

Meeting: Legal Services Board
Date: 19 January 2021
Item: Paper (21) 07
Title: Finance Report to 31 December 2020
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Status: Official

Finance report to 31 December 2020

Purpose

1. This paper reports on the LSB's financial performance for the nine months to 31 December 2020.

Recommendation

2. The Board is invited to **review** the Finance report.
3. Expenditure for the nine months to 31 December is £2.807m against an approved budget of £2.812m for the same period.
This £5k budget underspend in December compares with a £7k budget underspend in November (and a £95k budget underspend for prior year to December 2019).
4. During October 2020 the executive undertook a reforecast exercise (Q2 forecast) using 6 months of actual expenditure. This projects that expenditure for the full year is expected to be £3.921m, so broadly in line with budget at £3.923m.
The Q3 forecast is taking place now using 9 months of actual expenditure to forecast the outturn for the full year 2020-21.
5. **Research costs £50k (£20k underspend to Q2 Forecast)** – there was an underspend on research costs in December mainly due to slippage on the commencement of the Public Panel ongoing competence and the Small business legal needs review projects (£11k forecasted v £0k actuals).
The Q2 forecast for Research costs is £191k so there remains £141k to be spent in the remaining 3 months of the financial year. This will be one of the main areas to be updated in the Q3 forecast.
6. **Legal costs £37k (£13k underspend to Q2 forecast)** – there was no legal cost spend in December and the Judicial Review costs forecasted in Q3 have not

materialised to the extent forecasted. We have also had in house resource of 4 lawyers in Q3 which has reduced the need for external support.

7. **Office costs £59k (£10k overspend to Q2 forecast)** – The State of the Nation report was designed and produced in November and the cost was slightly over the forecasted amount. There was also some additional spend on website work in Q3 to ensure pdfs are accessible in response to an operational risk item.
8. All other P&L categories have a variance of £5k or less to Q2 forecast.

Value for Money

9. Procurement – following a forensic analysis of the November 2020 invoicing for Microsoft licences, we have identified an overcharge of £1.3k. We are now undertaking a retrospective review of these monthly invoices from 2020.
10. Resource planning – we continue to collect actual resource data and now have data for the Policy team for Q3. Collection of resource data has been rolled out to all Corporate services in December. We are now analysing these figures and finalising the reporting ahead of presenting this resource data in January. This data will ultimately provide LSB with the information to identify value for money opportunities and give visibility on the true cost of programmes.

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 (Fol)		
Para ref	Fol exemption and summary	Expires
N/A	None	N/A