



Meeting	Board
Date	Friday, 28 May 2021
Title of report	Finance Report
Purpose	For information
Public/private report	Public
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1. AIM AND PURPOSE

- 1.1 To provide an update on the outturn position for the previous financial year and the latest forecast for the current financial year.

2. OUTTURN 2020/21

- 2.1 The final outturn for 2020/21 was an overspend of £2.9m, compared to an in year forecast of £3.4m as previously reported. The main areas of reduction were in staffing costs where some new agency and permanent staff started later than originally forecast and also unavoidable delays in relation to a number of IT projects including the roll out of new laptops. The final position remains subject to audit which is scheduled for September 2021.

3. INITIAL FORECAST 2021/22

- 3.1 Grant funding for the current financial year from the MOJ has increased by £8m compared to the previous year in recognition of the ongoing cost of increasing the workforce to carry the higher level of open work, particularly since the throughput of the courts slowed down during the previous year. A forecast of commitments was carried out in late April 2021 to support the setting of the budget, which has now concluded and so formal forecast reporting will commence from the end of May 2021. Notwithstanding the increase in funding, this remains a very challenging settlement given the need to support safe workloads, the monthly net increase in open work and the ability to continue to recruit and retain high quality children's social workers.

4. KEY STRATEGIC AREAS TO CONSIDER

- 4.1 There remain significant risks around capacity within the workforce in particular our social workers and their line managers. Efforts continue to try to maintain operational capacity at practitioner, practice supervisor and service manager level. These roles all play a vital part in the allocation of cases and oversight when any areas need to begin to prioritise incoming work. Availability of talented social workers and managers remains incredibly tight across the sector. Our ability to recruit is impacted not only by general supply but also our offer in relation to (principally) pay but also workload.

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.

9. ACTION REQUIRED

- 9.1 The Board is asked to **NOTE** the report.