CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 10 October 2018
FINANCE REPORT

KEY POINTS

- Monitoring for 2018-19 indicates spending continues to be in line with expectations.
- There remain a number of financial risks to manage this year in relation to continuing rises in demand and funding this year's pay award.
- The Corporate Management Team will use this month to assess the overall position for the first half of the financial year and determine further delegations from the contingency, the priority being to maintain front-line services.

1 AIM AND PURPOSE

1.1 To provide an update about 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. EXPECTED FINANCIAL POSITION FOR THE CURRENT FINANCIAL YEAR

3.1 The management accounts for the end of August 2018 show no areas of concern with spend broadly in line with the profiled budget. A cautious approach to budget allocation and approval of new spend has been taken to maintain resilience to deal with potential spending pressures later in the financial year, particularly those relating to demand. The Corporate Management Team will shortly be reviewing spending over these first six months with a view to then formalising allocations for the remainder of the year. Thus, a number of the budgets in Appendix 3 indicate forecast variances that are more reflective of the provisional budget allocation approach rather than any significant underlying pressure. The final allocations will be fully reflected in the next finance report for the Board.

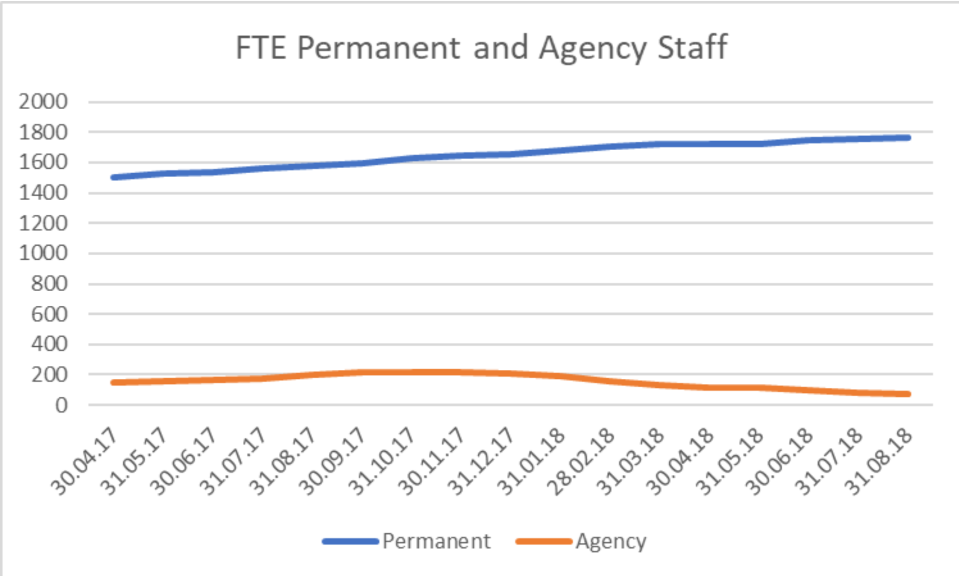
3.2 A summary of the spend against budget at the five months stage and the forecast spend for the remainder of the year is set out below.

	£'000
Budget April to August 2018	50,015
Spend to date, April to August 2018	50,030
(Overspend) at 31st August 2018	(15)
Budget September 18 to March 2019	81,901
Forecast spend September 18 to March 2019	81,885
Forecast Outturn variance	nil

3.3 Appendix 1 shows the split and performance of spending between Admin and Programme spend which are separate allocations and control totals. Appendix 2 also sets out the analysis of spending between Admin and Programme, but here for the purposes of maximising resources to frontline activities. Appendix 3 sets out the year to date and forecast performance across the main operational, national and corporate budgets.

3.4 The Statement of Financial Position (SOFP) at the end of August 2018 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. Other 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 2018, until the next revaluation at the end of March 2019.

3.5 The latest number of staff employed and on temporary and agency contracts is set out below. The trend reflects the increase in permanent staff enabled through additional funding in 2017/18. There are no formal targets for the level of agency staff. The strategy is to have a flexible workforce within budget, that includes a mix of permanent/agency/bank and Cafcass Associates. It continues to be the case that no one team is disproportionately represented by agency.



4. KEY STRATEGIC ISSUES FOR THE BOARD TO CONSIDER

4.1 The cautious approach to allocating a 'safe minimum budget' to budget holders has been retained throughout this five month period. This has protected the bottom line position with only a small level of budget allocated from contingency in relation to service pressures. But while prudent, this approach will inevitably be adding to the pressure on frontline managers to deliver services within the constraints of both key performance measures and quality in the face of a continuing rise in demand and the continuous rise in 'open cases' live in the family justice system at any one time. With the financial risks of the IT transition largely now resolved and settling within the range expected, the Corporate Management Team will use this month to assess the overall position for the first half of the financial year and determine further delegations from the contingency, with a priority to the frontline. Aside from the rate of increase in demand, the only other remaining financial planning risk relates to the outcome of the Pay Award approval process which has not yet been determined across the MOJ. This budget reflects and funds the intended award, but which itself sits outside the range indicated by the Cabinet Office. Making a pay award in line with the sector average is considered vital to successful recruitment and retention this year.

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 General risks associated with the in-year and future year financial positions are discussed within the Strategic Risk Register. Continuing increases in demand always create financial pressures through the need to manage practitioner workloads and the quality of work. This is also the year in which our underlying technology transitions between suppliers and there have been separate financial risks associated with the exit and transition which have now been managed. The third area of financial risks relates to the way in which the children's social work sector handles pay awards this year. A cautious approach has been taken to retain some unallocated funds until there is greater clarity on the extent to which any of these risks manifest during the year.

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
1 October 2018