

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	15 October 2013	<b>Item:</b> Paper (13)73

<b>Title:</b>	Finance Report to 30 September 2013	
<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>	Unclassified	

<b>Summary:</b>
This paper summarises the financial position as at the end of September 2013

<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> N/A
<b>Legal:</b> N/A /
<b>Reputational:</b> N/A /
<b>Resource:</b> N/A /

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

<b>To:</b> Legal Services Board	
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### Finance report for September 2013

#### 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 30 September 2013. A financial report is attached (**Appendix 1**).
2. This report covers the first six months of the year and spending is largely in line with budgets- although there is one exceptional budget line as described below.
3. *Overall position* – cumulative spending to the end of September is £2,053,512 against a budget forecast of £2,075,602 resulting in an underspend of £22,091 (£82,058 in 2012).
4. *Cash position*- following landlord, supplier, legal, HMRC and salary payments in August the funds held in the bank have reduced from £5.09m to £4.84m.

#### Points to note

5. An analysis of the main spending headings reveals:
  - a) **Board Costs**- Fees for Members are fixed but the variable element of the budget relate to travel and subsistence. Members are required to purchase train tickets in advance, wherever possible. Travel activity was higher in September due to short-listing and interviewing for new member of the Consumer Panel.
  - b) **Staff Costs** – Small under-spend due to trial of reduced hours-working for one colleague following a request for flexible working.
  - c) **Accommodation Costs** – These comprise charges for rent, rates, services and utilities and are all in line with budget expectations. Rental costs are due to increase from the beginning of October and these have been factored into the phasing of this budget head.
  - d) **Outsourced Services & IT Costs**– We continue to take shared services from the Competition Commission for IT, facilities and financial transactions processing. In addition this heading includes outsourced costs for HR and Payroll and IT supplies and maintenance. These costs are largely fixed and governed by either service level agreements (with the CC) or contracts with other external suppliers.
  - e) **Office Costs** – Within this heading are charges for telephony, photocopying facilities, catering and licences and subscriptions e.g. copyright fees, parliamentary monitoring etc.
  - f) **Governance & Support Services**- Spending this month includes some costs related to the LSB's submission of its response to the MoJ following its call for evidence on Legal Services Regulation as well as recruitment costs for replacement Consumer Panel Member roles from the beginning of November and the beginning of April

- g) Legal and Associated Costs-** This includes an estimate of costs to date of advice to approve the regulatory changes for the Quality Assurance Scheme for Advocates (Criminal) and tackling the proposed Judicial Review of this decision. As the Board is aware, we are being extremely robust in relation to cost applications by the applicants in order to reduce risk and have been similarly rigorous in managing our own suppliers and seeking savings elsewhere to lessen threats to the budget overall. Nevertheless this remains by a significant margin the organisation's greatest financial risk.
- h) OLC Costs** – This comprises the fees paid to OLC Board Members and reimbursement of their business travel costs. The underspend this month relates to the processing of actual Member expense claims rather than the estimated figures reported in August.
- i) Consumer Panel** – This comprises the fees paid to the eight Panel Members and the secretariat as well as reimbursed business travel costs.

EJ 5.10.13