



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 15 June 2017
FINANCE REPORT

KEY POINTS

- The rigour and accuracy of last year's budget management and forecasting has been borne out through the proximity of outturn to the position forecast in year.
- Early trends in spending in the current year are in line with our expectations of the need for additional resources to manage existing and the continuing rise in demand.
- Confidence is high that the position at this stage of the financial year, and prospects for the remainder, is one of having a sufficient level of resources to deliver the services required of us to all the children referred to us. This assumes full utilisation of the grant allocation, including those elements that have been retained by MoJ to ensure early expenditure trends are in line with spending the full 2017/18 grant allocation.

1 AIM AND PURPOSE

- 1.1** To confirm the financial results for 2016-17 and give initial guidance on the financial position for the current year.

2 RECOMMENDATIONS FOR THE BOARD

- 2.1** To note the financial results for the prior and current year.

3. FULL YEAR RESULTS AND INITIAL GUIDANCE FOR THE CURRENT FINANCIAL YEAR

- 3.1** The accounts for 2016-17 have been completed and audited and appear elsewhere on the agenda for today's meeting. They confirm the position forecast within the year of a managed underspend to support the Ministry of Justice's (MoJ's) financial strategy (as our sponsoring Department). In-year forecasts placed the underspend at £0.5m where the final outturn position was an underspend of £0.772m. Of the additional £0.272m, £0.170m were refunds and rebates in relation to two of our offices, which were only notified by the landlords in the last week of March 2017. Overall though, this reflects the continuing effective efforts of all budget holders in Cafcass to accurately monitor and manage their individual budgets throughout the year.
- 3.2** The management accounts for the end of May 2017 show no areas of concern with spend broadly in line with the profiled budget. There is a small cumulative underspend, £0.256m, which has been reflected in the forecast spending level for the full year. Good progress has been made in recruiting the additional staff needed to manage the existing and anticipated demand increases but some of the start dates for these fall a little later than had been anticipated at budget profiling stage. Our projected spending level going forward will continue to rise and already indicates a run rate utilising £3m of the £4m net additional funds allocated to us this year. The management accounts are attached in Appendices 1 to 3.
- 3.3** The Statement of Financial Position (SOFP) at the end of May 2017 has also been included at Appendix 4. There have been no additions or disposals of fixed assets since the start of the financial year. Current assets mainly comprise prepaid expenditure and amounts due from MoJ for services commissioned on their behalf since the start of the financial year. Current assets mainly comprise the Cafcass Bank Account which had a balance at the end of the month within the tolerance set by MoJ but also sufficient to cover any emergency payments prior to receipt of the next monthly drawdown of grant funding. Current liabilities are substantially accruals pending receipt of invoices for goods and services already received. Noncurrent liabilities comprise in small part the provision for dilapidations on leasehold premises. The substantive liability and item on the SOFP is the pension liability which will carry through the year at its last valuation being 31 March 2017, until the next revaluation at the end of March 2018.

4. KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

4.1 At this early stage of the financial year, this report is by way of information. Strategic issues regarding the in-year and future years' positions are likely to arise for Board consideration at its next meeting.

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 no particular risks to draw to the attention of the Board at this stage. General risks associated with the in-year and future year financial positions are discussed within the Strategic Risk Register.

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
8 June 2017