

27 April 2020

Finance report – Month 12

Meeting	OLC Board	Agenda Item No.	10
		Paper No.	104.8
Date of meeting	27 April 2020	Time required	10 minutes

Title	Finance Report Month 12 2019/20 – Provisional Outturn
Sponsor	Brendan Arnold (Director of Corporate Services)
Status	OFFICIAL
To be communicated to:	Members and those in attendance

Executive summary
<ol style="list-style-type: none">1. This paper provides a report on the financial position at the end of Month 12 (March) and a Provisional Outturn figure. This figure may change within certain parameters in moving to Final Outturn and therefore should not be regarded as final.2. The Provisional Outturn figure is £12.336m for revenue expenditure against a net budget of £12.346m an underspend of £10,000..3. For the Capital Programme the Provisional Outturn figure is £242,298 against a budget of £250,000, an underspend of £7,702.4. The Management Accounting pack is attached to this report at Appendix 1 and, as is usual, this contains a balance sheet on page 6.
Recommendation/action required
Board is asked to NOTE the report.

1. Introduction

This paper provides an overview of the OLC's financial position at the end of Month 12 and presents a Provisional Outturn figure for financial year 2019/20. The Management Accounting pack for the year to 31 March 2020 appears at Appendix 1 and this includes a balance sheet at 31 March.

2. Period 12 Position

Expenditure

At the end of Month 12 LeO is reporting a Provisional Outturn underspend of £10,000 against the revenue budget. This figure will adjust within certain parameters in moving to Final Outturn and will therefore change. This position is consistent with the positions reported at periods 10 and 11 which predicted a year end position that was broadly balanced.

The principal variations are as follows:

Budget Head	Full Year Actual	Full Year Budget	Full Year Variances Under/ (Over) spend £'000	Comment
Salary & staff costs	9,880	9,848	(32)	Additional Agency staff recruitment within GET/operations to support business needs.
Training	60	62	2	-
Recruitment	44	44	-	-
IT	994	1,093	99	Principally licence fees lower than expected, work deferred due to vacancies
Premises and Facilities	718	651	(67)	August 2019 - backdated rent increase.
Depreciation	391	444	53	Reflects the capital programme and level of fully depreciated assets on the Fixed Assets Register
Audit Services, Research, Advertising, Publicity, Translation & other budget heads	249	204	(45)	Various minor variations
Total Provisional Outturn Variation	12,336	12,346	10	Underspend for the Year

Income

At period 12 there is an over recovery of Case Fee Income against budget in the sum of £18,000.

3. Capital Programme

The Capital Programme Budget for 2019/20 is £250,000. Overall everything that was included in the programme has been delivered. The Provisional Outturn for Capital is £242,298 with an underspend of £7,702 against the budget of £250,000. This relates to an order for a small number of laptops which was delivered late on 2 April, two days after the end of the financial year, as a result of the public health emergency. Accordingly this item cannot be accrued and will need to be expensed against the 2020/21 Capital Budget. The £7,699 will be surrendered to MoJ in line with usual practice and the item will be logged as relating to Covid-19.

A summary of expenditure for 2019/20 is shown below.

Month	£
All items expensed and accrued by project:	
Website	90,744
Furniture	3,466
Plant	13,507
IT Infrastructure	1,200
Leasehold Improvements	55,227
Hardware	66,200
Software	7,193
Licences	4,761
Total expensed in 2019/20	242,298
Dell Laptops delivered 2/4/20 due to Covid-10 emergency	7,699
Total Programme Delivery	249,997

As a result of this capital investment Leo now enjoys the following benefits:

- a. The hardware replacement programme target in year has been delivered.
- b. Leasehold Improvements have provided repairs/renewals to facilitate the required needs of the business (installation of water heaters) and provide security to the facilities i.e. installation of the security gates to the site.
- c. The framework of the new Website has been built and the project is now delivering content and working to optimise presentation of that content.

- d. Plant improvements have provided a more secure server room with surge protection and air conditioning units being installed to protect IT data within the business.

