CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE

Paper for the Board Meeting on Friday 27 January 2017

FINANCE REPORT

KEY POINTS

- The forecast outturn against budget for the full year remains an underspend of £0.5m.
- With demand continuing to rise and individual workloads unavoidably but at times unacceptably high, significant effort is continuing in recruiting permanent staff and to draw upon our flexible workforce.
- A careful balance is having to be struck to invest in resources to keep work allocated and safe, but without undermining our budgetary parameters. Our analysis of spending requirements beyond March 2017 has been the subject of submissions to and scrutiny by the MOJ, and a decision on 17/18 funding is anticipated.

1 AIM AND PURPOSE

1.1 To confirm the financial results for the nine months ended 31 December 2016 and the latest forecast position for the current year.

2 RECOMMENDATIONS FOR THE BOARD

2.1 To note the financial results for the current year.

3. NINE MONTHS' RESULTS AND FORECAST FOR THE CURRENT FINANCIAL YEAR

3.1 Budget holders have completed their work on the nine months management accounts and updated their forecasts for the remainder of the current financial year. The detail of this work is shown in the appendices to this report.

3.2 At the end of nine months, expenditure is running £1.552m behind budget. Of this £0.367m relates to operational area spending with the balance of £1.185m across corporate and central budgets. Within the operational area, much of the underspend relates to staff costs where vacancies still exist, although flexible workforce is used where possible to cover work. The existence of these vacancies is also creating some underspend in travel costs. But with demand continuing to rise and individual workloads unavoidably but clearly unacceptably high in some teams, significant effort is continuing to expand workforce capability. The financial effects of expanding the workforce will not be significant in the current year but will form a material spending pressure next year if additional resources are not available to increase grant funding from its current level. For example, we have increased our agency workers by 50 in the five months to December 2016. The annualised cost of these additional agency workers is c£1.6m alone. We are also increasing our self employed contractor (SEC) group from 112 in December to 130 by Easter with an annualised increase cost of £0.4m. This investment in resources is vital to keep work allocated and safe but is really challenging to do at the same time as protecting budgetary stability.

3.3 Within corporate budgets, the continuing reprocurement of ICT services, unbundled from previously integrated contracts, is leading to ongoing savings against initial budgets. The year to date underspend is also in part the deliberate capture of uncommitted budget to resource this years pay award, which was paid in January 2017.

3.4 The forecast outturn against budget for the full year remains an underspend of £0.5m. This represents the continued balancing of the careful management of essential spending through to the end of the year but with only a limited contingency to deal with any unforeseen further rise in demand or other unplanned unavoidable expenditure. It is still the case that managing to this level of underspend does not present any significant risk to service delivery but this position will be kept carefully under review for the remainder of the year.

3.5 Our analysis of spending requirements beyond March 2017 have been the subject of submissions to and scrutiny by the MOJ, but it may still be some weeks before there is certainty as to the level of funding.

3.6 In summary, the position at the nine month stage and full year are set out below:

	£'000
Budget to 31 December 2016	85,299
Spend to 31 December 2016	83,747
Underspend at 30 September 2016	**1,552**
Budget for remainder of year	37,050
Forecast spend for remainder of year	38,102
Forecast outturn (underspend)	**500**

4. KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

4.1 These are dealt with within the body of the report.

5 BENEFITS 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 These are dealt with within the main body of this report.

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.

Anthony Douglas, Chief Executive
Julie Brown, Director of Resources
19 January 2017