



Annual Report and Accounts

1st April 2014 – 31st March 2015

“Achieving Excellence through People”



The Local Government Staff Commission
for Northern Ireland



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CHAIRMAN'S FOREWORD

I have pleasure in introducing the Local Government Staff Commission's (the Commission) Annual Report and Accounts 2014/2015.

In July 2014 I was reappointed as Chairman until 31 March 2017 when the Commission will be wound up. I look forward to working with the newly constituted Commission which took up office from 01 December 2014 and would like to take this opportunity to thank all the Commission members who ended their term on 30 November 2014. They provided great assistance to myself and Commission officers in developing and supporting various Commission initiatives through a busy and challenging period.

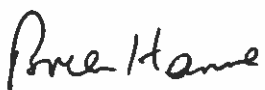
Following the Environment Minister's announcement, on 23 October 2013, that the Commission should be wound up in April 2017, approval was received by the Northern Ireland Executive in June 2014. Therefore it will be particularly important to ensure, that in the year ahead, staff morale is maintained and the level of service provided to local government by the Commission remains high as we move closer to 2017.

Over the past year the Commission has been very busy assisting councils in the following areas:

- Recruitment of senior officers to posts in the new Councils;
- The ongoing work of the Local Government Reform Joint Forum;
- Supporting the Local Government Training Group with the procurement, development and implementation of a Learning Management System for local government;
- Assisting councils to transition from 26 to 11 elected bodies and administrations
- Continuing to support the work of the Equality and Diversity Strategic Group.

The Commission still has a considerable body of work to undertake as the new councils become established and over the next year the Commission will continue to work with the 11 new councils on their HR and Organisation Development issues and priorities whilst ensuring that all staff are afforded equality of opportunity in the new structures.

In conclusion I want to thank colleagues in local government for their continued help in implementing the various Commission initiatives and to assure them of the Commission's continued support during the exciting and challenging year ahead as local government embraces the new 11 council structure and additional statutory responsibilities.



BRIAN HANNA

Chairman

CHIEF EXECUTIVE'S REPORT

Throughout 2014/15 the Commission concentrated on delivering the objectives that were set out in the Corporate Plan, launched in 2012. This defined our long-term objectives and key areas for the year as follows:

Key Area 1 – Talent and Development

- To ensure that local government sustains flexible, 'fit for purpose' organisations which can respond to change and meet customer needs in an atmosphere of continuous improvement.
- To support the development of a flexible workforce, with enhanced knowledge and skills and to build capacity in the sector to deliver strong, dynamic local government.

Key Area 2 – Recruitment and Diversity

- To ensure that councils and the Northern Ireland Housing Executive (NIHE) have effective recruitment practices which treat all applicants fairly and equitably.
- To ensure fair and equitable treatment for all by promoting an environment free from all forms of unlawful discrimination and where diversity is valued.

Key Area 3 – People Strategies

- To develop and implement a People/OD Strategy for local government which will deliver on the workforce issues necessary to address the business priorities of the sector.
- To ensure that effective, productive and harmonious working environments and staff/management relationships are sustained within local government.

Key Area 4 – Corporate Governance

- To provide the highest level of public service standards in all areas of the Commission's operation.

PERFORMANCE

All staff take personal responsibility for ensuring that the objectives as detailed in the Corporate Plan are met in their day-to-day work and areas of responsibility are individually assessed. Given the continuing demand for Commission services, these objectives are challenging and regular monitoring takes place to ensure compliance and detailed reports are presented to the Commission twice-yearly.

KEY AREAS OF WORK IN SUMMARY

This section highlights some of the activities the Commission has undertaken in 2014/15. All our strategic objectives were matched with outputs and related to initiatives in order to ensure increased effectiveness. In order to provide a full understanding of the work of the Commission this section should be read in conjunction with the Operating Review (page 5) which provides greater detail of the results achieved in relation to the objectives as set out in the Business Plan.

Talent and Development

- The Local Government Training Group (LGTG) was recognised by the Minister and commissioned by the Department as the main deliverer for Capacity Building for Reform Implementation at the 'Regional Tier' with particular emphasis on induction training for councillors following the elections to the new councils in May 2014. A Capacity Building Plan was developed and agreed with stakeholders in the sector, required training programmes were specified and following public procurement exercises undertaken by LGTG, a Call-off Framework of training providers with agreed daily delivery rates was issued to councils.

The following high level summary figures can be provided based on the activity approved and funded by LGTG under the Capacity Building Plan:

- 191 days of training and/or facilitation delivered across all councils with approximately 3,440 individuals trained i.e.:
 - Elected Members 90 days training with approximately 1,840 trained
 - Officers 101 days training with approximately 1,600 trained
- 9 regional events/conferences/seminars supported with a total of 403 attendees (mix of elected members and officers)

Totals	200 training days	3,843 attendees approx. trained
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- The Commission assisted the LGTG in the procurement of an eLearning Platform, or Learning Management System (LMS), for use in all councils. The LMS will allow councillors and staff to access courses and learning materials from their PC, laptop, iPad/tablet or smartphone at a time convenient to them and it will allow local government to deliver a more flexible 'blended' approach to learning and development to suit different learning styles. In addition to the LGTG content on the platform which all users will have access to, each of the 11 councils will have its own branded 'landing page' where specific content and information can be placed relevant to that council. The LMS is undergoing pilot testing in councils and will be formally launched in autumn 2015.
- The Commission and LGTG supported the Local Government Chief Executives Group, the newly established network of the 11 chief executives, which met on a monthly basis during the year. The Commission and LGTG assisted with the drafting of recruitment documentation and undertaking the recruitment process for the Lead HR and Finance officer posts in the new councils, facilitated and supported a number of workshops and seminars on issues of strategic sectoral interest for chief executives and worked with the Leadership Institute, QUB and the SOLACE Group to design and implement a leadership programme for chief executives which launched on 24th February at Riddel Hall. A Commission Director also attends all meetings of the new council HR Leads group.

Recruitment and Diversity

- The Commission assisted the Chief Executives of the new councils to recruit a Lead HR Officer and a Lead Finance Officer, on secondment from their existing councils, to a small implementation team to assist in the development of human resource, workforce and organisation development strategies, policies and procedures for the new councils. The Commission also provided assistance to the shadow councils, as required, with the recruitment process to fill Director posts in the new councils and by sending Observers to the appointment panels.
- The Commission assisted the Equality and Diversity Group to host an Equality and Diversity conference in November 2014, which included best practice case studies from councils and the voluntary sector and gave stakeholder-exhibitors the opportunity to network with delegates and to highlight the key objectives of their organisation.
- The Commission organised and facilitated a regional consultation event in September 2014, for the 11 new councils to consult on their Equality Schemes.
- The Commission continued to work with the PPMA HR Collaboration Working Group on shared recruitment. The recruitment portal for local government, "Local Government Jobs NI" (www.localgovernmentjobsni.gov.uk) went live in May 2014 and provided a platform for all jobs in local government to be advertised. The site also provided an opportunity for disseminating information to potential applicants on the reform process and the amalgamation of the 26 councils into the new 11 councils. Training was provided to the HR officers on administering the situational judgement tests and the bank of tests was distributed to councils in October 2014.

People Strategies

- Support was provided to the Local Government Reform Joint Forum in respect of research, drafting and consulting on agreements and draft policies in line with the agreed work plan. During the year under review seven Circulars were issued detailing agreements negotiated in support of the reform process.
- Continued employee relations guidance and assistance was given to councils in relation to Joint Forum decisions and general casework.
- There was ongoing support for the People and Organisation Development Strategic Framework for Local Government in Northern Ireland. The Strategic Framework was re launched in November 2014 and subsequently received support from each of the 11 new councils.

Corporate Governance

- Following the Environment Ministers announcement that the Commission would wind up in April 2017 the Executive Committee endorsed this decision in June 2014.
- The Commission's Audit Committee met on two occasions and reviewed the Audit Reports, updated a number of policies and undertook a full review of the Risk Register.

DR ADRIAN E KERR MBE
Chief Executive

OPERATING, FINANCIAL AND MANAGEMENT REVIEW **for the year ended 31 March 2015**

Background Information

The Local Government Staff Commission for Northern Ireland (the Commission) is an executive non-departmental public body sponsored by the Department of the Environment and established under the Local Government Act (Northern Ireland) 1972: as amended by the Finance Act 2011. Its powers were further extended under the Housing Orders (NI) 1976 and 1981 and the (Miscellaneous Provisions) (NI) Order 1992.

The Commission's principal function is to:

'exercise general oversight of matters connected with the recruitment, training and terms and conditions of employment of officers of district councils and the Northern Ireland Housing Executive and of making recommendations to district councils and the Northern Ireland Housing Executive on such matters.'

Specific functions are:

- developing good practice in HR management (in conjunction with wider public sector partners);
- initiating HR policy development, evaluation and review;
- acting as a single point of entry to the local government sector for major consultation exercises on HR related issues;
- representing local government on HR related issues as necessary;
- providing and/or recommending independent expert consultancy support;
- hosting and planning events on HR related topics to inform policy developments and legislative change;
- providing access to expert employment-specific legal advice and providing employment law updates;
- facilitating capacity building initiatives and promoting co-operation in the Public Sector;
- constituting and facilitating local government-specific and cross-sectoral working groups;
- arranging conferences, seminars and other networking mechanisms;
- providing direct support to the work of the Local Government Training Group (LGTG) in the design and implementation of the open course programme.

In order to implement its statutory function to ensure effective training provisions in local government, the Commission works closely with the Local Government Training Group. This Group is responsible for the co-ordination and implementation of training activities for which there is an identified common need throughout the local government service. The Group is a body specified under the General Grant (Specified Bodies) Regulations (Northern Ireland) 1994. The Commission provides secretariat, professional and financial services to this Group, under a service level agreement.

The accounts of the Commission and the Local Government Training Group have been prepared under a direction given by the Department of the Environment, with the approval of the Department of Finance and Personnel, in accordance with paragraph 11 of schedule 3 of the Local Government Act (Northern Ireland) 1972 (as amended). Accordingly the Commission's accounts have been prepared on an accruals basis and the Training Group on a receipts and payments basis.

Results for the Year

The financial results of the Commission's operation in 2014/15 are set out in detail on page 39 of this annual report and accounts. The surplus for the year for net expenditure after interest was £1K, compared with a deficit of £13k for 2013/14.

Pension Liabilities

The Commission participates in the Northern Ireland Local Government Superannuation Committee (NILGOSC) Scheme for its employees. This year the Commission obtained IAS 19 actuarial valuations and consequently the resulting net liability and IAS 19 disclosures have been highlighted in these financial statements.

Fixed Assets

Details of the movement of fixed assets are set out in Note 5 to these accounts.

Principal Risks and Uncertainties

- **Capacity to Handle Risk**

Procedures are implemented to identify risks associated with the implementation of the Commission's key objectives and a control strategy is put in place for each significant risk and ownership allocated to appropriate staff.

