CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 15 June 2018
FINANCE REPORT

KEY POINTS

- The outturn position for 2017-18 was within the level forecast during the latter part of the year and is reflected in the audited Accounts elsewhere on the agenda today.
- Early monitoring for 2018-19 indicates spending is in line with expectations.
- There are a number of financial risks to manage this year in relation to continuing rises in demand, our technology transition work and maintaining a competitive employment offer.

1 AIM AND PURPOSE

1.1 To confirm the financial results for 2017-18 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 2017-18 have been completed and audited and appear elsewhere on the agenda for today's meeting. They confirm the position forecast within the year, being an overspend of £0.672m which is within the level forecast during the latter part of the year of £0.750m. Given this is the first overspend reported in a number of years, a review of the process and information used to support in year forecasting has been carried out and improvements made to strengthen our ability to see potential pressures sooner than was the case last year. The circumstances of a concerted programme of exceptionally high recruitment to both permanent and temporary roles nonetheless made for a very challenging situation last year which is unlikely to be repeated at such a scale.

3.2 The management accounts for the end of May 2018 show no areas of concern with spend broadly in line with the profiled budget. Given the lateness of the formal confirmation of funding for the current year, the first quarter's budget for 18/19 was allocated to budget holders at the same level as the previous year. This ensured a managed framework for spending decisions pending announcement of grant funding for this year. The Corporate Management Team will shortly be reviewing spending over these first three months with a view to then formalise 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.

3.3 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 May 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. 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.

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. For now a cautious approach has been taken in allocating a 'safe minimum budget' to budget holders but also retaining sufficient capability to deal with a number of risks with financial consequences set out in 7 below.

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 are separate financial risks associated with the exit and transition which are also being 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
12 June 2018