

To:	Legal Services Board	
Date of Meeting:	30 April 2014	Item: Paper (14) 27

Title:	Finance Report to 31 March 2014	
Author / Introduced by:	Edwin Josephs, Director of Finance and Services edwin.josephs@legalservicesboard.org.uk / 020 7271 0084	
Status:	Unclassified	

Summary:
This paper summarises the financial position as at the end of March 2014.

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

Risks and mitigations
Financial: N/A
Legal: N/A /
Reputational: N/A /
Resource: N/A /

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 March 2014

Recommendation

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

Introduction

1. This paper provides a brief commentary about the period ending 31 March 2014. A financial report is attached (**Appendix 1**).
2. This report covers twelve months of the year and spending is largely in line with re-forecasted budgets and forecasted variances.
3. *Overall position* – cumulative spending to the end of March is £4,266,055 against a budget of £4,448,000 resulting in an underspend of £181,945 (£234,729 in 2013).
4. *Cash position* - following supplier, legal, HMRC and salary payments in March, the funds held in the bank have increased from £3.00m to £6.75m following receipt of all expected levy funds from approved regulators.

Points to note

5. An analysis of the main spending headings reveals:
 - a) **Board Costs** – The level of travel costs have increased due the geographic location of Members. Three Members left the Board on 31 March with only two new Members appointed to date.
 - b) **Staff Costs** – Underspent as at the end of March as we were carrying three vacant posts. We have made appointments or offers for these. One person started at the end of April, one will start in early May and the final start date is still to be determined.
 - c) **Accommodation Costs** – We have now received actual bills from our new Landlord, the Office of Rail Regulation (ORR) for rent and services charges. ORR has charged us the full cost of occupation from 16 December, when we started our works. They have advised us that the head landlord, the Civil Aviation Authority, have increased services charges by approximately 20% during the last quarter of the 2013 calendar year.
 - d) **Outsourced Services and IT Costs** – We continue to make savings on these costs partly as a result of our new IT support contract and partly by bringing 'in-house' the services previously provided by the Competition Commission.
 - e) **Office Costs** – This includes charges for BT circuit lines, general travel and copying costs.
 - f) **Governance and Support Services** – This includes a credit as the actual charge for internal audit services was lower than originally planned as less days were used in the 2013/14 programme.

- g) Legal and Associated Costs** - The legal costs include the actual charges to the end of March. Although a proportion of our costs have been awarded following the outcome of the judicial review, the claimants have appealed. The position regarding recouping costs will not become clear until the appeal process runs its course and depending on that outcome. There is an oral hearing scheduled for 9 May, when the courts will consider if they will grant the claimants leave to appeal. Consequently the spend does not take into account any possible partial costs refund. If and when received, these will be credited to the 2014/15 accounts.
- h) OLC Costs** – This comprises the fees paid to OLC Board Members and reimbursement of their business travel costs.
- i) Consumer Panel** – This comprises the fees paid to the eight Panel Members and the secretariat as well as reimbursed business travel costs.

EJ 22.04.14