- **The Risk and Control Framework**

The risk management strategy is fully embedded into the work and future planning work of the Commission and all staff are trained in the management of risk and have an input into the regular ongoing reviews of the risk management process.

Risk management has been incorporated into the Commission's policy and decision making process and risk procedures are regularly reviewed and updated in line with experience and best practice.

Charitable Donations

There were no charitable donations made during 2014/15.

Payment to Suppliers

The Commission is committed to the prompt payment of suppliers for goods and services within 10 days upon receipt of invoice, in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days from the receipt of the goods or services by the Commission, or on presentation of a valid invoice or similar demand to the Commission, whichever is later. During the year the Commission paid 582 invoices, of which 23 invoices were paid outside 10 or 30 day terms.

Research and Development

The Commission is committed to an ongoing programme of research in order to develop and improve service provision. During the year the Commission carried out research into performance improvement in the delivery of public services, reorganisation and change issues, and women's development within local government.

Business Review

The Commission prepares strategic and business plans for each area of responsibility and monitors performance against key performance targets. A full review of the Commission's activities is provided on pages 9 to 18 of this Annual Report. The current Strategic/Business Plan is available on request from Commission offices and is available on the Commission's website (www.lgsc.org.uk).

Important Events Occurring After the Year End

There have been no significant events since the year end 31 March 2015 which would affect these accounts.

Members

Membership of the Commission is set out in Appendix 2 of the 2014/15 Annual Report. A Register of Members' Interests is held in Commission offices.

Equality Scheme

In pursuance of Section 75 of the Northern Ireland Act 1998, the Commission has prepared an equality scheme, which has been approved by the Equality Commission. This scheme details the Commission's commitment to, and proposals for, fulfilling the statutory obligations to promote equality of opportunity and good relations.

Employee Involvement

The Commission is committed to the involvement of employees in the decision making process and to their development in order to ensure the highest standards in the delivery of all services. The Commission has Investors in People accreditation and continues to integrate the general principles of this standard into its personnel policies and day-to-day operation.

Future Developments

As in previous years, the Commission will prepare a detailed business plan for the operation of its core activities and to reflect the changing needs of councils and the Northern Ireland Housing Executive.

Future initiatives include:

- continuing to facilitate the implementation of the People and Organisation Development Strategic Framework;
- providing ongoing assistance to the LGTG to implement its training strategy;
- implementing the Commission's Equality Scheme and assisting the new councils to implement their new Equality Schemes and action plans through the Statutory Duty Network;
- assisting the Equality and Diversity Group to implement their revised strategy and action plan in local government;
- investigating the human resource implications of the reorganisation of public services in Northern Ireland and the modernisation of local government;
- defining the future role of the Commission as a partner in the modernisation process.

Environmental, Social and Community Issues

The Commission operates in a political environment and is required to be adaptable to the changing central and local government structures. In developing policies and procedures special attention is paid to legislative changes in employment matters and the need to conform to the obligations placed on public bodies by Section 75 of the Northern Ireland Act 1998.

Disclosure of Audit Information

There is no relevant audit information of which the Commission's auditors are unaware.

The Accounting Officer has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the Commission's auditors are aware of the information.

No fees have been raised, either this year or last year, in respect of non-audit work.

Signed:



DR ADRIAN E KERR
Chief Executive and Accounting Officer
20 October 2015



BRIAN HANNA
Chair, Local Government Staff Commission

**KEY PERFORMANCE AREA 1 – TALENT AND DEVELOPMENT
(DIRECTOR – LINDA LEAHY)**

TALENT STRATEGIC OBJECTIVE 2014-2017

To ensure that local government sustains flexible, 'fit for purpose' organisations, which can respond to change and meet customer needs in an atmosphere of continuous improvement

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Implement the Strategic Framework and in particular facilitate the Strategic Pillar Working Group on Performance Culture and Learning Organisation to meet its implementation plan	<p>Facilitate the amalgamation of the Performance Culture and Learning Organisation Pillar Working Groups and assist the new Working Group to achieve it Year 3 goals.</p> <p>Assist the Working Group with:</p> <ul style="list-style-type: none"> • action planning • piloting of models and tools developed for performance management and measurement in councils • evaluation and review of pilots. 	<p>Assist the Working Group to agree an Action Plan for piloting the models and tools for performance management and measurement in councils.</p> <p>Report to the LGTG on any required programmes of support and capacity building initiatives and seek funding support.</p>	<p>Facilitate progress in line with the agreed action plans.</p> <p>Gather any necessary monitoring data and facilitate evaluation.</p> <p>Report to the LGSC and the LGTG on progress as appropriate.</p>	<p>Review Year 3 outcomes and support development of the draft Plans for 2015-16.</p> <p>Report to the LGSC and the LGTG on progress as appropriate.</p>
Maintain strategic partnering arrangements with SOLACE, PPMA, NILGA, trade unions and professional groups within local government	<p>Meet with the various partners and stakeholder groups regarding development needs particularly for Reform and ICE implementation and review and update ongoing course provision.</p>	<p>Ensure that the needs of the partners and stakeholder groups are considered by the LGTG and the LGSC as appropriate.</p>	<p>Hold review meetings with the strategic partners to inform the Commission's business planning for 2015-16.</p>	<p>Review the outcomes of the strategic partners' meetings and recommend further initiatives for inclusion in the LGSC Business Plan 2015-16.</p>
<p>Outcomes All targets have been met in line with this Strategic Objective.</p>				

**KEY PERFORMANCE AREA 1
TALENT & DEVELOPMENT (DIRECTOR – LINDA LEAHY)**

TALENT STRATEGIC OBJECTIVE 2014-2017

To ensure that local government sustains flexible, 'fit for purpose' organisations, which can respond to change and meet customer needs in an atmosphere of continuous improvement

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Research and promote Organisational Development (OD) tools and techniques in local government, particularly to support preparations for local government reform and/or the ICE programme implementation	Consult on, plan and arrange for the delivery of a range of business improvement capacity building initiatives and interventions aimed at supporting performance management systems and improving service delivery.	Support the implementation of the Improvement and Change Toolkit to enable councils to: <ul style="list-style-type: none"> • review services • manage change associated with Reform and ICE implementation • promote good practice • engage staff in the improvement and change process. 	Monitor uptake and evaluate impact of initiatives and interventions and report to LGTG and LGSC as appropriate.	Evaluate and review progress and plan for 2015-16.
Assist councils with the staffing implications of organisation design, development and change, particularly in the context of local government reform and the pressures of the current economic climate	Assist with the design and implementation of LGRJF Agreements. Respond to requests for assistance and promote good practice, in accordance with employers' legal obligations.	Monitor the implementation of the LGRJF agreements.	Report to the LGRJF and LGSC on the implementation of the agreements.	Evaluate and review progress and plan for 2015-16.
Provide a secretariat service to PPMA NI	Assist PPMA to: <ul style="list-style-type: none"> • achieve its targets and objectives • prepare for Reform and encourage support for ICE implementation • continue to deliver the capacity building programme for HR practitioners • advance the HR collaboration/ sharing of services agenda within local government. 	Implement required actions on an ongoing basis.	Implement required actions on an ongoing basis.	Review progress and plan for 2015-16 as necessary.

Outcomes

All targets have been met in line with this Strategic Objective.

**KEY PERFORMANCE AREA 1
TALENT & DEVELOPMENT (DIRECTOR – LINDA LEAHY)**

DEVELOPMENT STRATEGIC OBJECTIVE 2014-2017

To support the development of a flexible workforce, with enhanced knowledge and skills and to build capacity in the sector to deliver strong, dynamic local government

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p>Establish the Local Government Training Group (LGTG) as the shared resource for learning and development in district councils</p> <p>Provide ongoing support and secretariat services</p>	<p>Implement the provisions of the revised Service Level Agreement.</p> <p>Ensure that LGTG is fully engaged in the development of the Reform Capacity Building Programme.</p> <p>Assist the Practitioners' Group (PG) and the Elected Member Development Steering Group (EMDSG), in partnership with NILGA and the NAC, to progress their Workplans.</p>	<p>Assist the PG to meet its targets and achieve its objectives.</p> <p>Ensure that the outcomes from the EMDSG are discussed with NILGA and the NAC and fed into the Reform Capacity Building Programme.</p> <p>Monitor progress and report to the LGTG and LGSC as appropriate.</p>	<p>Assist the PG to meet its targets and achieve its objectives.</p> <p>Ensure that the outcomes from the EMDSG are discussed with NILGA and the NAC and fed into the Reform Capacity Building Programme.</p> <p>Monitor progress and report to the LGTG and LGSC as appropriate.</p>	<p>Assist the PG and EMDSG to evaluate performance and report to the LGTG, LGSC, NILGA and the NAC as appropriate.</p>
<p>Ensure that the LGTG's strategies and plans support the implementation of the Strategic Framework, local government reform and ICE and ensure that the learning and development opportunities provided by LGTG meet identified needs</p>	<p>Ensure that the ongoing procurement exercise to refresh the panel of providers for the Open Course Programme is progressed in a timely fashion.</p>	<p>Ensure that the Open Course Programme:</p> <ul style="list-style-type: none"> reflects the outcomes of the procurement exercise makes provision to meet the identified priorities. <p>Report to LGTG and LGSC on progress.</p>	<p>Monitor and evaluate the operation of the Open Course Programme and the revised panel of providers to ensure that provision meets the needs of local government, quality is maintained and value for money is achieved.</p> <p>Report to LGTG and LGSC on progress.</p>	<p>Monitor and evaluate all LGTG provision.</p> <p>Review and Plan for 2015-16.</p> <p>Plan for the implementation of outcomes as necessary.</p>
<p>Implement the central Learning Management System (LMS) for local government</p>	<p>Oversee the project management for the commissioning of the LMS.</p>	<p>Monitor and progress as necessary.</p>	<p>Monitor and progress as necessary.</p>	<p>Review and plan for 2015-16.</p>
<p>Outcomes All targets have been met in line with this Strategic Objective.</p>				

**KEY PERFORMANCE AREA 2
RECRUITMENT & DIVERSITY (DIRECTOR – LORNA PARSONS)**

RECRUITMENT STRATEGIC OBJECTIVE 2014-2017

To ensure that councils and the Northern Ireland Housing Executive (NIHE) have effective recruitment practices which treat all applicants fairly and equitably

BUSINESS PLAN 2014-15				
ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Advise councils and the NIHE in relation to the implementation of the Code of Procedures on Recruitment and Selection, and on best practice in recruitment and selection	Assist councils to design recruitment procedures for the local government reform programme which are in line with the spirit and intent of the Code of Procedures on Recruitment and Selection.	Continue to assist councils to examine ways to collaborate in their recruitment practice through the PPMA recruitment sub group.	Assist councils to quality assure the recruitment procedures for the local government reform programme.	Review the operation of the recruitment procedures and ensure that they are in line with the spirit and intent of the Code of Procedures on Recruitment and Selection.
Implement the Strategic Framework and in particular facilitate the Strategic Pillar Working Groups on: <ul style="list-style-type: none"> • Talent Management • Leadership to meet the implementation plan	Assist the Leadership and Talent Management Pillar Working Group to achieve its Year 3 goals. Assist with the piloting and evaluation of models developed by the Pillar Working Groups	Facilitate progress in line with the agreed action plans. Report to the LGSC and the LGTG on progress as appropriate.	Facilitate progress in line with the agreed action plans. Report to the LGSC and the LGTG on progress as appropriate.	Review progress in Year 3 and support development of draft Plans for 2015-16 to support the overall programme. Report to the LGSC and the LGTG on progress as appropriate.
Assist councils to recruit Chief Executives and other senior officers, as detailed in the Code of Procedures on Recruitment and Selection	Ensure that the recruitment procedures for senior posts are fit for purpose and in line with the spirit and intent of the Code of Procedures on Recruitment and Selection.	Review panel of Professional Assessors and Trainers and provide further training, if required.	Provide assistance to councils to recruit Chief Executives and other senior posts in line with the agreed procedures.	Review the procedures for recruiting to Chief Executive and other senior posts.
Outcomes All targets have been met in line with this Strategic Objective.				

