



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 12 June 2019
FINANCE REPORT

KEY POINTS

- Formal written confirmation of our funding for the year ended 31st March 2020 has now been received and this is consistent with our planning assumptions.
- The impact of continuing increases in overall demand and open work will exert a significant operational and financial pressure throughout the financial year.
- The Annual Report and Accounts for the year ended 31st March 2019 reflect the achievement of a small underspend (£0.230m) consistent with in year reporting to the Board and MOJ.

1 AIM AND PURPOSE

- 1.1** To provide an update about the financial position for the current year and confirm the outturn position for the year ended 31 March 2019.

2 RECOMMENDATIONS FOR THE BOARD

- 2.1** To note the financial results for the current year and the outturn position for last year.

3. EXPECTED FINANCIAL POSITION FOR THE CURRENT FINANCIAL YEAR

- 3.1** We have now received formal confirmation of our funding for this year and it is in line with our previous discussions with the sponsor. This provides for an increase in funding (£2.4m) consistent with previous submissions on the resource requirements arising from the continued increases in new and open work. No further funding is being provided to assist with the costs of our pay award in 2019/20. In addition, while the Ministry of Justice have deducted £0.5m of grant funding in recognition of the breach of spending controls during 2018/19, supplementary funding to mitigate the effect on our budget will be provided. Total grant funding of £121.279m has been delegated with a further £0.379m of funds held on gated release. Depreciation of £0.616m has also been allocated.
- 3.2** The Corporate Management Team (CMT) have previously carried out a detailed analysis of the organisation's existing and planned unavoidable commitments. While this points to the ability to create a balanced budget there is no doubt the impact of continuing increases in overall demand and open work will exert a significant operational and financial pressure throughout the financial year. These will have to be managed alongside the desire to maximise the amount of pay award that is competitive but at the same time affordable. This is also the financial year when the development of the successor to the Electronic Case Management System enters its busiest build and test phase.
- 3.3** Although not required to be reported, we prepared our April management accounts for comparison against our anticipated budget. These show a consistency of spending with expectations and the reason for any variations are largely derived from the profiling of the budget or movements pending between headings as part of settling the final budget. Forecasting work began during the latter part of May 2019 and so are not yet available to report on at the time of writing.

4. OUTTURN FOR THE FINANCIAL YEAR 2018/19

- 4.1 The Annual Report and Accounts for the year ended 31st March 2019 are being reported elsewhere on the agenda of this meeting. The Financial Statements at Section 3 contain the detailed financial information and reflect the achievement of a small underspend (£0.230m) consistent with in year reporting to the Board and MOJ.

5. KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

- 5.1 This year will be a continuation of the tremendous pressure on all managers to deliver services within the constraints of both key performance measures and quality in the face of a continuing rise in demand and open cases. Maintaining and improving the quality of our **practice** is one of the three key pillars of the new Strategic Plan. Aside from the rate of increase in demand, the main financial planning risks this year relate to the agreement of an affordable but competitive pay offer and also the management of the costs of commissioning the replacement for the current ECMS system and platform. Both of these programmes are key to our progress with the second strategic pillar of **people**. Work in support of the probable spending review during this summer will need to demonstrate our commitment to both practice and people but also our continued commitment to work with **partners** on long term changes that will enable the needs of children in the family courts to continue to be met but in wholly and individually appropriate and sustainable ways. CMT will continue to monitor carefully the rate of expenditure, the impact of continuing rising demand on spending requirements and the targeting of the small corporate contingency to mitigate as far as possible the risks of any overspending this year.

6. BENEFITS FOR CHILDREN

- 6.1 The delivery of safe, high quality and timely services remains a priority for service delivery. In order to achieve this, a budget plan is needed that is sufficient in size and appropriately allocated across functions and geographic areas to ensure resources are available to support service delivery.

7. FINANCIAL ANALYSIS

- 7.1 The financial implications of this paper are contained in the main body of this report.

8. RISK ANALYSIS

- 8.1 General risks associated with the in-year and future year financial positions are discussed within the Strategic Risk Register, considered elsewhere on the agenda today. In particular, we assess the risks relating to the availability of grant funding and its sufficiency within the current and future financial years. Continuing increases in demand always create financial pressures through the need to manage practitioner workloads and the quality of work. The rising stock of open cases is adding further pressure to already stretched capacity.

9. DIVERSITY ANALYSIS

- 9.1 Ensuring Equality and Diversity are central to all our work remains a key operational priority. In much the same way as ensuring the objectives of benefits for children are met through financial planning and management, so the active management of spending against a properly constructed budget will help ensure an equitable distribution of resources to enable equality of access to services.

Julie Brown, Interim Chief Executive and Director of Resources
3 June 2019