



**CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE**  
**Paper for the Board Meeting 6 December 2013**  
**QUARTER TWO FINANCIAL RESULTS**

**KEY POINTS**

- The budget for 2013/14 continues to balance.
- The budget continues to align with and support operational and strategic priorities.
- The level of spending after the first seven months of the year remains lower than budgeted for, but the rate of spending is now increasing compared to budget as actual spend on projects and activities profiled earlier in the year is now being incurred.
- Overall, the forecast spend is expected to be in line with the budget.

**1. AIM AND PURPOSE**

- 1.1 To report the financial results for the seven months ended 31 October 2013 and the forecast results for the year ended 31 March 2014.

**2. RECOMMENDATIONS/ACTION FOR THE BOARD**

- 2.1 To review the financial results for 2013-14.

**3 BACKGROUND OCTOBER 2013 ACCOUNTS AND FORECAST 2013-14**

- 3.1 These accounts are reviewing the financial position at the end of the first seven months of the financial year. Summaries of income and expenditure at the end of October by budget holder are included at Table 2. The overall position from budget holder returns is an underspend of £1.616m. Of this Operational Areas have returned an underspend at the end of October of £0.443m. The balance of £1.173m relates to slippage on estates projects and a release of some estimated accommodation costs from the previous year end together with a reduction in the amounts set aside for future dilapidation costs, in line with the recommendations arising from the audit of the financial statements for the previous financial year.

	£'000
Budget for the seven months to October 2013	72,415
Actual spend for the four months to October 2013	70,799
<b>Underspend at 31 October 2013</b>	<b>1,616</b>

- 3.2 Overall forecast expenditure is expected to be in line with budget. The operational area is forecasting a small overspend of £0.029m. While National Office budgets are also forecasting a broadly balanced position, there are significant cost pressures being managed within the Future Working Programme (FWP). These are consistent however with the previous periods reporting and the systems to monitor and forecast the costs of a

number of complex projects are effective. A summary of spending and budget for the remainder of the year is set out below:

	£'000
Budget for the five months to March 2014	54,785
Actual spend for the four months to October 2013	56,401
Underspend at 31 October 2013	(1,616)
<b>Forecast outturn</b>	<b>0</b>

- 3.3 The budget setting process for 2013/14 resulted in an initially retained corporate contingency of £2.771m. There have been a number of allocations from this. In particular £0.500m had been earmarked to support the London Service area and initially up to a further £0.500m set aside specifically for additional potential costs through Estates and the Future Working Programme. The increased pressures from the FWP and Estates programme required a further £0.871m. The majority of the balance of unallocated contingency funds at this stage is £0.867m has now been earmarked to settle pay negotiations for the current year, central government having permitted a 1% pay award for public sector workers. Of this sum, £84,000 is recurring spend NB The sums are based upon the offer we have made to the recognised trade unions representing Cafcass staff. Risks in relation to the impact of the Government's policy of a presumption of employee membership in the employer's pension scheme have now been contained within the forecast spending. No other significant spending pressures are anticipated at this stage. The agreement of our grant funding for 2014-16 also negates any requirement for further savings programmes next year that may have a cost associated with implementation to be managed within the current year.

#### **4 CONTRIBUTION OF THE REPORT/PROPOSAL TO DELIVERY OF THE 2013/15 CAFCASS STRATEGIC PLAN**

- 4.1 The budget for 2013-14 has continued to align with operational and strategic priorities, by prioritising funds to service delivery, maintaining a safe minimum set of corporate and national functions and a contingency to deal with unforeseen spending pressures as well as enable short term investment in initiatives supporting specific actions within the strategic plan. This alignment will be kept under review through the monitoring of both financial performance and progress towards delivery of the strategic and national business plans.

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

- 5.1 The 2013-14 results now cover the first seven months of the financial year. There are a number of spending pressures being managed without compromise to the overall balanced position being forecast. Historically there has been a tendency for forecast spending to fall in the latter part of the financial year so the challenge is to have a number of proposals to utilise any emerging underspends. These are expected to be low in value based on firm existing and forecast commitments.

#### **6 BENEFITS 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 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.

**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.

**10 COMMENTS FROM THE HEAD OF LEGAL SERVICES**

- 10.1 No additional comments required.

**11. COMMENTS FROM THE DIRECTOR OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT**

- 11.1 No additional comments required.

**Anthony Douglas**  
**Julie Brown**  
**29 November 2013**