



**CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE**  
**Paper for the Board Meeting on 22 January 2020**  
**FINANCE REPORT**

**KEY POINTS**

- The cost of supporting the rising demand and levels of open work can no longer be contained within our grant allocation for this year. A small overspend of £0.5m is forecast.
- The Executive Team will continue to monitor the in-year position carefully.
- Our previous assumptions on demand in the next financial year continue to hold but will need further review when allocations for funding for 2020/21 are confirmed.

**1. AIM AND PURPOSE**

- 1.1. To provide an update on our 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 eight months of the financial year shows spend overall continuing to fall in line with budget. At the end of eight months the allocated budget exceeds actual spend by £0.045m. 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 November 2019	81,367
Actual spend April to November 2019	(81,322)
Underspend after eight months, carried forward	45
Budget December to March 2020	53,071
Forecast spend December to March 2020	(53,621)
Outturn variance for financial year	(500)

- 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, the funding originally confirmed as available to support a basic 1% pay award (c£1m) was subsequently removed and 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 were available to use to recruit additional staff which leaves the frontline under pressure. It is no longer possible to manage the impact of continuing increases in overall demand and open work within the existing grant funding levels and we are now forecasting an overspend of £0.5m and have alerted the MOJ to this fact. The MOJ have increased the level of cash available for draw down by this

amount (but not the overall level of grant funding). The Executive Team continue to monitor the position carefully.

#### **4. KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER**

- 4.1. Pressures from increased demand and workloads continue to bear down on the organisation and all staff. Maintaining and improving the quality of our **practice** is one of the three key pillars of our 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. Pay negotiations with the Trade Unions are nearing completion and we anticipate implementing the award next month. 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 was submitted to the MOJ in November 2019. We understand the overall departmental position will be considered later this month. 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. CMT will continue to monitor carefully the rate of expenditure, the impact of continuing rising demand on spending requirements in this year and next.

#### **5. IMPLICATIONS FOR CHILDREN**

- 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.