

To:	Legal Services Board		
Date of Meeting:	28 February 2019	Item:	Paper (19) 11

Title:	Finance Report to 31 January 2019		
Author / Introduced by:	Rusere Shoniwa, Interim Director of Finance and Services		
Status:	Official		

Summary:			
This paper summarises the financial results and position as at the end of January 2019			

Recommendation:			
The Board is invited to review the Finance Report.			

Risks and mitigations			
Financial:	There are no financial risks – this is a factual report		
Legal:	There are no legal risks - this is a factual report		
Reputational:	The LSB must demonstrate effective management of its funds. This report facilitates Board scrutiny of LSB's financial management and decision-making in relation to allocation of resources.		
Resource:	There are no resource risks - this is a factual report		

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
Para 5c, second paragraph	Section 42: information subject to legal professional privilege Section 43: information likely to prejudice the commercial interests of any person	
Para 6, final sentence	Section 43: information likely to prejudice the commercial interests of any person	

LEGAL SERVICES BOARD

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Finance report to 31 January 2019

Purpose

1. This paper provides a brief commentary on the ten months ended 31 January 2019. A financial report is attached (**Appendix 1**).

Recommendation

2. The Board is invited to **review** the Finance report.

Points to note

3. *Cumulative expenditure* to the end of January is **£3,017k** (January 2018 - £2,784k) against a budget of **£3,128k** (January 2018 - £2,931k) resulting in an underspend of **£111k** (January 2018 - £147k).
4. *The bank balance* at 31 January 2019 is £3.838m.
5. Below is a commentary on the more significant variances (reported in Appendix 1) and the potential implications for the year-end projection.
 - a) *Colleague costs*: The reported favourable variance of £27k to the end of January 2019 is made up of:

	£'000 Fav / (unfav)
Direct payroll	26
Training	16
Recruitment	(15)
Total	27

The cumulative direct payroll variance to date of £26k has been re-forecast to rise to £46k by the end of the year.

The cumulative training variance to date of £16k has been reforecast to rise to £17k by the end of the year based purely on the run rate to the end of January. This may change if there is a significant uptake in personal development training by staff in the last 2 months of the year.

Although recruitment costs are £15k over budget at the end of January, this has been forecast to reverse by the end of the year owing to timing mismatches in profiling of the budget. Barring any unforeseen recruitment activity before year-end, this expectation remains.

- b) *LSB Board*: The favourable variance to date is due mainly to an unfilled lay member post. Some revisions have been made to the full year forecast based on the run rate to January in respect of travel expenses bringing the full year forecast underspend to £14k.
- c) *Accommodation costs*: The estimated full year forecast underspend remains at £11k subject to an emerging contingency relating to a potential re-instatement cost pursuant to the lease exit process.

[REDACTED]

- d) *Office costs* – The full-year forecast underspend has been revised upwards from £12k to £20k based on the actual run rate to January.
- e) *Governance and Support Services* – Actual spend on consumer panel recruitment and internal audit is lagging behind budget by £7k and £4k respectively causing a favourable variance of £11k up to the end of January. This is expected to reverse in Q4 and the full year forecast has been revised to a total overspend of £6k owing to the planned use of ad hoc communications consultancy advice in February and March.
- f) *Research* – The favourable variance of £30k is due to a mismatch between the budgeted profile of research expenditure and the actual pattern which is lagging behind the budget profile. Most of the activity will take place in Q4 when actual spend is expected to catch up with the budget profile.
- g) *Consumer Panel* – a marginal overspend is occurring here owing to the unbudgeted increase in panel member day rates.

6. *Summary*: We are on target to achieve performance within budget. [REDACTED]
[REDACTED]
[REDACTED]