



LABOUR RELATIONS AGENCY

BUSINESS PLAN

2015-16

INTRODUCTION

This Business Plan sets out the work that the Labour Relations Agency (the Agency) will undertake during the 2015-16 financial year. The plan covers the second performance year of the Agency's Corporate Plan 2014-17.

STRATEGIC DIRECTION

The Agency's mission is to improve employment relations, promote best employment practice and resolve workplace disputes through the delivery of quality, impartial and independent services.

The Agency's 2014-17 Corporate Plan establishes the following strategic aims:

- Promote better performance in organisations through improved employment relations and more effective dispute resolution;
- Inform public policy and debate on the economic and social value of good employment relations;
- Support the operation of fair, harmonious and effective workplaces;
- Optimise the contribution of Agency staff;
- Secure value for money.

2014-15 PERFORMANCE

In the 2014-15 period the Agency met the following objectives:

- Delivered an extensive programme of good practice seminars/briefings and advisory workshops;
- Delivered responsive advisory services tailored to the needs of our customers;
- Delivered effective collective and individual conciliation services;
- Further embedded the Agency's Pre-Claim Conciliation service;
- Promoted and delivered the Agency's arbitration, independent appeals and mediation services;
- Developed a delivery model for Early Conciliation that will facilitate the routing of individual rights claims from employment tribunals to the Agency in the first instance;
- Facilitated multi-agency discussions on employment relations primarily through the Agency's support of the Roundtable discussion on Employment Relations;
- Designed and installed a new, bespoke case management system that will support the Agency's help-line and conciliation services;
- Further developed the capability of our staff through the delivery of the Agency's annual training and development plan;
- Continued to receive very positive endorsements about the quality and effectiveness of all of our front-line services; and
- Operated within our delegated expenditure limits with less than a 1% underspend.

POLICY CONTEXT

Northern Ireland is the only region of the UK where employment law is devolved. This continues to present unique challenges and opportunities for the Agency in delivering its statutory remit.

The Department for Employment and Learning (DEL) has recently conducted a very wide ranging review of the employment law system here in Northern Ireland and is now seeking to implement a range of measures through primary legislation to be introduced into the Assembly by the end of June 2015. A key purpose of the legislation would be to facilitate the routing of all potential tribunal claims through the Agency. The proposed legislation would also enable the Agency to deliver neutral assessment. If the legislation is enacted it will have a fundamental impact on how the Agency presents and delivers its frontline services as well as having significant resource implications. However, the Agency is committed to being operationally ready to meet the requirements of the new legislation in consultation with DEL and key stakeholders.

The forthcoming general election is also likely to create a very dynamic policy agenda for the rest of the UK, which may also indirectly impact on the work of the Agency. The Agency will also take account of the impact of developing case law in GB as we refine the service delivery model for Early Conciliation. The Agency will also seek to respond positively to the recent reorganisation of local government through the establishment of eleven super councils and the planned restructuring of central government post the 2016 Assembly elections.

KEY CHALLENGES FOR 2015-16

The Agency is the primary deliverer of employment relations services in Northern Ireland. The Agency also has a statutory role to promote good employment relations. Pursuant to these objectives the main focus of this year's plan will be to:

- Continue to deliver the Agency's core services in line with our quality standards and customer expectations;
- Maintain and where appropriate increase uptake of the Agency services;
- Complete the development work to refine the Early Conciliation delivery model;
- Put in place the necessary operational arrangements to be able to deliver an Early Conciliation service during 2016-17;
- Complete a feasibility study on the merits of a neutral assessment service;
- Review the delivery options to provide better support for SMEs;
- Facilitate the work of the Roundtable discussion on Employment Relations;
- Seek to proactively engage with local and central government as they manage the current and future programme of restructuring;
- Introduce coaching as the Agency's preferred management approach;
- Embed the Agency's new case management system within the Conciliation and Arbitration Directorate and develop the specification for the roll out of the new system to the Advisory and Corporate Services Directorates;
- Achieve Investors in People Award at Silver standard;
- Replace the Agency's internet and establish an intranet;
- Deliver all of business objectives within existing expenditure limits;
- Meet all governance requirements.

GOVERNANCE COMMITMENTS

The Agency's Board has established the strategic objectives and operational targets that are set out in this current business plan. The Agency's senior management provides the Agency Board with bi-monthly updates on performance against each of the operational targets.

Senior management also provide the Board with mid and end year assurance that the requirements of the Agency's Management Statement and Financial Memorandum, agreed with DEL as the sponsoring Department, are being addressed. The Agency meets with DEL on a quarterly basis to discuss accountability and policy issues. The Agency also has in place an Audit and Risk Committee which provides advice and assurance to the Accounting Officer and the Board.

STRATEGIC AIMS AND OBJECTIVES

The strategic objectives requiring action 2014-15 are set out below. They derive from the Corporate Plan 2014-17 and reflect the current debate on the further development of Northern Ireland employment law and employment relations.