**KEY PERFORMANCE AREA 2
RECRUITMENT & DIVERSITY (DIRECTOR – LORNA PARSONS)**

RECRUITMENT STRATEGIC OBJECTIVE 2014-2017

To ensure that councils and the Northern Ireland Housing Executive (NIHE) have effective recruitment practices which treat all applicants fairly and equitably

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provide Observers to attend selection panels for senior posts in councils and the NIHE	Provide refresher training for Observers.	Review the role of Observers and amend the Observer strategy as required.	Implement the Observer strategy for recruiting to senior posts in the new council structures.	Review the current and future role of Observers, and update the panel of Observers, as required.
Advise on best practice in the use of assessment centres and how recruitment exercises can be made more objective and transparent	Review the best practice model for assessment centres for senior posts, based on the recommendations of the research report.	Review the use of Situational Judgement Tests in councils and consider other ways of working together on assessment testing.	Review the list of assessment centre providers and update as necessary.	Review the use of assessment centres for Chief Executive and senior posts.
Outcomes				
All targets have been met in line with this Strategic Objective.				

**KEY PERFORMANCE AREA 2
RECRUITMENT & DIVERSITY (DIRECTOR – LORNA PARSONS)**

EQUALITY & DIVERSITY STRATEGIC OBJECTIVE 2014-2017

To ensure fair and equitable treatment for all by promoting an environment free from all forms of unlawful discrimination and where diversity is valued

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Advise and assist councils and the NIHE to implement their Section 75 duties and Disability Action Plans	Provide assistance to councils to implement their equality schemes and develop equality schemes for the new councils, through the Statutory Duty Network.	Assist councils to develop an e-learning programme on equality and diversity for council officers and elected members.	Provide training and/or showcasing seminars on equality and good relations issues.	Review the work of the Statutory Duty Network and develop a plan for 2015.
Assist councils and the NIHE to pilot and develop model employment policies, as appropriate	Assist councils to develop new policies and respond to new employment legislation, as required.	Provide seminars and ongoing advice on new legislation and other employment issues, as required.	Provide seminars and ongoing advice on new legislation and other employment issues, as required.	Review seminar programme and plan seminar programme for 2015.
Act as secretariat to the Equality and Diversity Group and assist it to implement its Strategic Plan	Hold an Equality and Diversity conference for Diversity Champions and other stakeholders to showcase best practice, create awareness and to generate commitment.	Hold regular meetings of the Diversity Champions' Network and provide a development programme for the Champions.	Review the implementation of the Equality and Diversity Group Strategy and Action Plan and update, as appropriate.	Review the development programme for Diversity Champions and update as appropriate.
<u>Outcomes</u>				
All targets have been met in line with this Strategic Objective.				

**KEY PERFORMANCE AREA 3
PEOPLE STRATEGIES (DIRECTOR – DERMOT O'HARA)**

PEOPLE/OD STRATEGIC OBJECTIVE 2014-2017

To develop and implement a People/OD Strategy for local government which will deliver on the workforce issues necessary to address the business priorities of the sector

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Lead the implementation of the People/OD Strategic Framework for local government	Support the ongoing work of the Programme Board and Working Groups. Provide assistance with Programme Management. Facilitate the further progression of the action plans from the Board and Working Groups.	Facilitate Programme Management for the implementation of the Framework, through research, support and advice to the Programme Board.	Facilitate Programme Management for the implementation of the Framework, through research, support and advice to the Programme Board.	Review year three outcomes and support the development of the draft Programme Plan for 2015-16. Report to the Commission and submit proposals to the HR Conference in January 2015.
Following the launch of the People & OD Strategic Framework, facilitate the Strategic Pillar Working Groups: <ul style="list-style-type: none"> • Employee Relations • Pay and Reward to meet the implementation plan	Facilitate progress at the various governance levels within the Programme Management framework and directly facilitate the Employee Relations and Pay and Reward Pillar Working Groups to achieve their Year Two goals.	Facilitate progress in line with the agreed action plans.	Facilitate progress in line with the agreed action plans.	Review year three outcomes and support development of the draft Project Plan for 2015-16, to support the overall Strategic Framework outcomes.
Partner the Local Government Management Agency (LGMA) to promote best practice examples of change management	Meet with LGMA representatives to review and plan areas for potential co-operation.	Include the LGMA in any benchmarking exercises in relation to, eg, HR strategy, policy, or practice in relation to change management.	Review outcomes of any benchmarking to identify potential good practice examples of change management.	Ensure any identified and agreed opportunities to promote best practice examples of change management are included in the 2015-16 Business Plan.
Implement revised procurement procedures with a view to establishing select lists of consultants, providers and assessors across the full range of LGSC and LGTG services in accordance with the principles of the ICE programme	Continue with a programme of procurement as required and ensure all relevant procedures are adhered to. This includes agreeing priority areas for procurement to support the annual business plan.	Implement the procurements and seek feedback.	Implement the procurements and seek feedback.	Review feedback and identify any potential action required, including developing expertise in house or from external support as appropriate.
Outcomes				
All targets have been met in line with this Strategic Objective.				

**KEY PERFORMANCE AREA 3
PEOPLE STRATEGIES (DIRECTOR – DERMOT O'HARA)**

EMPLOYEE RELATIONS STRATEGIC OBJECTIVE 2014-2017

To ensure that effective, productive and harmonious working environments and staff/management relationships are sustained within local government

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Provide an Independent Secretariat service to the Local Government Reform Joint Forum (LGRJF)	Assist the LGRJF with developing and implementing its Work Plan, including preparing background and policy papers and undertaking research or benchmarking in relation to the reform programme and in light of progress on the ICE Programme.	Continue to assist the LGRJF to develop and implement specific tasks as timetabled in the work plan in preparation for the Reform of Local Government.	Support the LGRJF in consultation and negotiation as required supporting the implementation of the agreed work plans.	Assist the LGRJF to revise and update work plans, including identifying work required post implementation of the reform programme.
Continue to provide an Independent Secretariat service to the Northern Ireland Joint Council for Local Government Services (NIJC) and support a review of the NIJC	Report to the Commission on the progress of the Review of the NIJC and the model IR Framework developed through the Pay and Reward Working Group.	Promote the inclusion of stakeholder views to determine the IR priorities for the sector.	Report the outcomes of the Review to the Commission.	Prepare for a new Industrial Relations framework post April 2015.
Assist district councils to progress with complaints, grievances and disciplinary matters as requested Promote and encourage the integration of Alternative Dispute Resolution (ADR) mechanisms into existing policies and procedures	Promote and develop a programme to promote awareness and use of ADR mechanisms in councils.	Support a programme for ADR and assist councils as required.	Support a programme for ADR and assist councils as required.	Review progress and plan for further support as required.
Assist councils to develop actions and initiatives to reduce employee sickness absence and promote health and wellbeing	Continue to promote and support wellbeing initiatives, eg, emotional intelligence and emotional resilience.	Continue assistance as required.	Continue assistance as required.	Review progress and plan for 2015-16.
Outcomes				
All targets have been met in line with this Strategic Objective.				

**KEY PERFORMANCE AREA 4
CORPORATE GOVERNANCE (CHIEF EXECUTIVE – ADRIAN KERR)**

GOVERNANCE STRATEGIC OBJECTIVE 2014-2017

To provide the highest level of public service standards in all areas of the Commission's operation

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p><u>Accountability</u></p> <p>Continue to implement a sound system of control to support the Commission's objectives in accordance with Government Accounting Northern Ireland</p>	<p>Arrange Audit Committee meeting.</p> <p>Finalise 2013-14 accounts and implement agreed financial scheme for 2014-15.</p> <p>Continue to implement the Commission's Procurement Policy and Guidance and update as required.</p> <p>Update the Commission's Risk Register in line with the Business Plan.</p>	<p>Facilitate Local Government Audit.</p> <p>Prepare and finalise 2013-14 Annual Report and Accounts.</p> <p>Review and update the Commission's Risk Register as required.</p>	<p>Publish 2013-14 Annual Report and Accounts.</p> <p>Arrange Audit Committee meeting.</p> <p>Facilitate Internal Audit.</p> <p>Review and update the Commission's Risk Register as required.</p>	<p>Prepare Business and Corporate Plans 2015-16.</p> <p>Prepare 2015-16 Financial Scheme.</p> <p>Review and update the Commission's Risk Register in line with any audit recommendations.</p>
<p><u>People Development</u></p> <p>Operate a culture of open communication and participation, where staff feel valued and involved and where innovation is encouraged within a Performance Management Framework</p>	<p>Prepare for Investors in People post recognition review to retain IIP status</p>	<p>Undertake post recognition review to retain IIP status</p>		
<p><u>Communication and Marketing</u></p> <p>Ensure the People & OD Strategic Pillar outcomes are communicated to councils and the NIHE</p>	<p>Develop a marketing strategy to ensure the services provided by the Commission are effectively communicated to all stakeholders.</p>	<p>Design a good practice guide consisting of policies and good practice models relating to OD and HR.</p>	<p>Integrate the models and policies devised to date by the Commission within the framework of the Commission's website.</p>	<p>Ensure the policies and good practice guidance are integrated with the "ideal council" model.</p>
<p><u>Outcomes</u> All targets have been met in line with this Strategic Objective.</p>				

**KEY PERFORMANCE AREA 4
CORPORATE GOVERNANCE (CHIEF EXECUTIVE – ADRIAN KERR)**

GOVERNANCE STRATEGIC OBJECTIVE 2014-2017

To provide the highest level of public service standards in all areas of the Commission's operation

BUSINESS PLAN 2014-15

ACTIONS 2014/15	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p><u>Equality</u></p> <p>Advance the Commission's equality agenda</p>	Disseminate the Commission's revised equality scheme and action plan to staff, in accordance with the Equality Commission's requirements.	Complete the Commission's Fair Employment Monitoring return and submit to the Equality Commission.	Provide training for Commission staff on the required equality duties.	Prepare the annual report for submission to the Equality Commission.
<p><u>Operational Support Services</u></p> <p>Provide continuous improvement in the provision of the Commission's Administrative Support and Financial Services</p>	<p>Revisit Health & Safety (H&S) Policies and Procedures in line with Fire Risk Assessment.</p> <p>Review Website provision to ensure it meets LGSC/LGTG requirements in light of Local Government Reform</p>	<p>Review procedures to ensure seamless service delivery in the provision of financial services.</p> <p>Keep all Dear Accounting Officer (DAO) correspondence under review to ensure compliance and implementation.</p>	<p>Provide IT, office and communication equipment solutions, as required.</p> <p>Implement Website improvements as required.</p>	<p>Evaluate Audio Visual requirements for Conference Rooms and arrange awareness sessions with AV providers, as appropriate.</p> <p>Ensure all required changes relevant to Commission accounts as detailed in DAO correspondence are implemented.</p>
<p><u>Outcomes</u> All targets have been met in line with this Strategic Objective.</p>				

REMUNERATION REPORT

Chief Executive and Senior Officers' Remuneration

The Commission operates pay and conditions for Officers in accordance with the provisions adopted by the Northern Ireland Joint Council for Local Government Services. The NIJC is the negotiating body for all staff in councils in Northern Ireland (except Chief Executives). The pay and conditions of service for Chief Executives is determined in line with decisions of the negotiating body for Chief Executives in Local Government in Northern Ireland. There are no benefits in kind included in the emoluments figures.