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- 5. Balance Sheet**

Legal Ombudsman: Consolidated Income & Expenditure, and Capital Expenditure

29 March 2020

	Month			Year to Date				Full Year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Previous Yr	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income - Levy	1,052.8	1,025.0	27.8	11,274.1	11,246.3	27.8	10,696.9	11,246.3	11,302.8	(56.5)
Grant In Aid	-	-	-	-	-	-	-	-	-	-
Income - Case fees	84.4	125.0	(40.6)	1,061.5	1,102.2	(40.6)	1,161.6	1,102.2	1,043.2	59.0
Income - Other	12.5	35.5	(23.0)	142.2	165.2	(23.0)	175.9	165.2	134.0	31.2
Total Income	1,149.7	1,185.6	(35.9)	12,477.8	12,513.7	(35.9)	12,034.4	12,513.7	12,480.0	33.7
Staff Costs	901.6	873.4	(28.3)	10,083.3	10,055.1	(28.3)	10,587.9	10,055.1	9,953.8	(101.2)
Travel & Subsistence	0.2	1.0	0.8	13.8	14.6	0.8	13.9	14.6	8.5	(6.1)
Fees & Consultancy	32.3	38.7	6.4	297.6	304.1	6.4	248.2	304.1	289.4	(14.7)
IT & Telecoms	44.6	85.4	40.8	993.6	1,034.4	40.8	1,286.0	1,034.4	1,093.4	59.0
Premises & Facilities	129.9	149.8	19.9	720.1	740.0	19.9	659.8	740.0	650.6	(89.4)
Other costs	6.0	6.5	0.4	41.5	41.9	0.4	84.0	41.9	78.3	36.4
Total Cash Expenditure	1,114.6	1,154.7	40.1	12,149.9	12,190.0	40.1	12,879.9	12,190.0	12,074.0	(116.0)
Interest & Charges	(4.5)	(7.7)	(3.3)	(82.1)	(85.4)	(3.3)	(63.9)	(85.4)	(45.2)	40.2
Contingency	-	-	-	-	-	-	-	-	-	-
Depreciation	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Non Cash Expenditure	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Total Revenue Expenditure before tax	1,142.5	1,178.4	35.9	12,458.5	12,494.4	35.9	13,229.6	12,494.4	12,472.9	(21.5)
Taxation	7.1	7.1	(0.0)	19.2	19.2	0.0	12.5	19.2	7.1	(12.1)
Total Revenue Expenditure	1,149.7	1,185.6	35.9	12,477.8	12,513.7	35.9	13,242.1	12,513.7	12,480.0	(33.6)
Capital Expenditure	131.5	209.1	77.6	242.0	250.0	8.0	130.0	250.0	250.0	-
Fixed Assets - IT	77.9	154.1	76.2	160.2	168.2	8.0	127.1	242.0	250.0	8.0
Fixed Assets - Premises	53.6	55.0	1.4	81.8	81.8	-	2.9	8.0	-	(8.0)

Legal Jurisdiction: Income & Expenditure, and Capital Expenditure
29 March 2020

	Month			Year to Date				Full Year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Previous Yr	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income - Levy	1,052.8	1,025.0	27.8	11,274.1	11,246.3	27.8	10,696.9	11,246.3	11,302.8	(56.5)
Grant In Aid	-	-	-	-	-	-	-	-	-	-
Income - Case fees	84.4	125.0	(40.6)	1,061.5	1,102.2	(40.6)	1,026.4	1,102.2	1,043.2	59.0
Income - Other	12.5	35.5	(23.0)	142.2	165.2	(23.0)	175.9	165.2	134.0	31.2
Total Income	1,149.7	1,185.6	(35.9)	12,477.8	12,513.7	(35.9)	11,899.2	12,513.7	12,480.0	33.7
Staff Costs	901.6	873.4	(28.3)	10,083.3	10,055.1	(28.3)	9,841.3	10,055.1	9,953.8	(101.2)
Travel & Subsistence	0.2	1.0	0.8	13.8	14.6	0.8	12.9	14.6	8.5	(6.1)
Fees & Consultancy	32.3	38.7	6.4	297.6	304.1	6.4	248.2	304.1	289.4	(14.7)
IT & Telecoms	44.6	85.4	40.8	993.6	1,034.4	40.8	1,285.1	1,034.4	1,093.4	59.0
Premises & Facilities	129.9	149.8	19.9	720.1	740.0	19.9	638.4	740.0	650.6	(89.4)
Other costs	6.0	6.5	0.4	41.5	41.9	0.4	(489.0)	41.9	78.3	36.4
Total Cash Expenditure	1,114.6	1,154.7	40.1	12,149.9	12,190.0	40.1	11,536.9	12,190.0	12,074.0	(116.0)
Interest & Charges	(4.5)	(7.7)	(3.3)	(82.1)	(85.4)	(3.3)	(63.9)	(85.4)	(45.2)	40.2
Contingency	-	-	-	-	-	-	-	-	-	-
Depreciation	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Non Cash Expenditure	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Total Revenue Expenditure before tax	1,142.6	1,178.4	35.8	12,458.5	12,494.4	35.9	11,886.7	12,494.4	12,472.9	(21.5)
Taxation	7.1	7.1	-	19.2	19.2	-	12.5	19.2	7.1	(12.1)
Total Revenue Expenditure	1,149.7	1,185.6	35.9	12,477.8	12,513.7	35.9	11,899.2	12,513.7	12,480.0	(33.7)

