



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 20th June 2014
FINANCE REPORT

KEY POINTS

- Cafcass balanced its budget in 2013-14 with an underspend of £0.053m against a budget of £125m.
- Scrutiny of the results for the first two months of the new year suggest no areas of concern for now.
- The outturn for 2013-14 and results so far this year provide assurance as to both the strength of the decision making process for allocation of budgets and the skills of the budget holders overall in working with finance colleagues in their scrutiny and forecasting activities.

1 AIM AND PURPOSE

- 1.1 To confirm to the Board the audited year end position for 2013/14.
- 1.2 To report the financial results for May 2014.

2 RECOMMENDATIONS FOR THE BOARD

- 2.1 To note the audited year end position for 2013/14.
- 2.2 To note the financial results for May 2014.

3 BACKGROUND

- 3.1 In February 2014 the Board received a report on the forecast financial position for 2013/14. The forecast was based on the results for the 9 months ended 31st December 2013 and reflected a consistent position in relation to earlier reporting of a broadly balanced budget. Work carried out in April 2014 on the annual accounts and subsequently during the auditing of those accounts has confirmed the final outturn for the year, being an underspend of £0.053m.
- 3.2 Budget holders have now completed their management accounts for the two months ended 31 May 2014. These indicate expenditure running just below budget, with a year to date underspend of £0.193m.

4 OUTTURN 2013/14

- 4.1 Summaries of the outturn position between operations and National Office functions are set out in Table 1. The operational area finished the year with an underspend as anticipated, slightly higher than forecast given the inherent uncertainty around flexible workforce commitments. This reflected the strong forecasting disciplines within the operational area working with finance colleagues. The corporate budgets also finished broadly in line with budget reflecting the investments in the Future Working Programme and in particular the investment in the replacement Electronic Case Management System through underspends and the application of contingency funding during the year. A provision was also made against the future loss of volume discounts within the shared ICT services agreement as some customer contracts conclude during the overall lifetime of the shared service.

4.2 The outturn also demonstrates compliance with the requirement to manage spending within the split of grant to fund administrative and programme spending.

4.3 An additional cash drawn down was also negotiated with the DfE to ensure funds were available to settle costs incurred during 2013-14, the cash settlement of which would not arise until 2014-15.

5 May 2014 ACCOUNTS

5.1 These accounts are reviewing the financial position at the end of the first two months and are important to review to draw out areas of potential risk. Summaries of income and expenditure for April and May combined by expense type and budget holder are included at Tables 2,3 and 4.

5.2 The overall position from budget holder returns is an underspend of £0.193m. This underspend is split broadly equally between the operational and corporate areas and highlights a need for some budget profile adjustments rather than being representative of longer term underspends at this stage.

5.3 The budget setting process for 2014-15 retained a corporate contingency of £1m.

6 KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

6.1 The results for 2013-14 provide assurance the disciplines of budget management, including prudence, close scrutiny and careful forecasting, have delivered a balanced budget outturn for the year. Given the size of the budget and the system of delegation to manage it, this represents the combined efforts of many budget holders working closely with financial colleagues. The outturn provides further assurance of the decision making that allocates budgets to priority frontline services while also maintaining a modest corporate core and a contingency budget for unmanageable pressures and/or priority investments.

6.2 The results for the first two months of the new financial year reveal an absence of any particular matters that challenge the planning assumptions behind this budget. The sustainability of the recent reduction in Private Law demand will be carefully monitored but for now is not thought to signal a departure from those planning assumptions. The results of the Quarter One financial forecast will be reported to the next meeting of the Board providing a first formal forward look at the financial prospects for this year.

7 BENEFITS FOR CHILDREN

7.1 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.

8 FINANCIAL ANALYSIS

8.1 The financial implications of this paper are contained in the main body of this report.

9 RISK ANALYSIS

9.1 Risks to managing within allocated resources are kept under careful and constant review through the monitoring and reporting of regular financial information by budget holders and regular dialogue with the department in relation to sharing information on the implications of government guidance. The retention of a corporate contingency also provides some resilience against financial pressures that cannot be mitigated in other ways.

10 DIVERSITY ANALYSIS

10.1 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 Finance

12 June 2014