CHILDREN AND FAMILY COURT ADVISORY AND SUPPORT SERVICE
Paper for the Board Meeting on 20 March 2019
FINANCE REPORT

KEY POINTS

- The management accounts for the end of February 2019 continue to show no areas of concern with spend continuing to fall broadly in line with the profiled budget.
- This position is only achieved through the continued efforts of budget holders who balance the risks of service delivery, quality and financial balance throughout their daily work.
- Final decisions by the MOJ on funding allocations for 2019/20 are still pending.

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 current year.

3. EXPECTED FINANCIAL POSITION FOR THE CURRENT FINANCIAL YEAR

3.1 The management accounts for the end of February 2019 continue to show no areas of concern with spend continuing to fall broadly in line with the profiled budget. These allocations include a further distribution (£0.400m) from the retained contingency to complete the planned replacement of monitors through Hardware As A Service arrangements. The existing equipment has been in decline for some time with regards its general performance and, in particular, the quality of display which presents its own concerns for staff using these for prolonged periods of time.

3.2 These results also reflect the inclusion of the costs (£0.700m) of the business case to seek to make a further in year pay award, to provide a combined award in line with the broader sector.

3.3 Overall, a small forecast underspend is reported (£0.082m). This relates specifically to change funding allocated at the start of the year as part of our overall grant in aid, specifically for Estates projects. This funding can only be used to support expenditure that in turn leads to future spending reductions. While there has been expenditure in the year relating to property moves, this spend did not meet the funding criteria, and so has fallen to be absorbed within the general grant. As Appendix 3 shows, the position across the estates and general accommodation budgets has been balanced, through the efforts of the estates team.

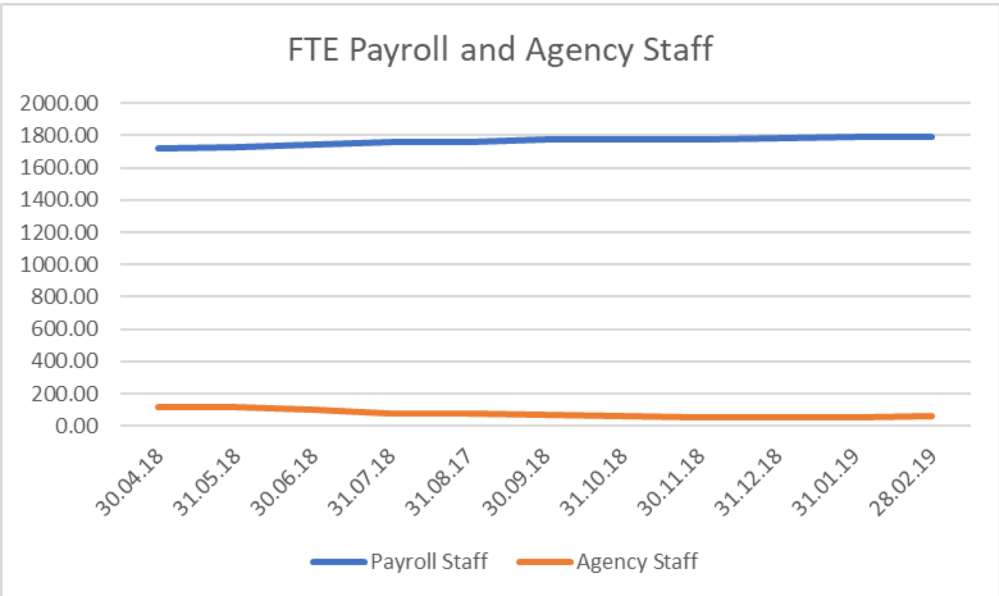
3.4 The overall forecast position is reflective of the position across both operational budgets and the national and corporate budget areas combined. The year to date position (£0.812m overspend) reflects the timing of spending compared to when the budget was profiled to spend and does not constitute an over commitment of resources across the full financial year. A summary of the spend against budget at the eleven months stage and the forecast spend for the remainder of the year is set out below. The budget below is inclusive of additional grant income for contact activities commissioned for the MOJ (£1.659m) and Annually Managed Expenditure relating to movements in provisions and end of year pension accounting adjustments (£10.287m).

	£'000
Budget April to February 2019	109,377
Spend to date April to February 2019	110,189
(Overspend) at 28 February 2019	(812)
Budget March 2019	22,789
Forecast spend March 2019	21,895
Forecast Outturn variance	0.082

3.5 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. While these show an excess of spend compared to budget at the eleven month stage this relates to the timing of spend on particularly ICT related contracts compared to when the spend was initially planned to take place.

3.6 The Statement of Financial Position (SOFP) at the end of February 2019 has also been included at Appendix 4. 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.

3.7 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 include 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 We are nearing the end of the financial year where the financial impact of any changes in the operating or corporate environment would be small within the current financial year. CMT nonetheless remain vigilant in assessing risks to the financial position with a small retained contingency for the final few weeks of the year. This position is only achieved through the continued efforts of budget holders who balance the risks of service delivery, quality and financial balance throughout their daily work. Any extension of commitments in the final month is considered very carefully in relation to their creating ongoing liabilities in the next financial year, where the final decision on allocations by the MOJ is still pending.

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 children’s social work sector pay strategy this year. While we have set aside sufficient funds to support a settlement in line with the sector, an interim award within the MOJ pay controls has been made with further work now in hand to seek approval for a second and final supplementary award.

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
15 March 2019