

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	27 January 2015	<b>Item:</b> Paper (15) 07

<b>Title:</b>	Finance Report to 31 December 2014	
<b>Author / Introduced by:</b>	Edwin Josephs, Director of Finance and Services <a href="mailto:edwin.josephs@legalservicesboard.org.uk">edwin.josephs@legalservicesboard.org.uk</a> / 020 7271 0084	
<b>Status:</b>		

<b>Summary:</b>	
This paper summarises the financial position as at the end of December 2014.	

<b>Recommendation(s):</b>	
The Board is invited to <b>note</b> and to <b>comment</b> on the Finance Report.	

<b>Risks and mitigations</b>	
<b>Financial:</b>	N/A
<b>Legal:</b>	N/A /
<b>Reputational:</b>	N/A /
<b>Resource:</b>	N/A /

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		✓	N/A- routine update and commentary
<b>Consumer Panel:</b>		✓	
<b>Others:</b>	N/A		

<b>Freedom of Information Act 2000 (Fol)</b>		
Para ref	Fol exemption and summary	Expires
N/A	None	

## LEGAL SERVICES BOARD

<b>To:</b> Legal Services Board	
<b>Date of Meeting:</b> 27 January 2015	<b>Item:</b> Paper (15) 07

### Finance report for December 2014

#### Recommendation

The Board is invited to note and to comment on the Finance report.

#### Introduction

1. This paper provides a brief commentary about the period ending 31 December 2014. A financial report is attached (**Appendix 1**).
2. This report covers the first month of the year and spending is largely in line with expectations and forecasted variances.
3. *Overall position* – spending to the end of December is £2,610,553 against a budget of £2,730,785 resulting in an underspend of £120,232 (£81,885 in 2013).
4. *Cash position* - following supplier, legal, HMRC and salary payments in December, the funds held in the bank have decreased from £4.23m to £3.90m.

#### Points to note

5. An analysis of the main spending headings reveals:
  - a) **Board Costs** – The Board is still operating with one position vacant.
  - b) **Staffing Costs** – The former Chief Executive left the LSB at the end of November and during December this post, another Director level post and an Associate level post remained unfilled. We have successfully recruited to all three of these roles, two starting in January and one in February.
  - c) **Accommodation Costs** – We are now occupying less space than when in Victoria House, but no longer have a dedicated large meeting room facility within our office space. When needed we hire rooms from our landlord, the Office of Rail Regulation and this provides better value for money. On occasions we are also able to use rooms provided by the Medical Research Council free of charge.
  - d) **Outsourced Services** – Our outsourced arrangements for IT continue to be effective.
  - e) **Legal and Associated Costs** - The legal costs include the actual amounts paid to the end of December. Although the Court of Appeal found in our favour on costs as well as the substantive issue on the QASA judicial review on 30 October, the position is currently shown as 'over budget' as the exact position on whether there is a repayment and its timing will not be known until we know if the claimants will be granted leave to appeal to the Supreme Court and the outcome of the detailed cost assessment that would be necessary following the Appeal Court decision. If leave is granted, the uncertainty could persist well into 2015-16 or even further.

EJ 09.01.15

## Legal Services Board

## Financial Report for the period 1 April 2014 to 31 December 2014

	/----- Current Month -----\ Dec-14				/-----Cumulative Totals -----\ to the end of December 2014			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
<b>LSB Board</b>	15	17	2	10	141	150	9	6
<b>Staff Costs</b>	171	202	31	15	1,624	1,712	88	5
<b>Accommodation</b>	23	25	3	11	208	228	21	9
<b>Outsourced Services &amp; IT Costs</b>	21	22	0	2	106	123	17	14
<b>Office Running Costs</b>	4	6	3	43	44	62	18	29
<b>Governance &amp; Support Services</b>	3	4	1	14	71	71	1	1
<b>Legal &amp; Associated Costs</b>	11	7	-4	-53	124	85	-39	-45
<b>Depreciation</b>	6	6	0	0	30	30	0	0
<b>Research &amp; Professional Services</b>	2	2	0	0	18	18	0	0
<b>Consumer Panel</b>	15	15	0	-1	138	134	-4	-3
<b>OLC Board</b>	12	13	1	8	108	118	10	8
<b>Total Costs</b>	<b>283</b>	<b>319</b>	<b>36</b>	11	<b>2,611</b>	<b>2,731</b>	<b>120</b>	4

Figures are shown in £000s although the exact amounts are used when calculating variances and totals, which means that some totals may appear not to add up correctly