Meeting: Legal Services Board meeting

Date: 24th November 2026

Item: Paper (26) 36

Title: Finance Report – Period 7 (to 31 October 2026)

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Status: Official

Finance Report to 31 October 2026 (Period 7)

Purpose

This paper updates the Board on the LSB's financial performance to 31 October 2026, Period 7 of the 2026/27 financial year, to support scrutiny of expenditure, the forecast outturn and the risks to achieving a balanced year-end position.

The report sets out year-to-date expenditure and the forecast outturn against the LSB's approved 2026/27 budget of £5.812m.

A summary of the budget and forecast outturn is attached as Annex A.

Executive summary

1. **Year to date:**

   At Period 7, year-to-date expenditure was £3.073m against a budget of £3.286m, resulting in an underspend of £213k (6%, similar to the Period 6 run rate).

2. **Forecast:**

   The full-year forecast is £5.826m, representing a marginal overspend of £14k (0.2%) against the approved budget. This variance remains well within tolerance. The forecast assumes that the current year-to-date underspend will be fully utilised by year-end.

Expenditure

The material year-to-date variances are set out below.

1. **Staff costs:** £30k underspend, driven by non-executive vacancies at both LSB and OLC and minor LSB executive staff FTE changes.

2. **Other costs:** £180k underspend.
    1. The key drivers are:
    2. External legal costs – year-to-date underspend of £59k.
        i. IT and telecoms – £32k underspend. This relates to the cyber security resilience project (Purple team). The underspend will be utilised, as Rock has now been commissioned to undertake the remedial work required to improve our cyber resilience. The work required for the efficiency project is also being assessed.
        ii. Board evaluation – planned for quarter 4, with procurement underway.
        iii. Research projects – expenditure is planned, and procurement is underway.
        iv. Conferences and seminars – £12k underspend due to the conference being postponed to 2027/28.
        v. Contingency – £10k underspend, as the contingency has not yet been utilised.

3. Other minor variances - £3k, across Estate costs (£5k underspend) and Depreciation (£2k pressure).

Details of other costs are included in Annex B.

4. **Forecast:** Forecast expenditure is estimated at £5.826m, representing a £14k pressure on the approved budget of £5.812m. This is well within tolerance, and options are available to avoid an over- or underspend by year-end.

Staffing

Full-time equivalent (FTE) position:
Staffing in October was 45.9 FTE, 0.8 FTE above the budgeted 45.1 FTE, primarily due to parental leave cover.

Risks and opportunities

Risks: Unforeseen issues may cause individual budget lines to overspend. Some budget lines, such as the external legal budget, are susceptible to unforeseen costs, although no specific pressures have been identified to date.

Opportunities: Quarterly budget reviews are now in place. At each quarter-end, underspends and emerging pressures are assessed, and funds are reallocated where needed to support the LSB's delivery priorities.

We are confident that savings from deferring the LSB conference to 2027/28 will enable other pressures to be absorbed within the existing budget. All known pressures were identified at the quarter 2 budget review and have been included in the current forecast. We will continue to monitor the position each month and review it at quarter 3.

We remain confident that the year will end with a balanced budget.

Recommendation: The Board is asked to note this report and its Annexes.

The Board is also asked to agree to review the financial position on a quarterly basis going forward, unless by exception.

Annexes

Annex A: Year-to-date management accounts summary to 31 October 2026 (Period 7)
Annex B: Other costs breakdown

Financial:	*The LSB must demonstrate effective management of its funds. This monthly report facilitates regular Board scrutiny of LSB's financial management and decision-making in relation to allocation of resources.*

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

Annex A

Annex A: Management Accounts to Period 7 - October 2026

	YTD (£'000)				Full Year (£'000)			
	Budget	Actual	Var	Var %	Budget	Forecast	Var	Var %
Staff Costs - Payroll	2,294	2,298	(5)	(0%)	4,001	4,064	(63)	(2%)
LSB Board - Payroll	116	99	17	14%	205	190	15	7%
OLC - Payroll	72	59	13	18%	126	118	8	7%
Consumer Panel - Payroll	181	176	5	3%	311	314	(2)	(1%)
Total Staff Costs	**2,662**	**2,632**	**30**	**1%**	**4,643**	**4,685**	**(42)**	**(1%)**
Property Rent & Rates	56	53	3	5%	95	92	3	3%
Fuel & Utilities	3	3	0	0%	4	4	0	0%
Maintenance	7	2	5	70%	12	12	0	0%
Other Property Costs	10	13	(3)	(32%)	17	17	0	0%
Total Estate Costs	**75**	**70**	**5**	**6%**	**129**	**126**	**3**	**2%**
IT & Telecommunications	90	58	32	35%	154	153	1	1%
Interpreter/Translation Costs	1	0	1	100%	1	1	0	0%
Banking & Finance	1	0	0	55%	1	1	0	0%
Other Contracted Out Services	54	28	26	48%	86	86	0	0%
Staff Travel & Other	30	30	(0)	(0%)	54	61	(7)	(13%)
Training	20	39	(19)	(92%)	40	55	(15)	(38%)
Recruitment Costs	41	38	3	6%	70	70	0	0%
Printing, Postage & Office Expenditure	0	(0)	0	187%	0	0	0	0%
Stationery & Office Supplies	1	0	1	94%	1	1	0	0%
Research Costs	123	64	60	48%	262	262	0	0%
Conferences & Seminars	33	21	12	37%	66	21	45	68%
Publicity, Advertising & Communication	38	37	1	2%	60	66	(6)	(9%)
Accounting & Audit Services	11	15	(4)	(37%)	60	73	(13)	(22%)
Other Expenditure	96	28	68	71%	165	144	21	12%
Total Other Costs	**538**	**358**	**180**	**33%**	**1,020**	**994**	**26**	**3%**
Depreciation	10	12	(2)	(16%)	20	21	(1)	(6%)
Total Non-Cash Costs	**10**	**12**	**(2)**	**(16%)**	**20**	**21**	**(1)**	**(6%)**
Grand Total	**3,286**	**3,073**	**213**	**6%**	**5,812**	**5,826**	**(14)**	**(0%)**

Annex B

Annex B - Other Expenditure

	YTD (£'000)				Full Year (£'000)			
	Budget	Actual	Var	Var %	Budget	Forecast	Var	Var %
Legal Costs	70	11	59	84%	120	110	10	8%
Catering Expenditure	1	3	(2)	(151%)	2	5	(3)	(150%)
Payroll Services Cost	5	6	(0)	(7%)	9	10	(1)	(7%)
Other Insurances	1	1	0	19%	2	2	0	0%
Licences/subscriptions	2	2	0	6%	3	3	0	0%
Membership Bodies	5	6	(0)	(3%)	9	10	(1)	(9%)
Miscellaneous (Contingency)	12	0	12	0%	20	5	15	75%
Total Other Expenditure	**96**	**28**	**68**	**71%**	**165**	**144**	**21**	**12%**