Service Contracts

All appointments are made in line with the Commission's Code of Procedures on Recruitment and Selection which requires appointments to be made on merit and on the basis of fair and open competition. Twelve weeks' notice is required in relation to the termination of senior management employment contracts and one month's notice is required in relation to termination of all other employment contracts.

Pensions

The Staff Commission participates in the NILGOSC scheme for the majority of its employees. This is a funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service up to 31 March 2009 and a rate of 1/60th for each year after. In addition, a lump sum equivalent to 3/80ths of pensionable salary for each year of service up to March 2009 is payable on retirement. Members pay contributions of between 5.5% to 7.5% of pensionable earnings. Pension payments increase in line with the Consumer Prices Index (CPI).

On death pensions are payable to the surviving spouse, nominated co-habiting partner or civil partner. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Chairman is not a member of the NILGOSC pension scheme.

Chairman and Commission Members

The Chairman and Commission Members' allowances, travel and subsistence are set by the Department of the Environment as per the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1999.

Service Contracts for Chairman and Commission Members

The appointments of the Chairman and Commission Members are made by the Minister of the Environment. All appointments are designated for a four-year term by the Department of the Environment in accordance with the Commissioner for Public Appointments for the Northern Ireland Code of Practice. The current Commission was appointed in December 2014 until 31 March 2017.

Chairman and Members' Emoluments

Mr Mervyn Rankin Chairman	2015 £'000	2014 £'000	7.7
Mr Brian Hanna Chairman	28.6	6.3	7.3
Members' Emoluments	7.7	7.3	

Senior Officers' Emoluments

Date of Contract	Scales 2015	2015 £'000 Bonus	2015 nearest £1000 Pension	2015 (to nearest £100) Benefits In Kind	2015 nearest £1000 Total	2014 £'000 Bonus	2014 nearest £1000 Pension	2014 (to nearest £100) Benefits In Kind	2014 (to nearest £1000) Pension	2014 nearest £1000 Total
Adrian Kerr (Part-time) Chief Executive 01/09/91	Band 2	90 – 95	15 – 20	-	105 – 110	90 – 95	15 – 20	-	15 – 20	105 – 110
Linda Leahy Director 31/05/95	Deputy to Chief Executive	55 – 60	10 – 15	-	65 – 70	55 – 60	6 – 10	-	6 – 10	65 – 70
Lorna Parsons (Part-time) Director 01/04/92	PO9	50 – 55	6 – 10	-	55 – 60	50 – 55	6 – 10	-	1 – 5	55 – 60
Dermot O'Hara Director 01/02/11	PO9	50 – 55	10 – 15	-	60 – 65	50 – 55	10 – 15	-	10 – 15	60 – 65

2014-15 2013-14
(Re-stated)

Band of Highest Paid Total Remuneration	90 – 95	90 – 95
Median Total Remuneration Ratio	32,778 2.8	32,072 2.9

Senior Officers' Emoluments

The Commission is required to disclose the relationship between the remuneration of the highest-paid officer and the median remuneration of the Commission's Workforce.

The banded full-time equivalent remuneration of the highest-paid officer in both financial years 2014/15 and 2013/14 was £90k - £95k. This was 2.8 times the median remuneration of the workforce in 2014-15, a slight decrease from 2013-14 (2.9) due to a pay increase for the workforce in 2014/15.

In both 2014/15 and 2013/14 no employee received remuneration in excess of the highest-paid officer.

Total remuneration includes annual salary (the Commission does not pay any benefits in kind or operate a staff bonus scheme). The calculation does not include severance payments, employer pension contributions or cash equivalent transfer value of pensions.

Pension Entitlement of Chief Executive and Directors

	Real Increase in Pension and related lump sum at age 65	Total Accrued Pension at age 65 and related lump sum	CETV at 31/03/2014	CETV at 31/03/2015	Real Increase in CETV after adjust
	£'000	£'000	£'000	£'000	£'000
Adrian Kerr Chief Executive	0.0 – 2.5 Plus lump sum 0 – 0	0 – 5 Plus 0 – 0 Lump sum	26	49	22
Linda Leahy Director	0.0 – 2.5 Plus lump sum -2.5 – 0	25 – 30 Plus 60 – 65 Lump sum	437	464	22
Lorna Parsons Director	-2.5 – 0.0 Plus lump sum -2.5 – 0.0	10 – 15 Plus 20 – 25 Lump sum	171	172	-
Dermot O'Hara Director	0.0 – 2.5 Plus lump sum 0.0 – 0.0	0 – 5 Plus 0 – 0 Lump sum	36	49	13

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by members at a particular point in time. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include any other pension details which an individual has transferred from another pension scheme and any additional benefit which have resulted from the purchasing of additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed:



DR ADRIAN E KERR
Chief Executive and Accounting Officer

LOOKING AHEAD

For the year 2015/16 the Commission's Strategic Plan has been updated to place greater focus on performance and outcomes. Emphasis will be placed on:

- Revising and re-launching the People and Organisation Development Strategic Framework;
- continuing to provide assistance on the Human Resource and Capacity Building issues relevant to local government through the Commission and the Training Group;
- placing the future work of the Commission in the context of facilitating the change process; ensuring that staff are treated fairly and equitably; and that equality of opportunity duties are implemented.

The year ahead provides a unique opportunity to demonstrate the value of the Commission's functions in moving the local government change process from transition to transformation. In addressing this opportunity we will continue to work with all those concerned in the continuing implementation of the local government modernisation programme, both within local government and across the public sector.

The Commission will also continue to provide an independent secretariat to support consultation and negotiation machinery within the local government sector as required. The work of the Joint Forum has been recognised throughout the sector as vital in taking forward issues to ensure the fair and equal treatment of all local government staff affected by the ongoing change process. The Commission will ensure that the Forum agreements and circulars continue to be applied as appropriate within the new council structures.

In the year ahead, the Commission will also concentrate on a series of initiatives in line with its statutory remit, designed to benefit local government over the coming years. These include:

- reviewing and updating the People & OD Strategic Framework;
- hosting an Equality and Diversity Conference in 2015 to showcase the ongoing diversity work in local councils and forge links with regional Section 75 networks;
- continuing to develop the network of Diversity Champions through seminars and collaboration with the University of Ulster
- revising the Commission's Code of Procedures in Recruitment and Selection;
- continuing to improve the recommended recruitment and selection process;
- hosting a local government conference in October 2015 to re-launch the People and OD Strategy;
- advising and supporting the regional collective negotiating machinery established to deal with HR issues relating to the reform of local government and facilitating the establishment of a reconstituted NIJC relevant to the needs of the new council structure.

The challenge for the Commission is to ensure the continuation of a high quality service at a time of change for both local government and the Commission.

STATEMENT OF POLICY

Over recent years the Commission has adopted a more focused approach to business planning and also implementation and has amended its policy statement to reflect this. The work of the Commission has become more output focused and the Commission's commitment to continuous improvement and raising standards in local government and the wider public service is demonstrated by its statement of purpose – *"Achieving Excellence through People"*.

The Commission recognises that it is part of a wider public service community and has formed partnering arrangements with the following organisations:

- Association for Public Service Excellence (APSE)
- Chartered Institute of Personnel and Development (CIPD)
- Equality Commission for Northern Ireland (ECNI)
- Labour Relations Agency (LRA)
- Northern Ireland Civil Service (NICS)
- Northern Ireland Joint Council for Local Government Services (NIJC)
- Northern Ireland Local Government Association (NILGA)
- Northern Ireland Statistics and Research Agency (NISRA)
- Local Government Management Association (LGMA – Southern Ireland)
- Public Appointments Service (PAS – Southern Ireland)
- Police Service of Northern Ireland (PSNI)
- Public Sector People Managers' Association (PPMA)
- Public Service Commission (PSC)
- Society of Local Authority Chief Executives (SOLACE)
- University of Brighton Business School

This partnership working has brought economies of scale to the development of new initiatives and provided for benchmarking arrangements.

In order to integrate an improvement culture in all aspects of the Commission's work overarching themes of Communication, Marketing Services and Measuring Success have been developed and will continue to underpin the work of the Commission. These inform the operational areas of the Commission's work and ensure that key objectives are implemented in a consistent manner.

Improvement Plans are developed to increase service delivery, and in the year ahead further improvement plans will be developed in relation to Financial and Administrative Systems.

The Commission has an Audit Committee which meets regularly and approves the Commission's accounting procedures, risk management strategy, policy and risk register. The Committee will continue to meet regularly and receive significant input from both the Commission's internal and external auditors.



DR ADRIAN E KERR
Chief Executive and Accounting Officer

STATEMENT OF PURPOSE

To be the strategic organisation for the development of human resource management and the promotion of excellence through people in the delivery of local government services in Northern Ireland.

STRATEGIC AREAS AND MANDATES

These mandates are derived from Local Government legislation and are quoted in full where appropriate.

Equality of Opportunity

"establishing a code of procedure for securing fair and equal consideration of applications to councils and to the Northern Ireland Housing Executive by persons seeking to be employed by them as officers, and fair and equal treatment of persons who are so employed."

[Local Government Act (Northern Ireland) 1972 as amended]

Monitoring "the fair employment practices of councils and their compliance with statutory requirements in relation to fair employment."

[Local Government (Miscellaneous Provisions) (NI) Order 1992]

Training and Development

"promoting or assisting the development of, or providing, facilities for the training of officers."