Strategic Aim 1: Promote better performance in organisations through improved employment relations and more effective dispute resolution.

Strategic Objectives	Targets
1. The Agency is the preferred choice when organisations seek guidance on employment relations issues.	<p>Publish the annual events programme by 1 August 2015.</p> <p>Evaluate the current service offerings to employers by 31 December 2015.</p> <p>At least 10% of callers in 2015-16 will not have previously used the Helpline service.</p> <p>At least 25% of attendees at good practice seminars/briefings in 2015-16 will not have previously attended a seminar/briefing.</p>
2. Help prevent and resolve individual and collective workplace employment disputes relating to employment relations and employment rights.	<p>Refine the Early Conciliation Service delivery model in consultation with key stakeholders by 31 October 2015.</p> <p>Submit to DEL a resource assessment for the new Early Conciliation Service by 30 November 2015.</p> <p>Complete a feasibility study on the potential introduction of a neutral assessment service by 31 December 2015.</p> <p>Contribute to DEL's formal review of the Agency's Statutory Arbitration Scheme by 31 March 2016.</p> <p>At least 50% of customers in 2015-16 to have reported that they have amended documentation/systems following Agency advisory assistance.</p>
3. Enhance the capacity of SME and Micro organisations to demonstrate good employment relations as a contribution to sustainable growth.	<p>A SME and Micro employer support strategy in place by 31 January 2016.</p> <p>Publish case summaries promoting good employment relations practice by 31 March 2016.</p>
4. Support public sector organisations as they address the major employment relations challenges deriving from the public sector reform agenda.	<p>Scope the requirement for a public sector employment relations support programme by 30 November 2015.</p> <p>Based on the findings of the scoping study develop a public sector support programme by 31 March 2016.</p>

Strategic Aim 2: Inform public policy and debate on the economic and social value of good employment relations.

Strategic Objectives	Targets
5. Contribute to the development of public policy including the design and development of a system of employment relations for Northern Ireland.	<p>Respond to Government consultations where appropriate.</p> <p>Maintain an up to date employment law comparison table on an on-going basis.</p> <p>Identify the strategic drivers that will strengthen Northern Ireland's employment relations system by 31 March 2016.</p>
6. Build partnerships with key stakeholders to expand LRA's reach and influence in improving employment relations.	<p>Review the Agency's stakeholder engagement strategy by 30 September 2015</p> <p>Review the effectiveness of operational arrangements with the Agency's delivery partners (e.g. OITFET/INI /Equality Commission) by 30 September 2015.</p> <p>Conduct a targeted programme of meetings with the key stakeholders by 31 March 2016.</p> <p>Facilitate the NI Employment Relations Roundtable in developing a shared vision and forward programme by 31 December 2015.</p>
7. Act as a creative and innovative influence in the employment relations field	<p>Organise a master class on the work of the UK Employee Relations Institute by 31 January 2016.</p> <p>Disseminate emerging best practice through the Agency's annual lecture and its membership of the International Agencies Group by 31 March 2016.</p> <p>Explore the feasibility of developing an employment relations module for the Further Education Sector by 31 March 2016.</p>

Strategic Aim 3: Support the operation of fair, harmonious and effective workplaces.

Strategic Objectives	Targets
8. Alternative dispute resolution processes e.g. conciliation, mediation and arbitration are the norm for the third party resolution of all employment relations disputes.	<p>No more than 20% of individual rights claims referred to the Agency to be subsequently dealt with by an employment tribunal.</p> <p>At least 60% of pre-claim referrals from the Agency's Helpline to agree to conciliation within 3 months.</p> <p>Promotion of a settlement in 70% of reported collective disputes in which the Agency is involved.</p> <p>Promotion of a settlement in 70% of mediation referrals to the Agency and where mediation takes place.</p> <p>At least 80% of Arbitrations/Independent Appeals hearings are undertaken within agreed timescales.</p>
9. Enhance the employment relations skills of managers and in particular first line owner managers/supervisors	<p>Review the learning outcomes of seminars and briefings delivered by the Agency by 30 June 2015.</p> <p>Examine the feasibility of developing an employment relations diagnostic tool by 31 December 2015.</p> <p>At least 75% of attendees report that they now feel better equipped in dealing with employment matters in the workplace following attendance at in-house seminars/briefings.</p>

Strategic Aim 4: Optimise the contribution of Agency staff.

Strategic Objectives	Targets
10. Develop Agency staff to ensure they are able to make the very best of their skills and abilities.	Achieve IIP Silver status by 31 August 2015. Publish the 15-16 Learning and Development plan by 30 September 2015; and Implement the plan by 31 March 2016. Revise the Agency's HR Strategy by 31 December 2015. Embed coaching as the Agency's preferred management approach by 31 March 2016. Develop an action plan based on the findings of the staff survey by 30 June 2015; and Implement agreed actions by 31 March 2016.
11. Comply with statutory Equality obligations.	To submit the annual Section 75 report to the Equality Commission by 31 August 2015. Complete Article 55 review by 31 March 2016.

