 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 2017-18 Cafcass received additional funding of £1.592m from the Department (2016-17: £1.546m).

22 Pension liabilities

WYPF's actuary, Aon Hewitt Limited, carried out an IAS 19 valuation for Cafcass as at 31st March 2018.

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 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in ‘The 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 31 March 2016 and the contributions to be paid until 31 March 2020 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate.

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

Assets

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return 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 Fund Administering Authority) is shown in the disclosures.

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

Risks associated with the Fund in relation to accounting

Asset volatility

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

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

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:

| | 2018 | 2017 |
|-------------------------------------|------------------|------------------|
| | £000 | £000 |
| Present value of funded obligations | (702,812) | (680,690) |
| Fair value of plan assets | 510,576 | 488,837 |
| Re-measurement of assets adjustment | (6,976) | 0 |
| Net liability | (199,212) | (191,853) |

The re-measurement of assets adjustment is due to the recalculation of the fair value of assets at 31 March 2018, based on actual returns over the year to 31 March 2018. This value is £6.976m lower than the estimated value based on the asset value as at 28 February 2018 and estimated returns over March 2018 based on publicly available index movements.

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

| | 2018 | 2017 |
|---|---------------|---------------|
| | £000 | £000 |
| Current service cost | 18,216 | 12,861 |
| Past service cost | 0 | 124 |
| Service cost | 18,216 | 12,985 |
| Interest on obligation | 16,841 | 19,199 |
| Interest income on plan assets | (12,205) | (13,767) |
| Net interest cost | 4,636 | 5,432 |
| Expense recognised in the Statement of Comprehensive Net Expenditure | 22,852 | 18,417 |

| Changes in the present value of the defined benefit obligation are as follows: | | |
|--|----------------|----------------|
| | 2018 | 2017 |
| | £000 | £000 |
| Opening defined benefit obligation | 680,690 | 570,663 |
| Current service cost | 18,216 | 12,861 |
| Interest on obligation | 16,841 | 19,199 |
| Member contributions | 4,429 | 4,346 |
| Past service cost | 0 | 124 |
| Actuarial (gain)/loss due to changes in financial assumptions | (1,727) | 126,512 |
| Actuarial gain due to changes in demographic assumptions | 0 | (10,937) |
| Actuarial loss/(gain) due to liability experience | 3,695 | (25,482) |
| Benefits/transfers paid | (19,332) | (16,596) |
| Closing defined benefit obligation | 702,812 | 680,690 |

| Changes in the fair value of plan assets are as follows: | | |
|--|----------------|----------------|
| | 2018 | 2017 |
| | £000 | £000 |
| Opening fair value of plan assets | 488,837 | 404,594 |
| Interest income on plan assets | 12,205 | 13,767 |
| Re-measurement gain on assets | 11,569 | 70,036 |
| Re-measurement of assets adjustment | (6,976) | 0 |
| Contributions by employer | 12,868 | 12,690 |
| Member contributions | 4,429 | 4,346 |
| Benefits/transfers paid | (19,332) | (16,596) |
| Total | 503,600 | 488,837 |

| Asset allocation: | | | | |
|-------------------|-------------------------------|---------------------------------|------------------------|------------------------|
| | Quoted value at 31 March 2018 | Unquoted value at 31 March 2018 | Total at 31 March 2018 | Total at 31 March 2017 |
| Equities | 70.1% | 7.2% | 77.3% | 77.2% |
| Property | 4.5% | 0.0% | 4.5% | 4.3% |
| Government bonds | 9.4% | 0.0% | 9.4% | 10.1% |
| Corporate bonds | 3.7% | 0.0% | 3.7% | 3.9% |
| Cash | 1.8% | 0.0% | 1.8% | 1.2% |
| Other | 1.5% | 1.8% | 3.3% | 3.3% |
| | 91.0% | 9.0% | 100.0% | 100.0% |

| Actual return on assets: | | |
|-------------------------------------|---------------|---------------|
| | 2017-18 | 2016-17 |
| | £000 | £000 |
| Interest income on plan assets | 12,205 | 13,767 |
| Re-measurement gain on assets | 11,569 | 70,036 |
| Re-measurement of assets adjustment | (6,976) | 0 |
| Total | 16,798 | 83,803 |

The major financial assumptions used in the valuation were:

| | 2017-18 | 2016-17 |
|-----------------------------------|---------|---------|
| Pension accounts revaluation rate | 2.10% | 2.00% |
| Rate of increase in salaries | 3.20% | 3.10% |
| Rate of increase in pensions | 2.10% | 2.00% |
| Nominal discount rate | 2.60% | 2.50% |

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 2019 | Year ending 31 March 2018 |
|---|------------------------------|------------------------------|
| | £000 | £000 |
| Current service cost | 18,799 | 18,216 |
| Interest on net defined benefit liability | 4,738 | 4,636 |
| Total estimated pension expense | 23,537 | 22,852 |
| Allowance for administration expense included in current service cost | 186 | 180 |
| Estimated pensionable payroll over the period | 62,054 | 60,131 |

Reconciliation of re-measurement of pension benefits in the Statement of Financial Position

| | 2017-18 | 2016-17 |
|--|----------------|---------------|
| | £000 | £000 |
| Pension liabilities as at 31st March current year | 192,236 | 191,853 |
| Less: Pension liabilities as at 31st March prior year | (191,853) | (166,069) |
| Less: Expense recognised in the Statement of Comprehensive Net Expenditure | (22,852) | (18,417) |
| Plus: Contributions by employer | 12,868 | 12,690 |
| Plus: Re-measurement of assets adjustment | 6,976 | 0 |
| (Gain)/loss on re-measurement of pension benefits | (2,625) | 20,057 |