[Local Government Act (Northern Ireland) 1972]

Employee Relations

"promoting or assisting the establishment of, or establishing procedures for the negotiation between councils and officers of councils, or the Northern Ireland Housing Executive, or associations representing either of them of standard rates of remuneration, or other terms and conditions of employment, for officers of councils, and recommending the adoption by councils of rates, terms and conditions so negotiated."

[Local Government Act (Northern Ireland) 1972 as amended]

Advisory and Support Services

"assessing the probable future requirements of councils and of the Northern Ireland Housing Executive for the recruitment of officers."

[Local Government Act (Northern Ireland) 1972 as amended]

Promoting Co-Operation

"promoting co-operation between councils, the Northern Ireland Housing Executive, public bodies, government departments and educational institutions in matters connected with the recruitment, training and terms and conditions of employment of officers, and promoting the temporary transfer of officers (with their consent) in pursuance of arrangements made between councils or between councils and any such bodies, departments or institutions."

[Local Government Act (Northern Ireland) 1972 as amended]

COMMISSION MEMBERS (TO 30 NOVEMBER 2014)**Chairman**

Brian Hanna Former Chief Executive, Belfast City Council
(With effect from November 2013)

Vice Chair

Alderman Geraldine Rice MBE Alliance Councillor, Castlereagh Borough Council

Members

Ashley Boreland Chief Executive, Ards Borough Council
Chair, Local Government Training Group

Carmel Connolly Senior Assistant Director of Corporate Services
Lisburn City Council

William Francey MBE Former Director of Health and Environmental Services
Belfast City Council

Bumper Graham Assistant General Secretary, NIPSA

Nigel Hamilton Consultant in Business and Community Development

Councillor Marion Smith MBE Ulster Unionist Councillor
North Down Borough Council

COMMISSION MEMBERS (01 DECEMBER 2014 – 31 MARCH 2017)

Chairman

Brian Hanna CBE Former Chief Executive, Belfast City Council

Vice Chair

Councillor Bernie Kelly SDLP Councillor, Belfast City Council
Assistant Director of Physical and Sensory Disability
Services, Belfast Health and Social Services Trust

Members

Mr Charlie Mack Chief Executive, Extern Group

Mrs Deborah Colville Digital Portfolio Manager, Belfast City Council

Mrs Hilary Singleton Solicitor

Miss Lindsay Boal Self-Employed Barrister

Ms Monica Burns International Health Development Consultant

Mr Paul Corrigan Independent Investigator and Arbitrator
(Former Director of Logistics, Royal Mail)

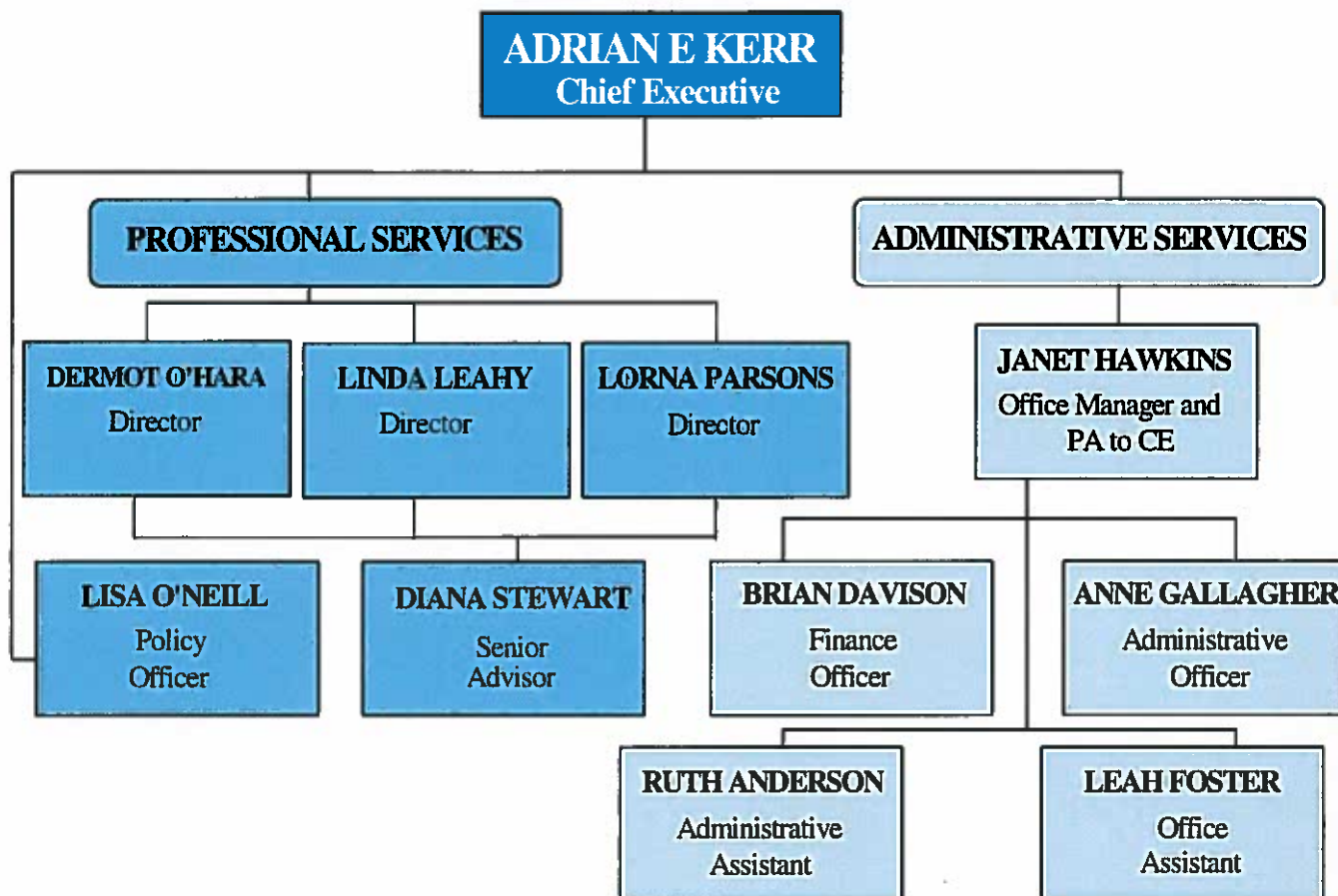
Professor Robert Hutchinson Former Dean of the Ulster Business School and
Provost University of Ulster, Coleraine Campus

Ms Roisin McDonough Chief Executive, Arts Council

Mr Bumper Graham Assistant General Secretary, NIPSA

Mr William Francey, MBE Former Director of Health & Environmental Services,
Belfast City Council

COMMISSION OFFICERS



The functions of the Staff Commission are managed by professional and administrative staff as follows:

DR ADRIAN E KERR
Chief Executive

Overall responsibility for the implementation of the Commission's Strategy and the Management of Resources.

LINDA LEAHY
Director
Talent & Development

Responsibilities include Learning and Development, Organisation Design and Development, Deputising in the absence of the Chief Executive and associated external liaison.

LORNA PARSONS
Director
Recruitment & Diversity

Responsibilities include developing Recruitment and Selection, Diversity and Chief Executive Recruitment and external liaison.

DERMOT O'HARA
Director
People Strategies

Responsibilities include Employee Relations and the People/OD Strategy.

LISA O'NEILL
Policy Officer

Responsible for assisting the Chief Executive with Policy Development and Research Projects.

DIANA STEWART
Senior Advisor

Responsible for providing support across the Professional Team and leading on Special Projects.

JANET HAWKINS
Office Manager and
Personal Assistant to
the Chief Executive

Responsible for all administrative and office services and secretariat support to the Chief Executive.

TRACEY TORLEY
Finance Officer
(Resigned July 2014)

Responsible for financial services and systems.

BRIAN DAVISON
Finance Officer
(w.e.f. 01 September 2014)

ANNE GALLAGHER
Administrative Officer

Responsible for administrative and secretariat support to the Directors.

RUTH ANDERSON
Administrative Assistant

Responsible for clerical support to the Director – Talent and Development and general office support.

LEAH FOSTER
Office Assistant

Responsible for direct customer contact and general administrative support.

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

**FINANCIAL STATEMENTS OF THE
LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND
AND THE
LOCAL GOVERNMENT TRAINING GROUP**

YEAR ENDED 31 MARCH 2015

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

Statement of Commission's and Chief Executive/Accounting Officer's Responsibilities

The Commission's Responsibility

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Commission is required to approve the accounts.

These accounts were approved by the Commission on 16 June 2015.

The Chief Executive/Accounting Officer's Responsibilities

Under Section 40 and Schedule 3 of the Local Government Act (Northern Ireland) 1972, as amended by the Local Government (Northern Ireland) Order 2005 and the Finance Act 2011, the Department of the Environment has directed the Local Government Staff Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department of the Environment, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Department of the Environment has designated the Chief Executive as Accounting Officer of the Local Government Staff Commission and the Local Government Training Group. The responsibilities of the Accounting Officer, including responsibility for:

- the propriety and regularity of the public finances for which the Accounting Officer is answerable,
- keeping proper records, and
- safeguarding the Staff Commission's assets

are set out in the Accounting Officer's Memorandum published by the Department of Finance and Personnel.

LOCAL GOVERNMENT STAFF COMMISSION

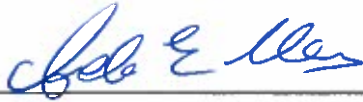
Certificate of the Accounting Officer and Commission Approval of the Statement of Accounts

Certificate of the Accounting Officer

I certify that:-

- (a) the Statement of Accounts for the year ended 31 March 2015 on pages 39 to 42 has been prepared in the form directed by the Department of the Environment and under the accounting policies set out on pages 43 to 55 .
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signed:



DR ADRIAN E KERR
Chief Executive and Accounting Officer
17 June 2015

Commission Approval of Statement of Accounts

These accounts were approved by the Commission on 16 June 2015

Signed:



BRIAN HANNA
Chair, Local Government Staff Commission
17 June 2015

LOCAL GOVERNMENT STAFF COMMISSION

Governance Statement for the Financial Year Ended 31 March 2015

Scope of Responsibility

As Accounting Officer, I have responsibility for ensuring that the Commission's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, whilst safeguarding the public funds and the Commission's assets, for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The Commission has Internal and External Auditors as well as regular and robust reporting arrangements to both the Commission itself and the Audit Committee. There are sound and thorough accountability arrangements surrounding my role of Accounting Officer.

The Commission agrees with its sponsoring Department, the Department of the Environment, a Strategic Plan which sets out objectives over a two-year period and a Business Plan which details the business objectives for the first year of the Strategic Plan, together with appropriate targets and performance measures. Results against targets and performance measures are considered monthly by the senior management team and reported to the Commission on a six monthly basis.

The Dossier of Controls, Managing Public Money NI and relevant Dear Accounting Officer Letters set out the controls to be exercised over the different areas of activity, either by the Department directly or by the Commission.

The Accounting Officer must ensure that the Commission adheres to the conditions attached to the public funds provided to it.

