

To:	Legal Services Board	
Date of Meeting:	26 March 2014	Item: Paper (14) 18

Title:	Finance Report to 28 February 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 February 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

To: Legal Services Board	
Date of Meeting: 26 March 2014	Item: Paper (14) 18

Finance report for February 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 28 February 2014. A financial report is attached (**Appendix 1**).
2. This report covers eleven months of the year and spending is largely in line with re-forecasted budgets.
3. *Overall position* – cumulative spending to the end of February is £3,829,257 against a budget forecast of £3,943,945 resulting in an underspend of £114,689 (£175,123 in 2013).
4. *Cash position* - following, supplier, legal, HMRC and salary payments in February the funds held in the bank have reduced from £3.27m to £3.00m. LSB's new landlord has not yet sent any bills for accommodation services and these have all been estimated as per note 4c).

Points to note

5. An analysis of the main spending headings reveals:
 - a) **Board Costs** - Travel costs are higher than usual due mainly to the one-off costs of attending interviews for the LSB's Strategy Director.
 - b) **Staff Costs** – Underspent as we are currently carrying three vacant posts. Two of these have now been filled but won't take up post until the new financial year.
 - c) **Accommodation Costs** – Costs have been estimated for the last two months as we are still waiting for our landlords to send through charges.
 - 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 a partial refund on air tickets for the Harvard Law Conference and savings from the way we are charged for web uploads.
 - f) **Governance and Support Services** - Spending this month includes final amounts payable for the successful recruitment of members for the Office for Legal Complaints.
 - g) **Legal and Associated Costs** - The legal costs include the actual charges to the end of February. 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 (if there eventually is

one) runs its course and depending on that outcome. Consequently the spend does not take into account any possible partial costs refund. We continue to incur new charges as part of the Court's appeal process.

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 17.02.14