**BOARD REPORT**

**AGENDA ITEM: 7
REPORT NUMBER: SLAB/2023/23**

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| **Report to:** | The Board |
| **Meeting Date:** | 31 July 2023 |
| **Report Title** | SLAB Administration – Finance and Resource Report |
| **Report Category** | For Information |
| **Issue status:** | Business as usual |

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| **Written by:** | Audrey Crawford |
| **Director responsible:** | Linda Ross |
| **Presented by:** | Linda Ross |
| **Contact details:** | rossli@slab.org.uk |

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| **Delivery of Strategic Objectives** |
| Select the Strategic Objective(s) relevant to the issues  | 1. Our timely, clear and consistent decisions on legal aid applications and accounts deliver a positive customer experience
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| **Link to Board or Committee Remit** |
| This paper is linked to the Board’s role in monitoring the financial position of SLAB expenditure. |

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| **Publication of the Paper** |
| The Board has previously agreed that this paper should be published as a matter of routine. It will be published on our website in due course. |

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| **Executive Summary** |
| Expenditure for the quarter ended 30 June 2023 is £3.7m compared to budget profile of £4.2m |

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| **Previous Consideration** |
| **Meeting** | **Detail** |
| 22 May 2023 -SLAB/2023/12 | The previous report showed expenditure and resources for the year ended 31 March 2023.  |

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| **Report** |

1. **Grant-in-Aid Funding**

The core funding we expect to receive from Scottish Government is £14,750k. Core funding includes £100k for capital which cannot be transferred to staff or running costs. Core cash funding (after removing £550k of funding for Depreciation) is £14,200k. We are also allowed to retain £250k of superannuation receipts and anticipate an award of £62k for administration of Grant Funding and SWRC Projects.

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| **Funding** | **2022-23****Actual** | **2023-24****Budget** |
|  | **£k** | **£k** |
| Core SG Funding (Actual/draft SG budget) | **13,550** | **14,750** |
| Non cash funding for Depreciation | **(550)** | **(550)** |
| Retained superannuation receipts | **250** | **250** |
| Additional funding for Grant Funding/ SWRC  | **621** | **621** |
| Pension Pressure (additional funding from SG) | **853** | **460** |
| **Total available funding for the year** | **14,165** | **14,972** |

1 Admin fees - £42k for GF and £20k from Justice for SWRC

1. **Grant-in-Aid Budgets and Expenditure**

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|  **Department** | **Original Annual Budget** | **Actual** **YTD** | **Budget****YTD** | **Variance****YTD** | **Variance****YTD** |
|  | **£k** | **£k** | **£k** | **£k** | **%** |
| Staff Costs | **468** | 114 | 117 | 3 | 2.6 |
| Run Costs | **11** | 1 | 4 | 3 | 75.0 |
| Capital Cost | **-** | - | - | - | - |
| **Total Chief Exec** | **479** | **115** | **121** | **6** | **5.0** |
| Staff Costs | **1,104** | 245 | 276 | 31 | 11.2 |
| Run Costs | **64** | 6 | 21 | 15 | 71.4 |
| Capital Cost | **-** | - | - | - | - |
| **Total Strat Dev** | **1,168** | **251** | **297** | **46** | **15.5** |
| Staff Costs | **5,112** | 1,158 | 1,281 | 123 | 9.6 |
| Run Costs |  **2,571** | 760 | 850 | 90 | 10.6 |
| Income | **(648)** | - | - | - | - |
| Capital Cost | **100** | 1 | 10 | 9 | 90.0 |
| **Total Corp Serv**  | **7,135** | **1,919** | **2,141** | **222** | **10.4** |
| Staff Costs | **3,961** | 908 | 993 | 85 | 8.6 |
| Run Costs | **58** | 17 | 11 | (6) | (54.5) |
| Capital Cost | **-** | - | - | - | - |
| **Total Operations** | **4,019** | **925** | **1,004** | **79** | **7.9** |
| Staff Costs | **246** | 58 | 61 | 3 | 4.9 |
| Run Costs | **50** | 6 | 18 | 12 | 66.7 |
| Capital Costs | **-** | - | - | - | - |
| **Total Legal Serv** | **296** | **64** | **79** | **15** | **19.0** |
| Vacancy Gap | **(250)** | - | - | - | - |
| **Vacancy Gap** | **(250)** | **-** | **-** | **-** | **-** |
| **Total Staff** | **10,641** | 2,483 | 2,728 | 245 | 9.0 |
| **Total Run**  | **2,754** | 790 | 904 | 114 | 12.6 |
| **Total Inc** | **(648)** | - | - | - | 100.0 |
| **Total Cap** | **100** | 1 | 10 | 9 | 90.0 |
| **Total Excl Pension** | **12,847** | **3,274** | **3,642** | **368** | **10.1** |
| Pensions | **2,200** | 409 | 580 | 171 | 29.5 |
| **Total Admin**  | **15,047** | **3,683** | **4,222** | **539** | **12.8** |

Total spend to the end of June 2023 is £3,683k against budget of £4,222k, an underspend of £539k (12.8%).

1. **Variances to budget**

The underspend on staff costs is not all savings it is caused largely by the timing of pay policy which, had it been implemented in April 2023, would have cost around £160k for the quarter. We had presumed, when setting the budgets, that the remit would be applied by now. When pay policy is approved/applied it will be backdated to April 2023. The remaining £85k is caused by several vacancies accruing in the budgets, most posts are now filled. The quarter 1 budget review process is currently underway, we will reprofile the budget timing of backdated pay remit costs to later in year.

Running Costs are underspent by 114k. This is due to the timing of invoices, primarily IS computer maintenance/contractor costs, Research and Professional Fees. We now expect to incur these costs in the second quarter of the year.

Pensions will be realigned as part of the quarter 1 budget review process. Whilst there is currently an underspend, this is also timing. We still expect pension costs to be broadly in line with forecast budget of £2,200k.

**4. Invoice Turnaround Times**

The table below shows invoice payment performance for both 10 and 30 days, the former being our operational target and the latter being our normal contractual payment term.

Total year to date performance for 10 days so far is excellent at 99%.

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| **For the Period to 30-6-23** |
| **Group** | **YTD % paid within 10 days** | **YTD % paid within 30 days** |
| **2023-24** | **2022-23** | **2023-24** | **2022-23** |
| **Admin** | 99% | 97% | 100% | 98% |
| **CLAO** | 99% | 98% | 100% | 99% |
| **PDSO** | 99% | 97% | 100% | 98% |
| **Total** | 99% | 97% | 100% | 99% |

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|  | **Governance Links**  |
| 1 | **Finance and Resources**No additional issues of note to report. |
| 2 | **Risk** Our work to monitor administrative expenditure enables us to mitigate corporate risk:Risk 8: Pressure on the administration budget and being unable to manage within the budget. |
| 3 | **Legal and Compliance**No issues of note to report. |
| 4 | **Performance**No issues of note to report. |
| 5 | **Equalities Impact**An Equality Impact Assessment is not required for this paper. |
| 6 | **Privacy Impact and Data Protection**No privacy or data protection issues identified. |
| 7 | **Communications and Engagement**It has previously been agreed that this paper should be published. |

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| **Conclusion and next steps** |
| The Board is asked to note and comment on the report as necessary. |
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| **Appendices/Further Reading** |
| N/A |