Reconciliation of in-year additional pension cost in the Statement of Cash Flows

| | 2017-18 | 2016-17 |
|--|--------------|--------------|
| | £000 | £000 |
| Expense recognised in the Statement of Comprehensive Net Expenditure | 22,852 | 18,417 |
| Less: Contributions by employer | (12,868) | (12,690) |
| In-year additional pension cost | 9,984 | 5,727 |

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31st March 2018 and the projected service cost for the period ending 31st March 2019 is set out below.

| Discount rate assumption: | | | |
|--|------------|-------------|------------|
| Adjustment to discount rate | +0.1% p.a. | Base figure | -0.1% p.a. |
| | £000 | £000 | £000 |
| Present value of total obligation | 691,040 | 702,812 | 714,784 |
| % change in present value of total obligation | (1.7%) | | 1.7% |
| Projected service cost | 18,286 | 18,799 | 19,323 |
| Approximate % change in projected service cost | (2.7%) | | 2.8% |

| Rate of general increase in salaries: | | | |
|--|------------|-------------|------------|
| Adjustment to salary increase rate | +0.1% p.a. | Base figure | -0.1% p.a. |
| | £000 | £000 | £000 |
| Present value of total obligation | 705,110 | 702,812 | 700,533 |
| % change in present value of total obligation | 0.3% | | (0.3%) |
| Projected service cost | 18,799 | 18,799 | 18,799 |
| Approximate % change in projected service cost | 0.0% | | 0.0% |

| Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption: | | | |
|---|------------|-------------|------------|
| Adjustment to pension increase rate | +0.1% p.a. | Base figure | -0.1% p.a. |
| | £000 | £000 | £000 |
| Present value of total obligation | 712,466 | 702,812 | 693,299 |
| % change in present value of total obligation | 1.4% | | (1.4%) |
| Projected service cost | 19,323 | 18,799 | 18,286 |
| Approximate % change in projected service cost | 2.8% | | (2.7%) |

| Post retirement mortality assumption: | | | |
|--|---------|-------------|---------|
| *Adjustment to mortality age rating assumption | -1 year | Base figure | +1 year |
| | £000 | £000 | £000 |
| Adjustment to pension increase rate | 724,101 | 702,812 | 681,639 |
| % change in present value of total obligation | 3.0% | | (3.0%) |
| Projected service cost | 19,514 | 18,799 | 18,087 |
| Approximate % change in projected service cost | 3.8% | | (3.8%) |

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

Mortality assumption

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectations at age 65 resulting from those mortality assumptions are shown below.

| | 31st March 2018 | 31st March 2017 |
|-----------------------------------|--------------------|--------------------|
| Males | | |
| Member aged 65 at accounting date | 22.1 | 22.1 |
| Member aged 45 at accounting date | 23.1 | 23.0 |
| Females | | |
| Member aged 65 at accounting date | 25.3 | 25.2 |
| Member aged 45 at accounting date | 27.1 | 27.0 |

23 Contingent liabilities

There were no qualifying contingent liabilities as at 31st March 2018 (2016-17: £nil).

Guaranteed Minimum Pension (GMP) Equalisation

As at 31st March 2018 no allowance has been made in the Accounts for the potential increase in the Guaranteed Minimum Pension (GMP) benefits, following the equalisation of the pension benefits between male and female scheme members.

A consultation paper was issued on 28th November 2016 entitled “consultation on indexation and equalisation of GMP in public service pension schemes”, proposing three methods to address the equalisation.

The consultation response was issued on 22nd January 2018, including an extension to the current interim solution, and legal action has been launched in the High Court to seek legal clarity on whether GMP equalisation needs to take place, and if so, what method should be applied.

As such, until it is known how the GMP equalisation will be carried out in the long term, an allowance cannot be made (2016-17: £nil).

24 Contingent assets

There were no qualifying contingent assets as at 31st March 2018 (2016-17: £nil).

Appendix

How our Key Performance Indicators (KPIs) are calculated

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

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

KPI 1:

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

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

KPI 2:

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

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

KPI 3:

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

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

KPI 4:

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

Trade Union Facility Time

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 9 | 7.67 |

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 0 |
| 1 - 50% | 9 |
| 51 - 99% | 0 |
| 100% | 0 |

| First column | Figures |
|--------------------------------------|-------------|
| Total Cost of Facility Time | £92,857.21 |
| Total Pay Bill | £84,323,884 |
| % of Pay Bill Spent on Facility Time | 0.11% |

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

Child arrangements order – When people can't agree on where a child might live or who they should see, the family court might be asked to decide. The judge will look at what is best for the child or young person and make a decision setting out what people must do.

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

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

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

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

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

Domestic Violence Perpetrators Programme (DVPP) – A course that helps adults who have been violent towards another person learn how to control their anger.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

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





General contact details

 **Cafcass**
21 Bloomsbury Street
London
WC1B 3HF

 **0300 456 4000**

 **webenquiries@cafcass.gov.uk**

Further information is available on our website:
www.cafcass.gov.uk





CCS0418414702
978-1-5286-0313-3

