

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	8 September 2015	<b>Item:</b> Paper (15) 48

<b>Title:</b>	Finance Report to 31 July 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 July 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 July 2015

#### Purpose

1. This paper provides a brief commentary about the period ending 31 July 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 July is £1,049,424 against a budget of £1,123,261 resulting in an underspend of £73,837 (£62,944 in 2014).
5. *Cash position* - following supplier, legal, HMRC and salary payments in April, the funds held in the bank have decreased from £6.08m to £5.76m.
6. An analysis of the main spending headings reveals:
  - a) **Board Costs** – Although the Board is currently up to full complement the terms of two members will expire at the end of September 2015. We are pressing MoJ to make sure they complete the recruitment process for new members in good time but we have not had any assurance on this date. 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** – Although all colleagues are currently in post we will need to replace our Legal Adviser, who leaves the LSB at the start of October.
  - c) **Accommodation Costs** – We are pleased that the Law Society was able to offer the use of a large meeting room on a ‘free of charge basis’ when no room was available for a large meeting, which involved all approved regulators and hope this may be replicated by all regulators based in London as and when needed.
  - 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 will amount to £2,300 and will cover 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 will be 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 18.08.15