The Governance Statement Review

The Commission's Audit Committee met twice during the 2014/15 financial year. Through Audit Reports from the Local Government Auditor and the Commission's Internal Auditor, the committee were able to satisfy themselves that the Commission was working within the Commission's governance framework.

All Audit Committee minutes were discussed and agreed at the Commission's Board meetings.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Commission is directed and controlled and its activities through which it accounts to, engages with and leads its stakeholders. It enables the Commission to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control in the Commission is a significant part of the governance framework and is designed to manage and reduce risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Commission for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts, and accords with DFP guidance.

The Governance Framework

The key elements of the systems and processes that comprise the Commission's governance arrangements include:

Identifying and Communicating the Commission's Vision of its Purpose and Intended Outcomes

The Corporate Plan has been developed to guide the Commission's work for the rolling 3 year period 2014-2017 and to illustrate the Business Plan for Year 1, 2014-15. It is based on key stakeholder requirements and takes account of the need to provide leadership within local government in relation to all human resource (HR) matters and those arising from the implementation of the local government reform programme.

The objectives, targets and performance measures set out in the three year corporate plan and annual business plan are approved by the Minister. The Minister is accountable to the Assembly for the activities and performance of the Staff Commission. The Departmental Accounting Officer designates the Chief Executive of the Staff Commission as the Staff Commission's Accounting Officer.

The Commission's Board including Structure and Performance

The Commission's board includes a chairman, vice- chair and ten members who have been appointed by the Department of the Environment (N.I). The members usually meet each month or at least four times each year as detailed in the Commission's Standing Orders 2010 by which the members are bound.

Members of the Commission have a corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds as detailed within the 'Code of Best Practice' June 2014.

The Commission has operated an Audit Committee since February 2004. The terms of reference were revised during March 2011 to ensure they were consistent with best practice; however given the annual expenditure and level of operation of the Commission it was agreed that the Audit Committee would have a minimum of two meetings per annum.

The Audit Committee provides an independent assurance on the adequacy of the risk management framework and associated control environment within the Commission. It provides an independent scrutiny of the Commission's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment. During the year the Audit Committee has reviewed the effectiveness of internal audit, audit plans and external audit annual audit letter and findings.

Commission Member Attendance from 01 April 2014 – 30 November 2014

	Commission Meetings Attended – (6 held)	Audit Committee Meetings Attended – (2 held)
Brian Hanna	6	2
Ashley Boreland	6	N/A
Carmel Connolly	4	N/A
William Francey	6	2
Nigel Hamilton	0	1
Geraldine Rice	2	N/A
Bumper Graham	4	N/A
Marion Smith	3	N/A

Commission Member Attendance from 01 December 2014 – 31 March 2015

	Commission Meetings Attended – (2 held)	Audit Committee Meetings Attended – (None held)
Brian Hanna	2	N/A
Lindsay Boal	2	N/A
Monica Burns	2	N/A
Deborah Colville	2	N/A
Paul Corrigan	2	N/A
William Francey	2	N/A
Bumper Graham	1	N/A
Robert Hutchinson	2	N/A
Bernie Kelly	2	N/A
Charlie Mack	1	N/A
Roisin McDonough	2	N/A
Hilary Singleton	2	N/A

Measuring the Quality of Services for Users, for ensuring they are delivered in accordance with the Commission’s objectives and for ensuring that they represent the best use of resources

The Commission has four key performance areas Talent and Development; Recruitment and Diversity; People Strategies; and Corporate Governance.

Progress on meeting the actions detailed within the Key Performance Areas (KPAs) is addressed on a monthly basis by the Management Team and reported every six months to Commission Members by the officers with responsibility for development and implementation of each KPA.

The Annual Report is produced and distributed to stakeholders and includes information on the performance of the Commission in relation to the Corporate Plan.

The Commission received a re-accreditation for the ‘Investors in People’ award in June 2014 this helps improve internal performance and continual improvement.

The Commission is provided with detailed papers for every meeting, which include all relevant background information necessary to fully inform Commission Members on each agenda item. Some examples of the types of information provided to the Committee on a routine basis include:

- Financial Accounts
- Updates from Working Groups
- Update from the Local Government Training Group
- Audit Committee Minutes
- Corporate Plan progress reports

All Commission Members are provided with key corporate documents and have a working knowledge of these. Since 2014, the Commission has had electronic access to its meeting papers and has confirmed its satisfaction with this approach.

Risk Assessment

The Commission has a risk management policy which sets out the organisation’s attitude to risk, defines the structure for the management and ownership of risk and for the management of situations should control failure lead to the realisation of risk. It also specifies the way in which risk issues are to be considered at each management level of business planning; details how new activities will be assessed for risk; and defines the way in which the risk register and risk evaluation criteria will be regularly reviewed.

The Risk and Control Framework

The Commission's strategic and business planning system provides the framework for the consideration of risks and risk appetite. Annual reviews of objectives and assessment of risks are undertaken as part of that process. Risk is evaluated taking account of the likelihood of realisation of the risk and the impact of realisation of the risk. Risk priorities during 2014/15 included the future of the Commission following the RPA decision, retention of reputation and staff, continuing recognition of quality service and improvement agenda.

Internal Controls

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

Internal Audit

The Commission have an outsourced Internal Audit function with HSC Business Services Organisation (BSO). The Internal Audit Plan has been developed, in line with the Government Internal Audit Standards, to ensure that Internal Audit can efficiently and effectively provide the Commission with an objective evaluation of, and opinion on, the effectiveness of risk management, control and governance. Overall Internal Audit provided a satisfactory level of assurance for the system of internal controls within the Commission for 2014/15.

External Audit

The Northern Ireland Audit Office has provided a level of assurance through the provision of the annual external audit, the Annual Audit Letter and the Independent Auditor's Report.

Significant Governance Issues

- The Review of Public Administration and local government reform lead to a reduction in the number of councils from 26 to 11. The new councils became fully operational from April 2015.
- Decision of Minister following consultation on the future of the Commission, to wind the Commission up in March 2017 and this decision was endorsed by the Executive Committee in June 2014.
- Continuing relationship with Local Government Training Group. This is covered in more detail on page 11.

Signed: _____



DR ADRIAN E KERR
Chief Executive and Accounting Officer



BRIAN HANNA
Chair, Local Government Staff Commission

LOCAL GOVERNMENT STAFF COMMISSION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

I have audited the financial statements of Local Government Staff Commission for the year ended 31 March 2015 under the Local Government (Northern Ireland) Order 2005. These comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cashflows, Statement of Changes in Taxpayers' Equity and the related notes, including the Receipts and Payments Account for the Local Government Training Group. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Commission's and Chief Executive's/ Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with Local Government (Northern Ireland) Order 2005. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Local Government Staff Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Local Government Staff Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Local Government Staff Commission's affairs as at 31st March 2015, and of its net income, cash flows and changes in taxpayers' equity for the year then ended;
- the financial statements have been properly prepared in accordance with the Local Government (Northern Ireland) Order 2005 and the directions made thereunder by the Department of the Environment; and
- the financial statements properly presents the receipts and payments of Local Government Training Group for the year then ended.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited have been properly prepared in accordance with the Accounts direction issued by the Department of the Environment; and

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance and Personnel's guidance.

Certificate

I certify that I have completed the audit of accounts of the Local Government Staff Commission in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.



Louise Mason
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast

23 October 2015

**LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF COMPREHENSIVE NET EXPENDITURE
for the year ended 31 March 2015**

	Notes	2014/15 £000s	2013/14 £000s
Expenditure			
Staff Costs	3 (b)	499	502
Depreciation and other amounts	5	21	19
Other operating costs	4	211	399
TOTAL EXPENDITURE		731	920
Income			
Contributions from district councils		572	571
Contributions from N.I. Housing Executive		137	139
Income from Local Government Training Group		22	22
Other operating income		15	31
DOE – CEO Recruitment		-	165
Net Return on Assets	11	(12)	(19)
TOTAL INCOME		734	909
NET EXPENDITURE		(3)	11
Interest Payable		2	2
Interest Receivable		-	-
NET EXPENDITURE AFTER INTEREST		(1)	13
OTHER COMPREHENSIVE EXPENDITURE			
Unrealised surplus on revaluation of fixed assets		-	-
Actuarial (Gain)/Loss - pension scheme assets	11	72	(180)
Total Comprehensive Expenditure for the year ended 31 March 2015		71	(167)

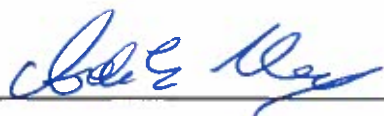
The amounts set out above arise wholly from continuing operations.

The notes on pages 43 to 55 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF FINANCIAL POSITION
as at 31 March 2015**

	Notes	31 Mar 15 £000s	£000s	31 Mar 14 £000s	£000s
NON-CURRENT ASSETS:					
Property, plant and equipment	5	424		436	
CURRENT ASSETS					
Trade and other receivables	6	17		36	
Cash and cash equivalents	7	200		169	
TOTAL CURRENT ASSETS			217	205	
TOTAL ASSETS			641		641
CURRENT LIABILITIES					
Trade and other payables	8		(46)		(57)
NON-CURRENT ASSETS PLUS/LESS NET CURRENT ASSETS/LIABILITIES			595		584
NON-CURRENT LIABILITIES					
Pension Liabilities	11		(431)		(327)
Other payables	9		(113)		(135)
TOTAL NON-CURRENT LIABILITIES			(544)		(462)
ASSETS LESS LIABILITIES			51		122
TAXPAYERS' EQUITY					
Revaluation Reserve			-		-
General Fund			51		122
			51		122

The financial statements were approved by the Commission on 16 June 2015 and signed on its behalf by:



ADRIAN E KERR
Chief Executive and Accounting Officer
20 October 2015



BRIAN HANNA
Chair, Local Government Staff Commission

The notes on pages 43 to 55 form part of these accounts.

LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF CASH FLOWS
for the year ended 31 March 2015

	Notes	2014/15 £000s	2013/14 £000s
Cash flows from operating activities			
Net Surplus after cost of capital and interest		1	(13)
Adjustments for:- Depreciation	5	21	19
Interest payable		2	2
Interest received		-	-
Return on Net Assets in Pension Fund	11	12	19
Current Service Cost	11	92	95
Operating Profit before working capital changes			128
(Increase)/Decrease in trade receivables	6	19	(29)
Increase/(Decrease) in trade payables	8	(11)	(5)
Cash generated from operations			8
Employer's Superannuation	3(b)	(72)	(71)
Bank Interest Received		-	-
Interest Paid on Loan		-	-
Net cash outflow from operating activities			(72)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(9)	(11)
Interest paid		(2)	(2)
Interest received		-	-
Net cash outflow from investing activities			(11)
Cash flows from financing activities			
Repayment of long term loan	10	(22)	(23)
Net cash outflow from financing activities			(22)
Net increase/(decrease) in cash and cash equivalents			31
Cash and cash equivalents at the beginning of the period	7		169
Cash and cash equivalents at the end of the period	7		200

The notes on pages 43 to 55 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2015**

	General Fund	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
Balance at 1 April 2013	(50)	5	(45)
Changes in taxpayers' equity for 2013/14			
Net Gain/(Loss) on revaluation of property, plant and equipment	-	-	-
Actuarial Gain/(Loss) on pension (see Note 11)	180	-	180
Transfer between reserves	5	(5)	-
Retained Surplus/(Deficit)	(13)	-	(13)
Balance at 31 March 2014	122	-	122
Changes in taxpayers' equity for 2014/15			
Net Gain/(Loss) on revaluation of property, plant and equipment	-	-	-
Actuarial Gain/(Loss) on pension (see Note 11)	(72)	-	(72)
Transfer between reserves	-	-	-
Retained Surplus/(Deficit)	1	-	1
Balance at 31 March 2015	51	-	51

The notes on pages 43 to 55 form part of these accounts.