Total Expenditure By Cost Centre
29 March 2020

		Month			Year to date				Full Year			
		Actual	Forecast	Variance	Actual	Forecast	Variance	Previous Yr	Forecast	Original Budget	Variance	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CEO	101	43.2	32.7	(10.5)	413.9	403.4	(10.5)	391.9	403.4	444.4	41.0	
Ombudsman team	201	87.0	86.3	(0.7)	973.9	973.2	(0.7)	793.9	973.2	756.3	(216.9)	
Legal	202	12.8	18.0	5.1	190.9	196.0	5.1	167.4	196.0	213.0	17.0	
External Affairs	203	16.6	14.2	(2.4)	180.0	177.5	(2.4)	159.9	177.5	201.1	23.6	
Insight	204	2.2	7.9	5.7	18.9	24.6	5.7	26.4	24.6	28.4	3.8	
Operational Transformation	205	15.8	13.5	(2.3)	192.4	190.1	(2.3)	146.5	190.1	173.5	(16.5)	
Operations Hub	206	41.5	46.4	4.8	481.7	486.5	4.8	398.9	486.5	419.2	(67.3)	
Operations Delivery	301	35.8	35.0	(0.8)	416.9	416.1	(0.8)	527.8	416.1	434.3	18.2	
Resolution Centre	302	447.2	463.7	16.6	5,240.2	5,256.8	16.6	4,477.2	5,256.8	5,274.9	18.1	
GET	305	93.1	59.3	(33.8)	790.7	756.9	(33.8)	534.2	756.9	753.2	(3.7)	
Legacy	307	-	-	-	-	-	-	893.4	-	-	-	
CPD Course	403	-	-	-	-	-	-	(0.5)	-	-	-	
Facilities	502	120.0	139.7	19.7	589.6	609.3	19.7	486.9	609.3	516.9	(92.4)	
Finance	503	49.9	51.3	1.4	377.5	378.0	0.4	280.6	378.0	351.7	(26.2)	
HR	504	50.0	45.2	(4.8)	510.2	506.4	(3.8)	449.7	506.4	484.3	(22.1)	
IT & Telecoms	505	85.6	124.8	39.2	1,527.4	1,566.6	39.2	1,897.2	1,566.2	1,635.6	69.4	
Recruitment	506	0.4	-	(0.4)	44.3	43.9	(0.4)	129.4	43.9	72.7	28.8	
Corporate Overhead	507	8.2	7.7	(0.6)	62.0	61.5	(0.6)	80.2	61.5	126.5	65.0	
Training	508	2.9	5.0	2.1	59.4	61.5	2.1	89.5	61.5	67.4	5.9	
PMO	510	5.2	7.3	2.1	81.9	84.1	2.2	127.0	84.1	114.2	30.1	
CMC	310	-	-	-	-	-	-	1,342.9	-	-	-	
CMC Reapportionment	600	-	-	-	-	-	-	(546.2)	-	-	-	
Total Cost excl. Reserves		1,117.4	1,157.8	40.4	12,151.9	12,192.4	40.5	12,854.3	12,192.4	12,067.6	-	124.4
Contingency		-	-	-	-	-	-	-	-	-	-	-
Provision for Doubtful Debts - Legal & cmc	100	4.4	4.0	(0.4)	17.3	16.9	(0.4)	38.0	16.9	48.0	31.2	
Holiday Accruals		-	-	-	-	-	-	-	-	-	-	-
		1,121.8	1,161.8	40.0	12,169.2	12,208.9	40.1	11,522.9	12,209.3	12,115.6	(93.3)	
Interest & Charges	503	(4.5)	(7.7)	(3.3)	(82.1)	(85.4)	(3.2)	(63.9)	(85.4)	(45.2)	39.8	
Depreciation	503	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	409.6	19.8	
		1,149.7	1,185.6	35.6	12,477.8	12,513.7	35.9	13,242.1	12,513.7	12,480.0	(33.7)	

