

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	22 October 2015	<b>Item:</b> Paper (15) 57

<b>Title:</b>	Finance Report to 30 September 2015	
<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>	Official	

<b>Summary:</b>
This paper summarises the financial position as at the end of September 2015.

<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>	There are no financial risks – this is a factual report
<b>Legal:</b>	There are no legal risks- this is a factual report
<b>Reputational:</b>	The LSB needs to be seen as effective in managing funds at its disposal. The Board needs to satisfy itself that this is the case. The Executive also consider how it is has used it funds on a monthly basis and will take any necessary action as a result of this review.
<b>Resource:</b>	There are no resource risks- this is a factual report

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

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### Finance report for September 2015

#### Purpose

1. This paper provides a brief commentary about the period ending 30 September 2015. A financial report is attached (**Appendix 1**).

#### Recommendation

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

#### Points to note

3. This report covers the first four months of the year and spending is largely in line with expectations and forecasted variances.
4. *Overall position* – spending to the end of September is £1,660,233 against a budget of £1,747,855 resulting in an underspend of £87,623 (£64,351 in 2014).
5. *Cash position* - following supplier, legal, HMRC and salary payments in September, the funds held in the bank have decreased from £5.37m to £5.05m.
6. The executive continue to manage their costs carefully, seeking opportunities for reduction where possible and to drive ongoing efficiency. In year underspends are as a result of careful management particularly of running costs.
7. An analysis of the main spending headings reveals:
  - a) **Board Costs** – The term of office of two members expired at the end of September 2015. Board Members will be aware that the process to identify and appoint new members has not been completed and that this has been drawn to the attention of the Lord Chancellor. The Act does allow for any decisions of the Board made while there are vacancies to the Board to remain valid. Our sponsor team are doing what they can to achieve a positive outcome but this is an issue for many NDPBs of the MoJ.
  - b) **Staff Costs** – Recruitment is currently underway for a new Chief Executive.
  - c) **Accommodation Costs** – The LSB has an agreement with the Office for Rail and Road to occupy some of their office space until 24 December 2019. There is an outstanding rent review due on the whole building, which is being managed by the Civil Aviation Authority on behalf of all of the building tenants (including the Government Legal Department and the Medical Research Council). The Executive have allocated funds to cover the likely increase.
  - d) **Office costs** – Following BT's determination that the period we were without telephony and data services (Holborn fire) was due to circumstances beyond their control we have successfully sought some compensation for 'business interruption' through our insurers. This amounted to £2,300 and has offset some of the additional costs we incurred to maintain connectivity to our data systems.
  - e) **Legal and Associated Costs** - Now that the outcome of the appeal to the Supreme Court on QASA has been published, upholding our original decision, we are seeking

to recover costs up to the maximum available under the Protective Costs Orders, issued by the various courts. These monies will be returned to the whole profession.

EJ 14.10.15