

To:	Legal Services Board	
Date of Meeting:	29 January 2014	Item: Paper (14) 09

Title:	Finance Report to 31 December 2013	
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Status:	Unclassified	

Summary:
This paper summarises the financial position as at the end of December 2013

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 December 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 December 2013. A financial report is attached (**Appendix 1**).
2. This report covers the first nine months of the year and spending is largely in line with budgets with two exceptions as detailed below.
3. *Overall position* – cumulative spending to the end of December is £3,128,746 against a budget forecast of £3,210,631 resulting in an underspend of £81,885 (£125,172 in 2012).
4. *Cash position*- following landlord, supplier, legal, HMRC and salary payments in December the funds held in the bank have reduced from £4.42m to £3.68m.

Points to note

5. An analysis of the main spending headings reveals:
 - a) **Board Costs**- Travel expenses have increased due to the new geographic location of one Board member. In addition there was a one off fee for preparation for a select committee appearance.
 - b) **Staff Costs** – Underspend this month largely due to a vacant project manager role. This underspend will increase in January following the departure of the Strategy Director.
 - c) **Accommodation Costs** – Despite profiling additional budget for expected rent increases at Victoria House we have underspent considerably on these costs. This is due to two main reasons:
 1. a reduction of nearly 30% of occupied space from early November, as the LSB was asked to release part of its occupied space to facilitate buildings work in preparation for the Competition and Markets Authority
 2. vacating all space at Victoria House after 20 DecemberLooking ahead, the savings resulting from the lower costs of Kemble Street in the final quarter of the year give us room for manoeuvre in managing the costs of the QASA litigation.

- d) **Consumer Panel** – Higher levels of travel and subsistence and catering costs this month.

e) Governance and Support Services- Spending this month includes final amounts payable for the OLC Chair recruitment.

f) Legal and Associated Costs- The legal costs include the actual charges for Field Fisher Waterhouse costs to the end of December. The final bill for QC costs will be included in next month's accounts. As explained in the CEO report, we will be taking a tough line on costs to protect the cash limit, prevent other parts of the profession having to meet a burden placed on them by a small group and to avoid the risk of accounts qualification were we not to press for reimbursement.

EJ 10.01.14