

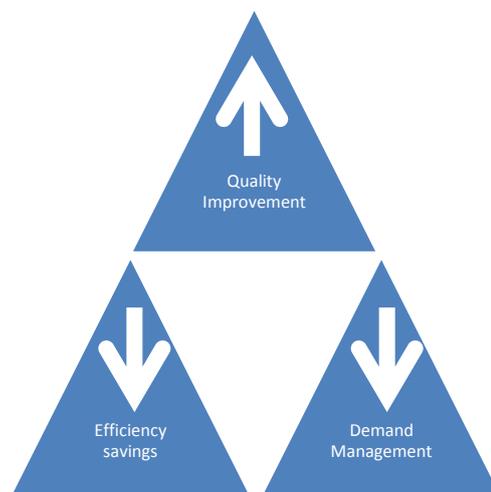


## CHIEF EXECUTIVE'S REPORT

1. My Board report for February 2015 is structured into three parts. The first examines the relationship between demand for our services, the budgetary efficiency savings we are required to make and the requirement to continuously improve the performance and quality of our services. The second part describes progress to date on the pilot projects we have been undertaking to assess the potential for alternative ways of working over the next few years. Finally, I summarise the steps we have been taking to secure the next stage and level of our IT services when current contracts run out in 2016, as the Board has requested an update about this at each Board meeting.

### Demand management, efficiency savings and performance, and quality improvement

2. As the diagram below shows, we need to demonstrate we are managing all demands upon us, whilst making efficiency savings and improving performance and quality.



3. The most recent report to the Cafcass Performance Committee shows we are continuing to meet all of our KPI's for 2014/15. Following discussion at that committee, we will look again at the way we present certain types of performance information and the metrics we collect and publish. The quality of our services continues to improve, demonstrated by the result of the November 2014 audit of more than 500 cases, which shows all practice improvement targets have been exceeded. We have programmes in place to build on this achievement, such as a greater focus on the experiential outcomes for people using our service and to ensure the learning from this is applied. We are reporting a small underspend for 2014/15, having made all the efficiency savings required of us. So we are continuing to manage demand, continuing to improve services and continuing to

deliver efficiency savings (see appendix one). The Director of Finance and I anticipate this remaining the position for the rest of the 2014/15 financial and business year. A recent series of national and local practice-focussed events have been highly positive. It is fair to say that, going into 2015, the organisation as a whole is in a good place with high morale on the whole and a determination to continue the development and improvement of our services to some of the most vulnerable children in the country.

4. In terms of demand, public law care applications continue to show a small increase and private law applications continue to show a large decrease year on year, though, in recent months, private law applications are recovering a little. The overall impact of these demand trends is difficult to quantify and project forwards, because both the public law (PLO) and private law (CAP) systems have been subject to significant change over the last two years which is still being worked through. The changes first made in the PLO, which were then consolidated in the Children and Families Act, have led to a halving of average care case duration. For Cafcass practitioners, this has meant a similar level of work concentrated in the first few months of cases rather than being spread over twice that time period. Whilst private law applications are down considerably, our practitioners are spending more time in court and around the court process with the higher volume of litigants in person. We are currently undertaking a time recording study of how our practitioners are now spending professional time as a result of these changes. The results of the study will be available during February.
5. Our indicative budget for 2015/16 remains at £118.8 million, the sum agreed on transfer to the MOJ from the Department for Education. Considerable work has been carried out between Cafcass and the Ministry of Justice to clarify our resource requirement for 2015/16. Cafcass has agreed to take on a small number of additional responsibilities during 2015/16, reflecting the requirement on us to contribute to our Sponsor Department's business objectives. Specifically, we have agreed in principle to fund the national roll out of DNA testing in family court cases, following a successful pilot in Avon and Somerset. We would commission the service and administer it, at an estimated cost of 400-500K and also the service on behalf of the Welsh Government if they fund the costs of the service in full. This makes sense as a single tender across England and Wales is likely to secure the service at the most competitive price. We would use the tendering process to ensure a high quality service is provided at the lowest possible cost. This is affordable within our financial envelope for 2015/16. This roll out is subject to Ministerial decision during February and also the agreement of the Welsh Government in relation to the Welsh service.

