



**CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE**  
**Paper for the Board Meeting on 25 March 2020**  
**FINANCE REPORT**

**KEY POINTS**

- We maintain our forecast and steady position of an overspend of £0.5m. No material areas of unforeseen spend are anticipated. Likewise, no realistic opportunities to mitigate the overspend are expected.
- We understand the MOJ will recognise the continuing pressure on the service but will be unable to make an allocation in line with our submission of what a safe minimum level of funding would be.
- For now therefore this leaves an excess of expenditure over expected grant income, the prospects of managing which will continue to be assessed ahead of and throughout the new financial year.

**1 AIM AND PURPOSE**

- 1.1** To provide an update on our in year and forecast positions for the current financial year.
- 1.2** To provide an update on progress towards setting a budget for 2020/21, pending confirmation of final allocations.

**2 RECOMMENDATIONS FOR THE BOARD**

- 2.1** To note the financial results and forecast for the current financial year and progress with budget setting for the following year.

**3. EXPECTED FINANCIAL POSITION FOR THE CURRENT FINANCIAL YEAR**

- 3.1** Our management accounts at the end January 2020 show spend overall continues to fall in line with the budget and planning assumptions behind it. At the end of ten months the expenditure to date was £0.475m lower than budget, due to the processing of the arrears of the pay award for the year in February 2020, where the budget had anticipated it would be paid in January 2020. 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 January 2020	102,432
Actual spend April to January 2020	(101,957)
Underspend after ten months, carried forward	475
Budget February to March 2020	32,010
Forecast spend February to March 2020	(32,985)
Outturn variance for financial year	(500)

- 3.2** The forecast outturn is consistent with that previously reported and as we move towards the close of the financial year colleagues within the finance team review any material

changes to the position on a daily basis during the second half of March. No material areas of unforeseen spend are anticipated. As previously reported though, it is also not considered feasible to mitigate the impact of continuing increases in overall demand and open work within the existing grant funding levels and so we maintain our forecast position of an overspend of £0.5m. The Executive Team continue to monitor the position carefully.

#### **4. BUDGET PREPARATION 2020/21**

**4.1** At the time of writing discussions have taken place with the MOJ on the likely outcome of the allocations work for 2020/21. We understand the MOJ will recognise the continuing pressure on the service but will be unable to make an allocation in line with our submission of what a safe minimum level of funding would be. We have continued to work with our budget holders to understand the commitment level they carry into the new financial year as well as new unavoidable financial commitments that will have to be accommodated. For now therefore this leaves an excess of expenditure over expected grant income, the prospects of managing which will continue to be assessed ahead of and throughout the new financial year.

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

**5.1** 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. Minimal financial planning risks are anticipated for the remainder of this year but the current and predicted environment will place the maintenance of the quality of practice under tremendous pressure. Pay negotiations for the new financial year will begin in line with official pa settlement guidance and include early engagement with the Trade Unions. The outcome of this is critical to our strategic pillar of *people* along with the continuing development of our Workforce Strategy. Staff in all roles are under pressure and while our working conditions are flexible and valued, our pay offer is falling behind especially local authority neighbours. We maintain 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 the remainder of this year and throughout the next.

#### **6. IMPLICATIONS 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, Director of Resources**  
**9 March 2020**