AUDIT AND RISK ASSURANCE COMMITTEE

(“the Committee”)

Sitting As the Finance Committee MINUTES

Meeting held on 8 March 2022

13:30 – 16:30 | by video-conference

Present: (Members)	Catharine Seddon	Chair
	Catherine Brown	
	Gary Kildare	
	Michael Smyth	
In attendance:	Matthew Hill	Chief Executive and Accounting Officer
	Stuart Hamill	Head, Finance and IT
	Danielle Viall	General Counsel
	Holly Perry	Director, Enabling Services
	Ethan Fleming	Corporate Governance Manager (minutes)

Item 1 - LSB Budget 2022/23

1. The Head, Finance and IT presented the paper and reported that the budget remained consistent with the budget figure proposed in the consultation document i.e., £4.287m. In response to the consultation, additional transparency had been provided in relation to non-pay costs. The biggest impact was inflation on pay costs which had been absorbed by using the pay contingency budget to avoid an overall increase. The following points were raised in discussion:
    - The level of negative feedback to the budget this year had been less than previous years. The overall number of responses had decreased compared to previous years.
    - Inflation may continue to increase at the beginning of the new financial year, but it was also expected that the rate of inflation would fall in the latter part of the financial year, which would have a mitigating impact. It was noted that it would be unlikely that MoJ would permit a pay award commensurate with current high levels of inflation, given public finances.
    - Energy costs for LSB were low and therefore any increase was likely to be relatively minimal in terms of cost, even if the percentage increase was high. The LSB had limited control over heating / cooling as the system overall was largely in the control of the TUC.

2. The Committee **agreed** to endorse the budget to the LSB Board at its 22 March meeting.