**Question 1 for the Cafcass Board:**

**Does the Board endorse this strategy?**

6. The Executive has also been discussing options for the roll out of drug and alcohol testing, still on a piloting basis, to two areas, including a continuation of the pilot in Avon and Somerset, as long as the national and local judiciary agree to operate the pilots within cash limited budgets. This would need further scoping and discussion – and also Ministerial agreement. Such a roll out, even on a piloting basis to two areas (out of 17 nationally), could only be proceeded with as funds permit. A range of safeguards would be put in place to ensure the roll out - and the trial of cash limited budgeting - remain affordable during 2015/16. A full roll-out is unaffordable as estimated costs are upwards of £5 million but if cash limited budgets can be introduced in the family justice system, it will make the system more manageable and affordable in future years. More discussion is needed on this before we could proceed with confidence.

**Question 2 for the Cafcass Board:**

**Is the Board content for discussions to continue about the principle of extending the current drug and alcohol testing pilot to one further area (in addition to the existing pilot area), as long as both areas use cash limited budgeting principles with prior sign up by the national and local judiciary to set budgetary limits to ensure affordability, and with any final decision to come back to the Cafcass Board for approval?**

7. The final additional responsibility identified will be to support the Ministerial initiative to give children aged 10 and over in private law cases direct access to the judge in their case. Cafcass supports this initiative as a children's rights development, subject to safeguards being in place for those children who do not want to take advantage of this facility and also for those children for whom it would be potentially damaging. The initiative helps to meet the commitment to the Charter for Child Inclusive Family Justice developed by the Family Justice Young Peoples Board, which we have signed up to. This is a low cost initiative and will primarily involve us in changing some of our written material for children and their parents and carers. I should make it clear that for us, the initiative is part of wider efforts we are making to strengthen the voice of the child in proceedings.
8. It is likely this framework for 2015/16 will be formalised in further meetings during February 2015, including the Chair of the Cafcass Board, culminating in a remit letter for 2015/16 being finalised in advance of the start of the 2015/16 financial year.
9. Planning for 2016/20 is underway concurrently, focussing on developments such as out of court private law services, with the intention of developing a new out of court pathway which aims to divert at least 20% of current applicants from court into accessible and available local pre-court services.

10. A series of workshops involving all family justice system agencies is being held to discuss public law and private law options for 2016/20, so that options are ready to discuss with new Ministers after the 7 May General Election. The Cafcass Board will be fully consulted and updated during this crucial period for us.
11. The primary means of managing demand, making more efficiency savings and improving the quality of our front line practice and other services, will continue to be workforce development. For example, extending the skill base of each of our practitioners is helping us to provide an ever stronger level of expert social work in all of our front line roles. Whilst we will commission services from the market where standards are higher and costs are more competitive, I believe that we have improved so much recently because of the way we have built up stable permanent teams, both on the front line and in corporate functions. Whilst turnover and new blood is healthy in any organisation, we will continue to rely primarily on our in-house teams to adapt quickly what are currently – and what are likely to continue to be - rapidly changing circumstances.
12. We will be assisted in our workforce development programme by a new strategic workforce planning tool called *Cafcass Planning* which was demonstrated to Cafcass Board members on 5 February.
13. We will also maintain a strong focus on innovation, as new innovations will be crucial to managing well in the future. This work is kept under review by the Cafcass Innovation Board, through which links are being made to other innovation Boards and networks and to the projects supported through external Innovation Boards which have relevance to our future. The Chair and Vice Chair of Cafcass are members of our Innovation Board and a number of new potential innovations are at the scoping stage.

#### Current status of public and private law pilot projects

##### Public Law pilots

14. Our public law pilots are: a partnership project with Birmingham City Council to turn around their IRO service; a secondment to Knowsley Council for one of our Assistant Directors to manage their improvement programme; and local support in a small number of our service areas for failing teams and services in local authorities upon request e.g., in North Oxfordshire. This latter support is occasional and arranged locally and always linked to directly reducing the burden on Cafcass by helping local authorities to improve the standard of their assessments and care plans. These pilots are also a contribution by us to sector-led improvement. All of the teams and authorities who have asked us for help are 'failing' by their own admission – and in Ofsted ratings. The pilots are also a developmental challenge for us, and give development opportunities to some of our staff which in turn helps us to develop the organisation. Finally, the pilots test

out whether in the future we might market our services more widely. In order to do this, a change in legislation would be needed to allow us to raise income, though from April 2015 we will be recouping the costs of continuing work on some of these projects. It is clear from our discussions with them that every local authority asking us for assistance is willing to pay for any services we provide.

