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| To: | Legal Services Board | | |
| Date of Meeting: | 26 November 2019 | Item: | Paper (19) 61 |

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| Title: | Finance Report to 31 October 2019 |
| Author / Introduced by: | Melanie Stewart, Head of Finance |
| Status: | Official |

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| Summary: |
| This paper summarises the financial outturn as at the end of October 2019. |

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

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| 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 |
| N/A | None | |

Finance report to 31 October 2019

Purpose

1. This paper provides a commentary on the LSB's financial performance for the seven months ended 31 October 2019. Variance analysis is attached (**Appendix 1**).

Recommendation

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

Performance to 31 October

3. Expenditure to the end of October is £2.082m (October 2018 - £2.096m) against an original budget of £2.177m (October 2018 - £2.177m). A £95k budget underspend compares with a £82k underspend for the same period in 2018/19.
4. A full year forecast exercise was undertaken alongside the 2020/21 budget build and, as at the half year point, the forecast outturn is £3.750m - £48k lower than budget. To reduce this underspend even further, the executive is prioritising a longlist of activities on which funds can be deployed should the full year forecast outturn remain lower than budget by January 2020.
5. October is the first month of reporting following the forecast exercise, and actual spend to date is exactly in line with forecast spend of £2.082m.
6. The bank balance at 31 October 2019 is £4.4m.
7. A commentary on the more significant variances to the latest forecast (reported in Appendix 1) is as follows:
 - a. *Colleague costs (£11k overspent)*: The overspend compared with forecast is largely due to a timing difference, where a provision for expenditure on training activity was made for January 2020 but took place in October (£8k). The pay award, announced in September, was backdated to July and paid in October resulting in a larger than usual payroll this month.
 - b. *Office costs (£4k overspent)*: Provision for the cost of postal redirection was made in November, while actual costs were incurred in October.
 - c. *Governance and support services costs (£6k underspent)*: The recruitment of the OLC chair is being led by The Whitehall & Industry group at lower cost than anticipated. There is a timing difference relating to the cost of Consumer Panel recruitment and costs forecast in October will be incurred in November.