

To:	Legal Services Board	
Date of Meeting:	14 July 2016	Item: Paper (16) 50

Title:	Finance Report to 30 June 2016	
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Status:	Official	

Summary:
This paper summarises the financial position as at the end of June 2016.

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

Risks and mitigations	
Financial:	There are no financial risks – this is a factual report
Legal:	There are no legal risks - this is a factual report
Reputational:	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.
Resource:	There are no resource risks - this is a factual report

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

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

LEGAL SERVICES BOARD

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Finance report for June 2016

Purpose

1. This paper provides a brief commentary about the period ending 30 June 2016. 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 three months of the year and spending is largely in line with expectations and forecasted variances.
4. *Overall position* – spending to the end of June is £776k against a budget of £809k resulting in an underspend of £33k (£65k for the same period in 2015).
5. *Cash position* - following supplier, legal, HMRC and salary payments in June, the funds held in the bank have decreased from £6.56m to £6.29m.
6. An analysis of the main spending headings reveals:
 - a) **Board Costs** – This heading continues to underspend as the Board is one lay member below the level of the budget. The MoJ Public Appointments team have been carrying out a lay member recruitment process and we are waiting on the outcome of this.
 - b) **Staff Costs** – We currently have three vacant posts, which equates to approximately 10% of our workforce. One post has been vacant for a number of months, and two colleagues have recently started maternity leave. We are currently in the process of recruitment but there will inevitably be a delay between appointment and new colleagues being able to take up their new posts.
2. **Outsourced Services and IT Costs** – We continue to strive for the best value for money in the goods and services we purchase, fully cognisant that our funds are generated from the legal services sector. ICT support is provided by a small enterprise, in line with government's aim of encouraging the use of SMEs for public sector services. Facilities services are provided by the LSB's current landlord, the Office of Rail and Road. These outsourced arrangements provide the LSB with built in resilience, which is normally not a feature of small organisations. This obviates the need for expensive consultancy or temporary staff cover, whilst ensuring that we still receive a focused bespoke service.

EJ 5.07.16