- 15.** Cafcass began managing the Birmingham IRO service in November 2014, initially until March 2015 on a piloting basis. The aim was to ensure a safety net for the night on 2000 looked after children in Birmingham was put in place and working by March 2015. A service manager from Cafcass Birmingham was seconded into Birmingham City Council and support was provided to her by Cafcass management and the Cafcass HR service, to ensure elements of the Cafcass operational culture which could support the turnaround in Birmingham were used in the project.
- 16.** Progress has been made in the first few months with data cleansing: in allocation and case management: in the operational model used; and in the operational culture within the team. The pilot is being extended for a further six months until September 2015, to ensure the progress being made is embedded and sustained e.g., in relation to clear and constructive communication between the IRO service and area teams in Birmingham. The pilot can also be seen as a prototype of a more integrated service between Cafcass and IRO's in the court phase of cases, to the wider benefit of children nationally. The project also highlights the possibility of future system-wide efficiency savings
- 17.** In Knowsley, our seconded Assistant Director has made an immediate impact in several key areas of their improvement plan. This has been acknowledged by their Director of Children's Services. The Cafcass Director of HR and OD and the National Service Director are also meeting with a number of senior staff in Knowsley later this month to help them with Workforce Development, Absence Management and Talent Management. In addition we have provided resources from our National Improvement Service to support the embedding of their new quality assurance framework and to advise them about how to achieve a high impact on practice improvement through auditing and coaching.
- 18.** We have had a number of further requests from organisations in the sector to help them with various aspects of their own improvement programme. All these requests are on hold until we decide whether to offer improvement services in the longer-term, and if so, on what basis. We are committed to continuing our work in Birmingham and Knowsley until the autumn of 2015, and to feed the outcome of this work into the discussions highlighted above (paras 9 and 10) about our longer-term remit.
- 19.** I should emphasise that the development opportunities in this work for some of our managers and enhanced practitioners is an important part of our own strategic workforce development. It helps to retain good managers and to

develop their skill base. All of our interventions have a strategic purpose in the interests of Cafcass. For example, one of our enhanced practitioners is working intensively with the local social work team in North Oxfordshire, following a large increase in local care applications. She is working with the local authority to examine the thresholds they are using and to explore alternative approaches. We have always worked with local authorities in this way and when this is successful, it reduces the resources we have to commit in court on the same block of cases.

**Question 3 for the Cafcass Board:**

**Does the Board endorse this strategy as long as we move to a full cost recovery basis from April 2015 and as long as no further requests for help are agreed at this stage?**

Private law pilots

20. Our private law pilots: are a pilot in Avon and Somerset to provide DNA and drug and alcohol tests in those family court cases where the tests are judged to be essential and determinative in the required decision making on the case: a pilot in 5 service areas to test whether an out of court service can divert appropriate cases from court (see appendix 2; and pilots to support children having a stronger voice at all stages of private law cases (see paragraph 7 above).
21. Data so far in the DNA and drug and alcohol pilot is set out in appendix 3 and appendix 4.
22. Data so far in the out of court services pilot is set out in appendix 5 and appendix 6. A related pilot, to provide telephone advice and consultation to mediators on cases where safeguarding is a concern, has only yielded 5 enquiries to date. This is probably because mediators have tried and tested support systems in place already, such as their professional supervisors.
23. All of these pilots will be evaluated over the next few months, in order to inform the preferred service mix in private law cases from 2016 onwards. Another development linked to this in which Cafcass is a development partner – as part of our leadership role on the national Family Justice Board – is the development of an online dispute resolution tool and service for the UK. Jurisdictions like the Netherlands and British Columbia have pioneered this work, which includes online advocacy, an online courtroom and online judging. As part of this development, our practitioners would be extending their skill base to include structured online communication at all stages of the court process, with parties and with court officials. When we first started to put a model of telephone social work in place, this attracted considerable scepticism yet it is now the chosen method in work to first hearing cases in private law. Online services will be easier for many service users to access, given their busy lives. It offers a more flexible means of engagement. Having said that, my own view is we will need to continue

seeing children and young people face to face, so this development is not either-or. It would be adding an online capacity to our existing professional repertoire.

