

To:	Board	
Date of Meeting:	22 February 2010	Item: Paper (10) 15
Title:	Finance report: January 2010	
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Status:	Unclassified	


Recommendation

The Board is invited to **note** the report.

Introduction

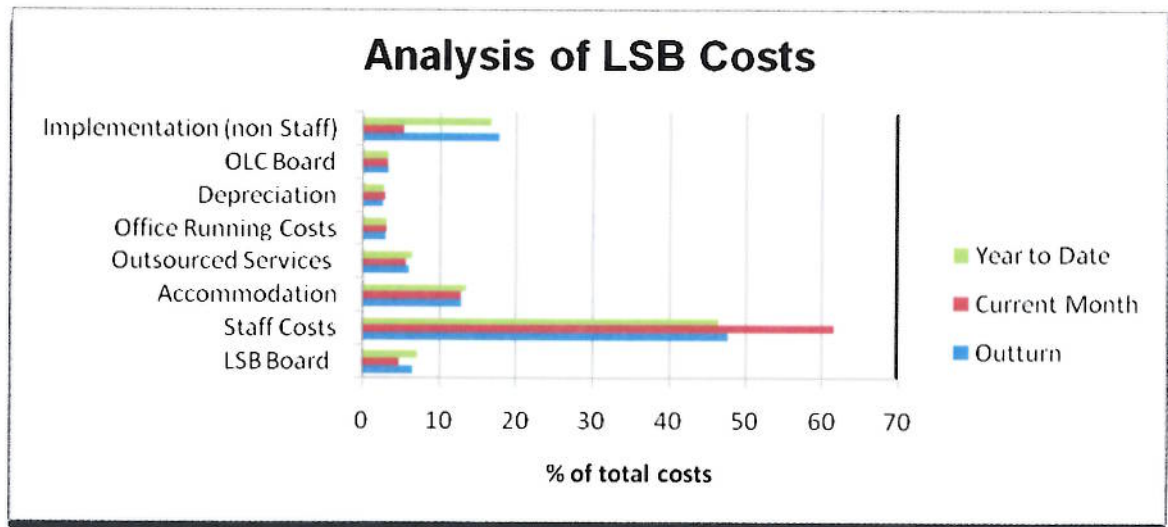
1. This Paper provides a brief commentary about the period ending 31 January 2010. A financial report is attached as **Appendix 1**.

Points to note

2. 
3. An analysis of the favourable variances reveals:
 - a) **LSB Board costs** – this reflects the fact that the Board currently has one position vacant. There has been a lower level of expense claims than in the first part of the financial year.
 - b) **Staff costs** – we are in the process of recruiting to the remaining vacant roles. The original budget assumed that all posts would be filled by the end of December 2009. Although the majority of these posts have now been filled, there will be a timing delay due to notice periods.
 - c) **Accommodation costs** – these are largely in line with budget forecasts and include rent, business rates, service charges and utilities. These costs are mostly fixed each month; the variable elements reflect actual utility costs and service charges, instead of quarterly forecasts.
 - d) **Outsourced services** – these comprise the work undertaken by the Competition Commission for LSB as part of the shared services agreement. This also includes additional work which is not covered by the support agreement, e.g. attendance offsite to assist remote users and installation of new software etc.

- e) **Office running costs** – consists of travelling expenses, catering, cleaning, postage and couriers, internal and external audit fees, publications, subscriptions, training and so on.
- f) **Depreciation costs** – this equates to a ‘usage charge’ of the equipment and furniture and fittings that we have and is calculated with reference to the original purchase cost and an estimate of its useful life.
- g) **OLC costs** – although the fees paid to OLC Board Members are fixed claims for expenses, they are not received on a monthly basis and this has the effect of distorting the actual position. Both OLC and LSB Board Members are encouraged to claim for any expenses on a monthly basis. Although the position in primary legislation is complicated, we are exploring the scope to get the OLC to pay as much of its own Board Members’ costs as possible.
- h) **Implementation Costs** – although the majority of these were incurred by MoJ prior to January 2008, this is also the area where the one-off charges for initial recruitment, legal advice and research costs will be shown. We will review this for the next financial year.

4. The table below shows the proportion of each *spend grouping* analysed by Year to Date, Current Month and Forecast Outturn. This demonstrates how the proportion spent on each category is changing as LSB becomes more established.



11.02.10