

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	27 November 2013	<b>Item:</b> Paper (13) 89

<b>Title:</b>	Finance Report to 31 October 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 October 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

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### Finance report for October 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 31 October 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 continues to be one exceptional budget line as described below.
3. *Overall position* – cumulative spending to the end of October is £2,416,881 against a budget forecast of £2,446,665 resulting in an underspend of £29,874 (£97,620 in 2012).
4. *Cash position*- following landlord, supplier, legal, HMRC and salary payments in August the funds held in the bank have reduced from £4.84m to £4.42m.

#### Points to note

5. An analysis of the main spending headings reveals:
  - a) **Board Costs**- Travel activity has returned to normal levels following higher expenditure in September due to short-listing and interviewing for new members of the Consumer Panel. These costs will increase for subsequent meetings as we will need to pay for travel and accommodation costs for one Member who is now based in Scotland.
  - b) **Staff Costs** – Underspent this month largely due to holding a project manager role vacant while we assess our work priorities.
  - c) **Accommodation Costs** – Costs as expected for the period. Costs for rent increased from 1 October and this has been fully reflected in the phasing of the budget. We anticipate making savings as soon as we are able to move to One Kemble Street. These planned savings will be used to offset increased external legal costs for defending our decision on Quality Assurance Scheme for Advocates- Criminal (QASA) at the Judicial Review hearing on 28 and 29 November.
  - 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 final amounts payable for the successful recruitment of 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 QASA (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.
- i) Consumer Panel** – This comprises the fees paid to the eight Panel Members and the secretariat as well as reimbursed business travel costs.

EJ 10.11.13