**Question 4 for the Cafcass Board:**

**Does the Board continue to endorse the out of court services pilots and agree to receive a further report when more data is available and before any strategic decisions about the nature of the Cafcass role in any future permanent configuration of out of court services are taken?**

**Current status of process to secure IT services once current contracts run out in 2016**

24. This work is being taken forward via the Business Change Programme Board (BCB), which is chaired by the Director of HR and Organisational Development as one of his corporate responsibilities. Continuity at the Cafcass Board level is ensured by the same two Board members being members of the new Programme Board. The revised Board has a more appropriate level of membership and a stronger work programme.
25. Workshops have been held with representative staff groups to help inform a business needs analysis and the technical specification for future products. The majority of staff are satisfied with their current laptops, though they need a stronger 4G signal than is possible at the moment through our contract with a single mobile network provider. This would be helped by contracting with multiple providers to ensure more consistent coverage and remote access. Improved access for service users would facilitate the co-production of work with children and families e.g. the Track My Case development.
26. Initial work on the overall formal options appraisal for the replacement of services will be considered by the Programme Board in February 2015 so that a preferred option can be selected in March 2015. Full Board input to this will be made by the two Cafcass Board members on the Programme Board and the full Board will also be updated. The options under consideration remain as either a full re-procurement: an extension of all or some of the existing contracts: a transition to the MOJ platform; or any combination of these. *Milestones for key decisions and actions will be reviewed and shared when a preferred option has been selected as these vary considerably depending on the preferred option.* The current timetable of activities includes tolerance to manage delay if necessary, although none is anticipated at this stage arising from any of the possible options.
27. Regular and positive dialogue has been maintained with all relevant government departments where feedback on both the stage of project and work carried out has been positive.
28. Our current network and kit provider Fujitsu, has proposed a re-platforming switch away from Flex onto a new platform from later in 2015 which will give added

benefit for the duration of the current contract. The proposal from Fujitsu broadly delivers the expected gains of a largely cloud based service, access to Office 365 and improved live meeting tools. The business case has been approved by CMT on the basis of the re-platforming offering value for money and an improved service.

#### Additional miscellaneous items

29. Work to transfer the internal audit contract from the current provider, PWC, to the Ministry of Justice in-house internal service, is progressing smoothly. The MOJ service is now part of the wider single Government Audit Service. Our two members of staff in the Business Insights team will transfer into the MOJ team. A financial saving for 2015/16 is envisaged.
30. Our National Commissioning Team has now fully transferred from the portfolio of the Director of Resources into the portfolio of the National Service Director and moving the service into Operations has already started to lead to improved joint working between the national team and local service areas.
31. There are some key changes to the structure of the Annual report this year, based on the FReM (the Treasury issued manual, setting out reporting requirements) which we need to be mindful of. There are to be three sections to the Annual Report:
  - The first section is a new, comprehensive and self-standing **Strategic Report**. This sets out any significant changes in our objectives and activities and long-term liabilities in light of the spending review. The sustainability report sits within this section. Social, community and human rights issues should be disclosed to the extent necessary for understanding the extent of our business. This is also the section where we set out our KPIs. The report needs to be separately signed and dated by myself as Accounting Officer.
  - A **Director's Report**, which sets out the names of Ministers that have had responsibility for us, and the composition of CMT. The Director's Report also includes information on pension liabilities; the interests declared by the Board; sickness absence data and reporting of personal data related interests. [Note the SR + the DR comprises the 'management commentary' section of previous reports]
  - A **Remuneration report, the Statement of Accounting Officer's responsibilities, a Governance Statement**, as well as the Accounts and our audit opinion for the year.
32. A pilot of business support staff in London working more flexibly has started and will be evaluated as part of the ongoing modernisation of business services.

**Anthony Douglas CBE**  
**Chief Executive**

4 February 2015

**Appendices**

Appendix 1: Budget Savings Tracker

Appendix 2: Pilots areas and family court Cafcass map

Appendix 3: DNA, Drug & Alcohol Pilot Report

Appendix 4: 2014/15 OFM Pilot Cases

Appendix 5: Supporting Separating Parents in Dispute Helpline pilot

Appendix 6: PLPP SSPID Call Summary