

<b>To:</b>	Legal Services Board	<b>Agenda Item No.:</b>	17
<b>Date of Meeting:</b>	28 April 2017	<b>Item:</b>	Paper (17) 32

<b>Title:</b>	Finance Report for 1 April 2016 to 31 March 2017
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<b>Status:</b>	Official

<b>Summary:</b>
This paper summarises the financial position as at the end of March 2017.

<b>Recommendation(s):</b>
The Board is invited to <b>review</b> 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 its 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 1 April 2016 to 31 March 2017

#### Purpose

1. This paper provides a brief commentary about the period ending 31 March 2017. A financial report is attached (**Appendix 1**).

#### Recommendation

2. The Board is invited to **review** the Finance report.

#### Points to note

3. This report covers the whole 12 months of the year.
4. *Overall position* –spending to the end of February is £3,525k against a budget of £3,998k resulting in an underspend of £473k (£711k for the same period in 2015/16).
5. *Cash position* - following supplier, legal, HMRC and salary payments in March and receipt of payment of the levy, the funds held in the bank are £7.01m.
6. An analysis of the main spending headings reveals:
  - a) **Board costs** – Overall costs are in line with forecast.
  - b) **Staff costs** – We have been carrying a number of vacancies during the year and have had three colleagues absent on maternity leave, and were able to reclaim an element of statutory maternity pay for them. We are also seeking to appoint an apprentice to train in business and administration.
  - c) **Accommodation costs**- We have taken advantage of using meeting rooms free of charge from other similar bodies, when capacity has allowed. Our landlord, the Office of Rail and Road has also negotiated successfully to keep rent increases at an affordable level.
  - d) **Outsourced services and IT costs** – We are constantly striving 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 and we continue to drive down our running costs. 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 our current landlord. As a small organisation, our managers are expected to undertake their own HR management, but this is supplemented by an outsourced advice arrangement. These outsourced arrangements have provided us 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 receives a focused bespoke service at an affordable cost.

- e) **Office costs** – We continue to scrutinise our office running costs to ensure we are obtaining the best value we can.
- f) **Governance and support services-** These comprise the costs of internal and external audit and the costs of our statutory responsibility to recruit members and Chairs of the Office for Legal Complaints and the Legal Services Consumer Panel.
- g) **Legal costs** – We have been managing our external advice spend carefully throughout the year relying heavily on our two in-house lawyers.
- h) **Consumer Panel-** We appointed a new Chair and Member of the Panel from 1 January 2017 but only filled one of the secretariat roles, supporting the Panel at the end of March.
- i) **OLC costs-** This budget is underspent for two reasons. Firstly reflecting the fact that there has been one less member than allowed for in the budget and secondly because the level of expenses claimed by OLC members has been consistently lower than budgeted, which reflects where the members live.