



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE

Paper for the Board Meeting on Friday 28 October 2016

FINANCE REPORT

KEY POINTS

- The careful management of funds over the first half of the financial year has ensured Cafcass has remained within its budget profile.
- The level of underspend within the first six months is consistent with the strategy of supporting a pay award in line with current government guidance.
- Indications are we may have a small underspend at year end, primarily due to not being able to fill some front line vacancies at the earliest point funding becomes available. This position is being kept under continuous review, so that we maximise workforce capacity within the budget we have.

1 AIM AND PURPOSE

- 1.1 To confirm the financial results for the six months ended 30 September 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. SIX MONTHS' RESULTS AND FORECAST FOR THE CURRENT FINANCIAL YEAR

- 3.1 Budget holders have completed their work on the six 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 the first six months of the financial year, expenditure is running £1.182m behind budget. Of this £0.492m relates to operational area spending with the balance of £0.690m across corporate and central budgets. Within the operational area, vacancies continue to arise where recruitment is proving challenging, with some of the work being covered through the use of the flexible workforce. It is however an organisational priority to move towards filling these vacancies where workload levels of staff in post are continuing to rise in to high red and amber categories. The recent steps taken to revise the recruitment process have led to stronger recruitment in some recruitment exercises e.g, in London at the start of October.
- 3.3 Within corporate budgets, the continuing reprocurement of ICT services, unbundled from previously integrated contracts, is leading to ongoing savings against initial budgets. Other savings and underspends underpin the funding of this year's pay award, offsetting the current underspend when processed, most likely in December 2016.
- 3.4 The forecast outturn against budget for the full year is an underspend of £0.5m. This represents the 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. For now, 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. The fact the increases in both public and private law demand have continued and look likely to do so means maintaining and expanding workforce capacity is essential which will inevitably lead to some rise in

frontline workforce spending towards the end of this year and leading in to the next financial year.

3.5 The outlook for our spending requirements beyond March 2017 is the subject of a separate paper elsewhere on the agenda for today's meeting.

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

	£'000
Budget to 30 September 2016	56,947
Spend to 30 September 2016	55,765
Underspend at 30 September 2016	1,182
Budget for remainder of year	65,402
Forecast spend for remainder of year	66,084
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
17 October 2016