Direct Legal: Income & Expenditure
29 March 2020

	Month			Year to Date				Full Year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Previous Yr	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income - Levy	1,052.8	1,025.0	27.8	11,274.1	11,246.3	27.8	10,696.9	11,246.3	11,302.8	(56.5)
Income - Set up Levy	-	-	-	-	-	-	-	-	-	-
Income - Case fees	84.4	124.9	(40.5)	1,061.5	1,102.2	(40.6)	1,026.4	1,102.2	1,043.2	59.0
Income - Other	12.5	35.5	(23.0)	142.2	165.2	(23.0)	175.9	165.2	134.0	31.2
Total Case Income	1,149.7	1,185.5	(35.7)	12,477.8	12,513.7	(35.8)	11,899.2	12,513.7	12,480.0	33.7
Staff Costs	652.9	633.3	(19.6)	7,322.9	7,303.3	(19.6)	7,134.8	7,303.3	7,102.7	(200.6)
Travel & Subsistence	-	0.1	0.1	0.9	1.0	0.1	3.1	1.0	0.6	(0.4)
Fees & Consultancy	0.4	3.6	3.1	35.4	38.6	3.1	26.7	38.6	57.0	18.4
IT & Telecoms	-	-	-	-	-	-	1.0	-	-	-
Premises, Facilities & Administration	10.4	9.9	(0.5)	122.3	121.9	(0.5)	146.3	121.9	128.2	6.3
Other costs	5.9	6.0	0.1	39.9	40.0	0.1	54.8	40.0	72.0	32.0
Corporate Cost Reapportionment	479.6	532.7	53.1	4,956.6	5,009.2	52.6	4,534.0	5,009.1	5,119.5	110.4
Total Cash Expenditure	1,149.2	1,185.6	36.4	12,478.1	12,514.0	35.9	11,900.7	12,513.9	12,480.0	(33.9)
Interest & Charges	-	0.0	-	(0.4)	(0.4)	(0.0)	(1.6)	(0.4)	-	0.4
Contingency	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-
Total Revenue Expenditure	1,149.7	1,185.6	35.9	12,477.8	12,513.7	35.9	11,899.2	12,513.7	12,480.0	(33.7)

Overheads & Corporate: Income & Expenditure

29 March 2020

	Month			Year to Date				Full Year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Previous Yr	Forecast	Budget	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income - Levy	-	-	-	-	-	-	-	-	-	-
Income - Other	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	-	-	-	-	-	-	-	-
Staff Costs	248.2	240.0	(8.2)	2,760.4	2,751.7	(8.7)	2,706.5	2,751.7	2,851.1	99.4
Travel & Subsistence	0.2	0.9	0.7	12.8	13.5	0.7	9.8	13.5	7.9	(5.6)
Fees & Consultancy	31.9	35.2	3.3	262.2	265.5	3.3	221.5	265.5	232.4	(33.1)
IT & Telecoms	44.6	85.4	40.8	993.6	1,034.4	40.8	1,284.1	1,034.4	1,093.4	59.0
Premises, Facilities & Administration	119.6	139.9	20.3	597.8	618.1	20.3	492.1	618.1	522.4	(95.7)
Other Costs	0.1	0.5	0.4	1.6	2.0	0.4	2.4	2.0	6.3	4.4
Reapportion to Jurisdictions	(479.6)	(532.7)	(53.1)	(4,956.6)	(5,009.2)	(52.6)	(5,080.2)	(5,009.2)	(5,119.5)	(110.3)
Total Cash Expenditure	(35.1)	(30.9)	4.2	(328.2)	(324.0)	4.2	(363.8)	(324.0)	(406.0)	(82.0)
Interest & Charges	(4.5)	(7.7)	(3.2)	(81.8)	(85.0)	(3.2)	(62.3)	(85.0)	(45.2)	39.8
Contingency	-	-	-	-	-	-	-	-	-	-
Depreciation	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Non Cash Expenditure	32.4	31.4	(1.0)	390.8	389.8	(1.0)	413.6	389.8	444.0	54.2
Total Revenue Expenditure before Tax	(7.1)	(7.1)	-	(19.2)	(19.2)	(0.0)	(12.5)	(19.2)	(7.1)	12.1
Taxation	7.1	7.1	-	19.2	19.2	0.0	12.5	19.2	7.1	(12.1)
Total Revenue Expenditure	-	-	-	-	-	-	-	-	-	-

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Fol Exempt S.22