Meeting: Legal Services Board

Date: 18 March 2021

Item: Paper (21) 16

Title: Finance Report to 28 February 2021

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Status: Official

Finance report to 28 February 2021

Purpose

1. This paper reports on the LSB's financial performance for the eleven months to 28 February 2021.

Recommendation

2. The Board is invited to **review** the Finance report.
3. Expenditure for the eleven months to 28 February is £3.467m against an approved budget of £3.486m for the same period.
4. This £19k budget underspend in February compares with a £40k budget underspend in January (and a £17k budget underspend for prior year to February 2020). The underspend variance to budget is now less than 1%.
5. During January 2021, the executive undertook a reforecast exercise (Q3 forecast) using 9 months of actual expenditure. This projects that expenditure for the full year is expected to be £3.923m, so in line with the original budget of £3.923m.
6. **Colleague costs £2,268k (£3k underspend to Q3 Forecast)** Actual pay costs for February were broadly in line with the forecasted costs from the pay model and the actual 32.6 FTE matched the forecast exactly. Following a Q4 exercise to reduce outstanding leave, we are expecting an accrued leave movement of approximately £12k at year end.
7. **Research costs £107k (£1k underspend to Q3 Forecast**) – Research cost spend in February increased to £32k in line with forecast. The March research spend forecast is £103k and so getting this research work completed in March will determine how near we come to budget.

8. **Legal costs £37k (£13k underspend to Q3 forecast)** – there was no legal cost spend in February due to some timing differences on forecasting including Judicial Review costs. We will be liaising with all external providers of legal services at year end to ensure the year end accruals are accurate and auditable.
9. All other P&L categories have a variance of £5k or less to Q3 forecast. We are aware of some cost pressures from unforeseen costs, for example external recruitment which we are monitoring ahead of year end.
10. **Capital expenditure** for the year to date is now £22.9k, in line with the 20-21 capital expenditure budget of £24k.

Income

11. The 2020-21 levy invoices have now been issued to the 10 Approved Regulators in February. The total of these invoices was £3.921m. This is made up of the Q3 forecasted expenditure of £3.923m less the prior year 2019-20 rebate of £3k.

Value for Money

12. Procurement – Pay costs – we have looked at the pay cost savings from the attrition of staff at LSB over the last 6 months. The annual savings from comparing the like for like salaries plus on costs for the 3 posts is £33.7k. These saving has enabled one of the posts to be made full time and the remainder of the savings have been included in the 2021-22 budget to fund other requirements.

Annexes

Annex 1: Comparison of actual to forecast to budgeted expenditure

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

Freedom of Information Act 2000 (FoI)		
Para ref	**FoI exemption and summary**	**Expires**
N/A	None	N/A