

To:	Legal Services Board	Agenda Item No.:	12
Date of Meeting:	24 November 2016	Item:	Paper (16) 76

Title:	Finance Report to 31 October 2016
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Status:	Official

Summary:
This paper summarises the financial position as at the end of October 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	Ye s	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 October 2016

Purpose

1. This paper provides a brief commentary about the period ending 31 October 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 seven months of the year and spending is largely in line with expectations and forecasted variances.
4. *Overall position* –spending to the end of October is £1,907k against a budget of £1,993k resulting in an underspend of £86k (£121k for the same period in 2015).
5. *Cash position* - following supplier, legal, HMRC and salary payments in October, the funds held in the bank have decreased from £5.52m to £5.25m.
6. An analysis of the main spending headings reveals:
 - a) **Board Costs** –Two members joined the LSB from the start of October.
 - b) **Staff Costs** – We have new colleagues to replace some who have moved to new roles at other organisations by reason of progression, and some who are covering maternity leave. We are in the process of determining how to cover other current vacancies and posts that will soon become vacant.
 - c) **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.
 - d) **Governance and Support Services-** In line with the Board’s statutory responsibility work has begun on recruiting a new Chair and Member of the Office for Legal Complaints.