

Children's Hearings Scotland Board Paper

Agenda Item 2.2

Date of Meeting	19 January 2012
Paper number	CHS1112-031
Title	CHS Financial Report
Purpose	The purpose of the paper is to note CHS' current financial position.
Options	Note CHS' current financial position
Recommendations	The Board is recommended to— Note CHS' current financial position
Attachments	
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Children's Hearings Scotland

2011/12 Expenditure Report

1. Background

- 1.1 This report provides a summary of CHS' financial position for period to December 2011 and forecast for the full year 2011/12.

The total available revenue resources for 2011/12 are £0.75m. This sum has been provided verbally by the Sponsor team and the grant-in-aid letter will be issued once it has been confirmed with a view to drawing down in February and March.

The estimate in the Financial Memorandum for 2011/12 was £1.182m and this amount has been adjusted downwards as more realistic forecasts have become available.

There are caveats around the actual expenditure to 31 December 2011 as the latest available expenditure breakdown provided by Sponsor team covers the period only to 30 September. However, it is not expected that there is any material expenditure on behalf of CHS which is not reflected in the table below.

The format of the finance report has been modified to reflect the corporate structure. Figures previously provided to the Board have been reclassified to provide meaningful comparatives. As the performance management framework is introduced the format of Finance report will be reviewed to ensure that it continues to provide meaningful and robust information.

2. Revenue

- 2.1 The following table summarises the position to 31 December 2011, and the forecast outturn for the year by expense head. Work will continue to improve the robustness of forecasts as the 2011/12 work-plan crystallises.

	Estimated actual expenditure Apr-Dec	Forecast expenditure Jan-Mar	Full year Forecast to 31 March 2012	Forecast Reported to Board 6 December
	£000	£000	£000	£'000
Staff	153	118	271	280
Property	0	23	23	18
Executive	25	44	69	82
Corporate Services	100	164	264	220
Panel and Area Support	0	78	78	50
TOTAL	278	427	705	650

Estimated revenue expenditure in the year to December 2011 is £278k and the current forecast for the full year, based on expected activity for the period to 31 March is £705k. This compares with indicative grant in aid for 2011/12 of £750k.

2.2 Staff Costs

The full-year forecast for staff costs at £271k is £9k less than the £280k reported to the

Board on 6 December. The variance is due to later than anticipated start dates for some permanent staff and lower than forecast temporary staff costs, offset by the secondment costs of the project manager to 31 March.

2.3 Property Costs

Property costs for the year 2011/12 are £23k. The figure of £18k reported to the Board on 6 December excluded shared costs of £5k.

2.4 Executive Costs

This category includes Board costs, internal and external audit. The revised forecast for the year to 31 December is £69k. The previous estimate for audit fees of £30k is considered too high and has been reduced to £19k. It should be noted that there is still a degree of uncertainty around this figure as Audit Scotland have not yet provided indicative audit fees.

2.5 Corporate Services

This category of expenditure includes shared service charges, recruitment, ICT, furniture and equipment, staff training, communications costs and additional legal and HR costs incurred. The forecast expenditure on Corporate Services to 31 March is £264k. This compares with £220k reported to the Board on 6 December. The increase in forecast is due to the inclusion of the second phase of recruitment (£13k) and provisions for expenditure on design, web-development and intranet (£35k).

2.6 Panel and AST Support

This expense head includes support for AST consultation (£15k), National Standards mailing and events (£26k), a provision for professional support for new training arrangements (£15k), and a further general provision for professional support of £20k.

3. Conclusion

3.1 Forecast revenue expenditure to 31 March 2012 at £705k is 8% higher than reported to the Board on 6 December 2011.