LOCAL GOVERNMENT STAFF COMMISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Note 1: Statement of Accounting Policies

ACCOUNTING CONVENTION

The accounts have been prepared in accordance with the historical cost convention, modified by the revaluation of certain fixed assets, and with paragraph 11 of Schedule 3 of the Local Government Act (Northern Ireland) 1972, as amended by the Local Government (Northern Ireland) Order 2005 and the Finance Act 2011.

Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 and the requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the financial year for which the accounts are being prepared, insofar as those requirements are appropriate. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context.

GOING CONCERN

At the year end the General Fund is no longer in deficit. The Commission and the Chief Executive are satisfied that the Commission remains a going concern on the basis that all ongoing expenditure including pension cost continues to be adequately funded on a cash basis. Furthermore NILGOSC has plans in place to address the pension deficit and the Commission's share of the NILGOSC pension liability should consequently reduce.

INCOME

Contributions from district councils and the Northern Ireland Housing Executive are credited to income in the year to which they relate.

Income from activities represents the amount receivable for goods and services supplied to external customers during the year.

PAYMENTS TO SUPPLIERS

It is the policy of the Commission, following receipt of goods, to pay suppliers within the maximum of 30 day period following receipt of invoice.

PROPERTY, PLANT AND EQUIPMENT

The Commission's property, plant and equipment comprise buildings, computer equipment and fixtures and fittings. Buildings are revalued every five years by a professional valuer and in intervening years using appropriate indices compiled by the Land and Property Services (LPS).

The threshold for capitalisation of an individual or grouped item of property, plant and equipment is £500. This will enable the Commission to capitalise replacement IT equipment which can be purchased at a lower cost.

Note 1: Statement of Accounting Policies (continued)

Depreciation is provided on a straight line basis in order to write off the valuation, less any residual value, over the estimated useful lives. The estimated useful lives, which are reviewed regularly, are:

Buildings	50 years
Computer Equipment	3-5 years
Fixtures and Fittings	5-10 years

INVENTORY

Inventories consist only of consumable items and are, therefore, expensed in the year of purchase.

OPERATING LEASES

The total cost of the operating lease is expensed in equal instalments over the life of the lease. The Commission currently has an operating lease for a photocopier.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand and bank deposits.

PENSION

The Commission participates in the Northern Ireland Local Government Superannuation Committee Scheme (NILGOSC) for the majority of its employees. This is a fully funded defined benefit scheme and is a statutory scheme that provides benefits on a "final salary" basis at a normal retirement age of 65.

Prior to 1 April 2009 benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3/80^{ths} of pensionable salary for each year of service, prior to 1 April 2009, is payable on retirement. From 1 April 2009 the scheme changed and benefits from this date accrue at the rate of 1/60th of pensionable salary for each year of service. The scheme's professionally qualified actuaries recommend the rate of contributions to be paid in a range from 5.5% to 7.5% for staff (depending on salary) and 20% by the Commission. The employer contribution for 2015/16 has been set at 20%.

The total amounts paid into the scheme this financial year were: employees £24,230 and employer £72,000. In addition £20,413 was paid by way of AVCs to the Prudential.

The Commission, in accordance with IAS 19, accounted for employer pension contributions as a defined benefit scheme. Under IAS 19 the Commission is required to account for their share of assets and liabilities in the scheme. Added years discretionary benefits awarded to former employees who retire early are also accounted for as a defined benefit scheme, as in accordance with IAS 19.

An actuarial valuation was carried out on 31 March 2015 in accordance with IAS 19 and Financial Reporting Manual (FRM) and the results of the valuation are detailed in Note 11.

The Charge (Credit) to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost and Past Service Cost if applicable (a) (included within staff costs) and interest credit on net return (b) (shown on the Statement of Comprehensive Net Expenditure). Actuarial gains and losses (c) are taken to reserves and shown under Other Comprehensive Expenditure.

The liabilities under the Scheme have been valued using the standard actuarial technique known as the Projected Unit Method.

Note 1: Statement of Accounting Policies (continued)

The principal financial assumptions for valuing the liabilities were:

	31 March 2015 % per annum	31 March 2014 % per annum
Discount Rate	3.20	4.30
Pension Increases	1.80	2.40
Pension Accounts Revaluation Rate	1.80	-
Salary Increases	3.30	3.90

The total net pension deficit as at 31 March 2015 is £431,000, representing the sum of the net liabilities as at that date.

(a) Current Service Cost: is the increase in the present value of the scheme liabilities expected to arise from employee service in the current period.

(b) Interest Credit on Net Return: the difference between expected return on employer assets and interest on pension scheme liabilities.

(c) Expected Rate of Return on Assets: the average rate of return expected over the remaining life of the related obligation on the actual assets held by the Scheme.

(d) Interest on Pension Scheme Liabilities: the expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to settlement.

(e) Actuarial Gains and Losses: changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or changes in actuarial assumptions.

TAXATION

The Commission is not registered for VAT purposes. Consequently, all amounts in these accounts are inclusive of VAT.

Note 2: Segmental Reporting

As part of the internal reporting arrangement the Commission receives reports on financial operations on a single segment basis, ie, Commission's financial performance is reviewed as a whole in line with the annual business plan. The annual financial scheme and any subsequent schemes are presented at Commission meetings for approval.

Note 3: Staff Costs

	2014/15 No's	2013/14 No's
(a) The average weekly number of employees (full time equivalent) was:	10	10
	2014/15 £000s	2013/14 £000s
(b) The costs incurred in respect of these employees were:		
Salaries and Wages	374	374
Social Security Costs	33	33
Pension Costs – NILGOSC	72	71
	479	478
Service Costs/(Gains)	92	95
Superannuation - re: charge to provision	(72)	(71)
TOTAL	499	502

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense once the employee earns the benefits, irrespective of whether they have been paid. This includes the cost of any untaken leave at the year end. The cost of untaken leave is determined using the Commission's annual leave records.

There were no exit packages paid or agreed during the financial year.

Note 4: Other Operating Costs

	2014/15 £000s	2013/14 £000s
These comprise:		
Commission Chairman and Members' Allowances	34	21
Research, Marketing and Development	7	47
Conferences, Courses and Training	5	6
Rates	21	21
Other General Administration Expenses	122	99
External Auditor's Remuneration	7	7
Travel and Subsistence – Staff	11	10
Travel and Subsistence – Commission Members	2	3
CEO - Recruitment	2	185
TOTAL	211	399

Note 5: Property, Plant and Equipment

Current Year:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
COST OR VALUATION				
At 1 April 2014	460	83	45	588
Additions (including accruals)	-	9	-	9
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2015	460	92	45	597
DEPRECIATION				
At 1 April 2014	42	68	42	152
Charge for the year	14	6	1	21
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2015	56	74	43	173
NET BOOK VALUE				
At 31 March 2015	404	18	2	424
At 31 March 2014	418	15	3	436

Comparative Year:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
COST OR VALUATION				
At 1 April 2013	460	72	45	577
Additions (including accruals)	-	11	-	11
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2014	460	83	45	588
DEPRECIATION				
At 1 April 2013	28	64	41	133
Charge for year	14	4	1	19
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2014	42	68	42	152
NET BOOK VALUE				
At 31 March 2014	418	15	3	436

Asset Financing:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
Owned	404	18	2	424
Finance Leased	-	-	-	-
On-balance sheet (SoFP) PFI (and other service concession arrangements) contracts	-	-	-	-
Carrying amount at 31 st March 2015	404	18	2	424

The net book value of land and buildings comprises long leasehold property only.

The land and buildings were revalued on 29 March 2012 on the basis of open market value by a professional valuer from Land and Property Services.

Note 6: Trade Receivables and Other Current Assets

Amounts falling due within one year:	2014/15 £000s	2013/14 £000s
Trade receivables	6	29
Deposits and advances	-	1
Other Receivables	-	-
Prepayments and accrued income	11	6
Current part of PFI (and other service concession arrangements) prepayment	-	-
Current part of NLF loan	-	-
TOTAL	17	36

Note 6.1: Intra-Governments Balances

	Amounts falling due within one year £'000		Amounts falling due after more than one year £'000	
	2014-15	2013-14	2014-15	2013-14
Balances with central government	-	1	-	-
Balances with local authorities	6	29	-	-
Balances with NHS bodies	-	-	-	-
Sub-total: intra government balances	6	30	-	-
Balances with bodies external to Government	11	6	-	-
Trade Receivables at 31 March 2015	17	36	-	-

Note 7: Cash and Cash Equivalents

	2014/15 £000s	2013/14 £000s
Balance at 1 April	169	188
Net change in cash and cash equivalent balances	31	(19)
Balance at 31 March	200	169
The following balances at 31 March were held at:		
Commercial banks and cash in hand	200	169

Note 8: Trade Payables and Other Current Liabilities

Amounts falling due within one year:	2014/15 £000s	2013/14 £000s
VAT	-	-
Other taxation and social security	-	-
Trade payables	-	-
Accruals	24	35
Accrued and deferred income	-	-
Current part of finance leases	-	-
Current part of imputed finance lease element of on balance sheet (SoFP) PFI contracts	-	-
Current instalments due on loans	22	22
TOTAL	46	57

Note 8.1 Intra-Government Balances

	Amounts falling due within one year £'000		Amounts falling due after more than one year £'000	
	2014-15	2013-14	2014-15	2013-14
Balances with central government	-	18	-	-
Government Bodies	1	-	-	-
Balances with local authorities	2	-	-	-
Balances with NHS bodies	-	-	-	-
Sub-total: intra-government balances	3	18	-	-
Balances with bodies external to government	43	39	-	-
Trade payables at 31 March 2015	46	57	-	-

Note 9: Non-Current Liabilities - Other Payables

	2014/15 £000s	2013/14 £000s
Loans	113	135

Note 10: Loans

	2014/15 £000s	2013/14 £000s
Amounts falling due:		
In one year or less	22	22
Between one and two years	22	22
Between two and five years	70	69
In five years or more	21	44
	113	135
TOTAL	135	157

Details of loans not wholly repayable within five years are as follows:

All amounts relate to a 25-year bank loan bearing interest at 0.25% per annum over the bank's base rate. Security for the loan is the equitable deposit of the deeds of the property. Repayments of capital and interest are made monthly.

