



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 9 October 2019
FINANCE REPORT

KEY POINTS

- Spending so far in the current financial year remains broadly in line with budget.
- There are however substantial operational risks leading to financial pressures continuing to build in the system that compromise the delivery of a balanced budget outturn by the end of this financial year.

1 AIM AND PURPOSE

- 1.1** To provide an update on the in-year and forecast positions for the current financial year.

2 RECOMMENDATIONS FOR THE BOARD

- 2.1** To note the financial results and forecast for the current financial year.

3 EXPECTED FINANCIAL POSITION FOR THE CURRENT FINANCIAL YEAR

- 3.1** Our management accounts for the first five months of the financial year show spend broadly in line with budget, where in year variances are profile related rather than signalling a failure to allocate the budget in accordance with expected spending levels. At the end of five months the allocated budget exceeds actual spend by £0.650m mainly where pay costs (£0.4m) across the frontline are lower than projected in part reflecting the delay in recruiting to vacant posts. The Estates budget is also spending behind its profile (£0.2m) due to the timing of costs in relation to premises projects. A summary of the year to date position and forecast position is set out here, with commentary on the latter below.

	£'000
Budget April to August 2019	50,387
Actual spend April to August 2019	(49,737)
Underspend after five months, carried forward	650
Budget September to March 2020	83,676
Forecast spend September to March 2020	(84,326)
Outturn variance for financial year	0

- 3.2** As previously reported, our funding settlement for 2019/20 provided 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 only. However, no further funding has

been provided to assist with the costs of any pay award in 2019/20, or the ongoing costs of the award in 2018/19. This means not all of the funds requested to support demand pressures are available to use to recruit additional staff which leaves the frontline under tremendous pressure. The impact of continuing increases in overall demand and open work will continue to 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. A request for separate capital funds has been made to the MOJ to assist with the costs of the system work, which will ease some pressure on the remainder of the budget to be able to respond to the need to recruit during the remainder of the financial year.

- 3.3** So while we have reported a balanced forecast at this stage, this position and the risks to it are being kept under constant scrutiny by the Executive Team.

4 KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

- 4.1** This year is the 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 allocations process for 2020-21 will take place we expect during the autumn with further, more substantial work on the next multiple year review, during the first part of next year. Through these submissions we anticipate being able to continue 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. The Corporate Management Team 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.

5 IMPACT ON CHILDREN AND YOUNG PEOPLE

- 5.1** 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.

6 FINANCIAL ANALYSIS

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

7 RISK ANALYSIS

- 7.1** 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.

8 DIVERSITY ANALYSIS

- 8.1** 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, Director of Resources

27 September 2019