



CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 20 October 2017
FINANCE REPORT

KEY POINTS

- Spending levels during the first six months of 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 remains that, through the full utilisation of the grant allocation, including those elements that have been retained by MoJ, the previously excessive workloads and their associated pressure on staff will continue to fall, and the quality and performance of case management and throughput can continue to improve.
- The ongoing legacy costs of the growth in the workforce require the maintenance of funding in excess of the current year's forecast spending requirement. This position has been laid out in previous budget submissions and will be a feature of detailed budget discussions for 2018/19.

1 AIM AND PURPOSE

- 1.1** To confirm the expected financial position for the current year.

2 RECOMMENDATIONS FOR THE BOARD

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

3. EXPECTED FINANCIAL POSITION FOR THE CURRENT YEAR

- 3.1** The management accounts for the six months to the end of September 2017 show spending ahead of budget by £0.6m but this rather reflects the timing of spend compared to when profiled to fall, particularly in relation to IT costs (£0.6m). The position on operational area spending is an underspend of £0.2m offsetting the effect of both the IT spend and the increased provision for dilapidations against the Sheffield premises. Good progress continues to be made in recruiting the additional staff needed to manage the existing and anticipated demand increases. Our projected spending level going forward will continue to rise and already indicates a run rate utilising all of the £4m net additional funds allocated to us this year, although the potential for a small underspend in the order of £0.1-£0.2m has previously been shared with the MOJ. The management accounts are attached in Appendices 1 to 3. A summary of our year to date and forecast position is set out below.

	£'000
Budget profiled to 30 September 2017	58,835
Spend to 30 September 2017	59,408
Overspend at 30 September 2017	573
Budget for remainder of year	67,614
Forecast spend for remainder of year	66,891
Forecast outturn (underspend)	150

- 3.3** The Statement of Financial Position (SOFP) at the end of September 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. Non current 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 A significant challenge for resource management in the current financial year is to maintain the high level of effective fiscal control over the budget while at the same time embarking on a rapid expansion of the workforce to align with the increase in demand for services, recognised by the MOJ through the allocation of an additional net £4m of funding in the current year. The additional capacity enabled through the increased grant funding is being utilised through a combination of both permanent and flexible workers which create their own challenges for financial management. Firstly, through the ongoing spending requirement they create on future financial years. But also, the variability this can introduce in to what were previously relatively stable local area forecasts. The latter is being managed very effectively through the continued collaborative scrutiny between operational and finance colleagues. The ongoing legacy costs of the growth in the workforce require the maintenance of funding in excess of the current year's forecast spending requirement. This position has been laid out in previous budget submissions and will be a feature of detailed budget discussions for 2018/19.

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
12 October 2017