Note 11: Pensions Relating to Officers

	2014/15 £000s	2013/14 £000s
Scheme Liability at Beginning of the Year	(327)	(464)
Current Service Cost	(92)	(95)
Past Service (Cost)/Gain	-	-
Employer Contributions	72	71
Net Return on Assets	(12)	(19)
Actuarial Gains/(Losses)	(72)	180
Scheme Surplus/(Deficit) at 31 March 2015	(431)	(327)

Note 11(a): The fair value of the assets held by the pension scheme attributable to the Commission are analysed as follows:

	Expected Long Term Return at 31 Mar 2015 % p.a.	Assets at 31 Mar 2015 £(000)	Expected Long Term Return at 31 Mar 2014 % p.a.	Assets at 31 Mar 2014 £(000)
Equities	3.2	2,162	7.6	1,991
Bonds	3.2	361	7.4	322
Property	3.2	373	6.9	301
Cash	3.2	59	0.9	70
Other	3.2	6	7.6	-
Total		2,961		2,684

Note 11(b): Net Pension Liability

	31 Mar 2015 £(000)	31 Mar 2014 £(000)
Estimated Employer Assets (A)	2,961	2,684
Present Value of Scheme Liabilities	(3,392)	(3,011)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(3,392)	(3,011)
Net Pension Asset (A-B)	(431)	(327)

Note 11(c): Reconciliation of Defined Benefit Obligation

	Year to 31 Mar 2015 £(000)	Year to 31 Mar 2014 £(000)
Opening Defined Benefit Obligation	3,011	2,985
Current Service Cost	92	95
Interest Cost	126	131
Contributions by Members	25	25
Actuarial Losses/(Gains)	305	(62)
Past Service Costs/(Gains)	-	-
Losses/(Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(167)	(163)
Closing Defined Benefit Obligation	3,392	3,011

Note 11(d): Reconciliation of Fair Value of Employer Assets:

	Year to 31 Mar 2015 £(000)	Year to 31 Mar 2014 £(000)
Opening Fair Value of Employer Assets	2,684	2,521
Expected Return on Assets	114	112
Contributions by Members	25	25
Contributions by the Employer	72	71
Contributions in respect of Unfunded Benefits	-	-
Actuarial Gains/(Losses)	233	118
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Unfunded Benefits Paid	-	-
Benefits Paid	(167)	(163)
Closing Fair Value of Employer Assets	2,961	2,684

Note 11(e): Net Return on Assets:

	Year to 31 Mar 2015 £(000)	Year to 31 Mar 2014 £(000)
Expected Return on Employer Assets	114	112
Interest on Pension Scheme Liabilities	233	118
Net Return	347	230

Note 11(f): Actuarial Analysis

	Year to 31 Mar 2015 %	Year to 31 Mar 2014 %
Pension Increase Rate (CPI)	1.8	2.4
Salary Increase Rate	3.3	3.9
Expected Return on Assets	13.1	6.9
Discount Rate	3.2	4.3

Note 11(g): Mortality Assumptions

Actuarial Assumptions for average future life expectancy at age 65	Males	Females
Current Pensioners	22.2 years	24.7 years
Future Pensioners (aged 45 at accounting date)	24.4 years	27.0 years

The mortality assumptions affect the length of time the benefits would be expected to be paid for. Mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Mortality loadings were applied to the SAPS tables based on membership class as determined at the 2013 valuation.

Sensitivity Analysis: IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase liabilities as a higher value is placed on benefits in the future. Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions then, a higher value would be placed on the employer's liabilities. Further increase in pensionable pay of 0.1% per annum, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities by 0.6%.

Note 11(h): Summary of Experience Gains/ (Losses)

Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures. These actuarial gains and losses are shown in the table below as Experience Gains and Losses. Actuarial gains and losses are recognised as Other Comprehensive Expenditure and taken to reserves.

	Year to 31 Mar 2015 £(000)	Year to 31 Mar 2014 £(000)	Year to 31 Mar 2013 £(000)	Year to 31 Mar 2012 £(000)	Year to 31 Mar 2011 £(000)
Fair Value of Employer Assets	2,961	2,684	2,521	2,125	2,084
Present Value of Defined Benefit Obligation	(3,392)	(3,011)	(2,985)	(2,569)	(2,436)
Surplus/(Deficit)	(431)	(327)	(464)	(444)	(352)
Actuarial Gains/(Losses) on Employer Assets	(233)	(118)	249	(130)	141
Actuarial Gains/(Losses) on Obligation	305	(62)	(261)	38	462
Actuarial Gains/(Losses) recognised in SRIE	72	(180)	(12)	(92)	603

Note 12: Capital Commitments

	2014/15 £000s	2013/14 £000s
Contracted	-	-
Authorised but not contracted	-	-
TOTAL	-	-

Note 13: Commitments under Leases - Photocopier

	2014/15 £000s	2013/14 £000s
Not later than one year	1	0
Later than one year and not later than five years	2	5
	3	5

The Commission does not have any finance leases.

Note 14: Related Party Transactions

The Local Government Staff Commission is an Executive Non-Departmental Public Body (NDPB) sponsored by the Department of the Environment. The Department of the Environment is regarded as a related party. During the year, the Commission has had various material transactions with the Department and other entities for which the Department of the Environment is regarded as having a general oversight role, viz, district councils.

In addition, the Commission has had various material and other transactions with the Local Government Training Group, district councils and the Northern Ireland Housing Executive.

None of the Commission Members are members of the key management staff or other related parties which have undertaken any material transactions with the Commission during the year.

Note 15: Financial Instruments

The Commission has no material risk exposure to Financial Instruments.

(a) **Credit Risk:** arises from deposits with banks and financial institutions, as well as credit exposures to the Commission's customers.

Trade debtors, inclusive of VAT, can be analysed by age as follows:

	2014/15 £	2013/14 £
Less than three months	5,500	30,233
Three to six months	200	0
Six months to one year	0	0
More than one year	0	0

There is no historical experience of default in relation to deposits with banks, other financial institutions and debtors. Therefore there is no estimated exposure to risk of default.

(b) **Liquidity Risk:** All trade and other payables are due for payment within one year.

(c) **Market Risk:**

Interest Rate Risk – The Commission is exposed to risk in terms of its exposure to interest rates movements on its borrowing and investments.

Foreign Exchange Risk – The Commission has no financial assets or liabilities dominated in foreign currencies and thus have no material exposure to loss arising from movements in exchange rates.

Note 16: Target for Paying Invoices

The Commission's default for paying invoices, where no other terms are agreed, is 30 days. (It is assumed that 30 days will be 30 calendar days and 10 days will be 10 working days).

During the year the Commission paid 582 invoices totalling £344,666.

The Commission paid 559 invoices within the 30 day target.

The Commission paid 418 invoices within the 10 day target.

The Commission paid 23 invoices outside the 30 day target.

**LOCAL GOVERNMENT TRAINING GROUP
RECEIPTS AND PAYMENTS ACCOUNT
for the year ended 31 March 2015**

	Notes	Year Ended 31 March 2015 £		Year Ended 31 March 2014 £	
Recurrent Transactions					
Contributions	2	300,000		300,000	
Operating Receipts	3	106,240	406,240	90,484	390,484
Less Operating Costs	4		457,848		394,564
Surplus/(Deficit)			(51,608)		(4,080)
APPROPRIATION ACCOUNT					
Balance brought forward			336,444		340,524
Surplus/(Deficit) for the year			(51,608)		(4,080)
Balance carried forward 31/03/14			284,836		336,444
Represented by:-					
Current Account			234,803		285,373
Fixed Term Deposit Account			50,033		51,071
			284,836		336,444

Signed:



STEPHEN REID
Chairman, Local Government Training Group



DR ADRIAN E KERR
Chief Executive and Accounting Officer

LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS
for the year ended 31 March 2015

1. BASIS OF ACCOUNTS

These accounts have been prepared for presentation to the Local Government Staff Commission at its meeting on the 16 June 2015.

	Year Ended	
	31 March 2015 £	31 March 2014 £
2. CONTRIBUTIONS RECEIVED		
District Councils	300,000	300,000
3. OPERATING RECEIPTS		
Bank Interest	95	24
Course Fees	106,145	90,460
	<u>106,240</u>	<u>90,484</u>
4. OPERATING COSTS		
Strategic Framework Implementation		
Pillar 1: Leadership		
Chief Executive and 2 nd Tier Development 2013-14	-	-
Chief Executive and 2 nd Tier Development 2014-15	36,735	34,470
Leadership Development	34,188	37,768
	70,923	72,238
Pillar 2: Performance Culture		
Performance Management Framework	19,720	17,078
Pillar 3: Employee Relations and		
Pillar 4: Pay and Reward		
Employee Relations	-	-
Pay and Reward Framework	-	-
	-	-
Pillar 5: Talent Management		
Talent Management Framework	756	33,347
Pillar 6: Learning Organisation		
Development Programmes	-	5,620
Knowledge and Skills Based Training	216,020	165,090
Professional Groups and Support Staff	1,500	8,205
Advanced Diploma (University of Ulster)	-	22,230
Learning Management Systems and eLearning	50,691	-
	<u>268,211</u>	<u>201,145</u>

LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS
for the year ended 31 March 2015 (cont'd)

	Year Ended	
	31 March 2015 £	31 March 2014 £
Capacity Building for ICE and Local Government Reform		
Transferring Staff	7,711	8,914
Conference/Workshops	35,940	-
Practitioners' Group	-	15,448
Local Government Awards	-	1,298
	<u>43,651</u>	<u>25,660</u>
Equality and Diversity	8,414	14,600
Capacity Building for Elected Members	23,551	4,906
Miscellaneous Initiatives		
Quality Standards (includes IIP)	-	2,250
Cross-Border Initiatives	-	-
	<u>-</u>	<u>2,250</u>
Administration		
Printing and Stationery	114	716
Travel and Subsistence	418	550
LGSC Administration	22,000	22,000
Bank Charges	90	74
Advertising	-	-
Professional Fees	-	-
	<u>22,622</u>	<u>23,340</u>
Total Operating Costs	<u>457,848</u>	<u>394,564</u>

LOCAL GOVERNMENT STAFF COMMISSION ACCOUNTS AUTHORISED FOR ISSUE

In accordance with International Accounting Standards 21 (IAS 10) this Statement of the Accounts which contains a number of minor amendments from the Accounts approved on 16 June 2015 are at today's date hereby authorised for issue.

IAS 10 sets out:-

- The period during which an entity should adjust its financial statements for events after the balance sheet date as being the period between the date when the financial statements were prepared and the date of authorisation; and
- In the event of adjustments the disclosures that should be made.

Signed:



DR ADRIAN E KERR
Chief Executive and Accounting Officer

Dated: 20 October 2015