Strategic Aim 5: Secure value for money.

Strategic Objectives	Targets
12. Consistently look for efficiencies in all that we do without detriment to maintaining high standards of service delivery.	<p>Deliver all the Agency's strategic priorities within existing expenditure limits as determined by the Department for Employment and Learning by 31 March 2016.</p> <p>Prepare and lay the Agency's annual accounts by 31 July 2015.</p> <p>Implement all internal and external audit recommendations by 31 March 2016.</p> <p>Comply with all of the requirements set out in the Management Statement and Financial Memorandum by 31 March 2016.</p> <p>Embed Phase I of the Case Management System and the Helpline Referral System by 30 November 2015.</p> <p>Conduct a post project evaluation for phase 1 of the ICMS project by 31 March 2016.</p> <p>Develop a specification for Phase 2 of the Case Management system by 31 October 2015.</p> <p>Submit to DEL business case for Phase 2 by 31 December 2015.</p>
13. Ensure that the Agency operates in a sustainable and environmentally responsible manner.	<p>Complete an energy usage review by 31 December 2015.</p> <p>Complete an accommodation review by 31 March 2016.</p>
14. Demonstrate the value for money of LRA services	<p>At least 1% of Helpline calls are referred for pre-claim conciliation.</p> <p>The average Helpline waiting time to be less than 1 minute for 2015-16.</p> <p>The Helpline lost call rate to be less than 10% for 2015-16.</p> <p>At least 80% of advisory cases are completed within 3 months of receipt.</p> <p>Value for Money review of purchasing y 31 July 2015.</p>

<p>15. To operate the best and most appropriate channels of communication for clients to promote good employment relations.</p>	<p>Develop a new IS Strategy by 31 March 2016.</p> <p>Develop a new Agency website by 31 December 2015.</p> <p>Develop a new intranet facility by 30 June 2015.</p> <p>Secure re-certification against the ISO 27001 2005 standard by 30 June 2015.</p> <p>Secure certification against the ISO 27001 2013 standard by 31 August 2015.</p> <p>Complete IS Security Risk Assessment by 30 November 2015.</p> <p>Update the Agency's Business Continuity Plan to ISO27001 standards by 30 November 2015.</p>
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CORPORATE PERFORMANCE INDICATORS

HR and Business Support	
a)	Leadership and management effectiveness indices show improvement through regular staff surveys and three yearly liP re-assessments.
b)	A plan is produced by September 2015 which addresses feedback from the staff survey with regard to accommodation and facilities.
c)	SMT has reviewed Stress Risk Action Plan progress by September 2015 and has discussed next steps with the union by October 2015.
d)	SMT has completed an interim review of the Reward and Recognition Policy and made Board recommendations by October 2015.
e)	An evaluation of the annual staff conference is provided for Board information within 2 months of the event.
f)	Sickness absence reduces each year by 10% of prior year out turn average (i.e. if 6% is prior year out turn average, then new target is 5.40%).
g)	The effectiveness of consultation is measured through JNCC self-assessment and the time taken to clear policies through the consultation process.
Finance and Compliance	
a)	Supplier payments are better than 95% within 30 days and 70% within 10 days.
b)	Bank balances at year end are fully covered by accruals and tangible commitments.
c)	At least "satisfactory" ratings in internal and external audit assurances.
d)	Full compliance recorded in stewardship statements (e.g. Permanent Secretary).
e)	All equality statutory reports are published or filed on time (e.g. S75, Art 55, Monitoring Return).
f)	Commitments in the Agency's Equality Scheme are reviewed annually and any shortcomings or backlogs resolved.
g)	All DP and FOIA requests are clearly identified and processed in compliance with the relevant statute.
h)	No reportable accidents arise for inclusion in the Health and Safety Accident Book in 2015-16.
i)	A biennial review of equal pay in the LRA is completed by December 2015.
j)	A biennial review of service unit costs is completed by March 2016.
Systems	
a)	The Agency passes all annual ISO27001 surveillance audits.
b)	95% uptime within ICT (Information and Communications Technology) infrastructure
c)	Full compliance with standards and legislation in IS Managed Services contract
d)	PPEs are completed on time where a target has been set out in the respective business cases
e)	Business cases are developed within targets established by the respective project boards
f)	Specifications are developed within targets established by the respective project boards
g)	A project management office facility is available for all new projects which ensures documentation and procedures are consistent with good practice project management.

RESOURCE MANAGEMENT 2015-16

Background

The Agency has had to deal with increasing funding pressures over the past 5 years since DEL implemented its Budget 2010 efficiency measures for the four year period ending 31 March 2015. At that time the Agency's baseline budget was reduced by £200k in each of the four financial years up to 31 March 2015. The net effect of those reductions have been even more acute as the Agency has also had to absorb the costs of annual pay and price increases from within the reduced baseline of £3545k. On the positive side, following approval of a detailed business case, DEL has provided capital funding for phase 1 of a new case management system to support the work of the conciliation and helpline services.

In December 2014 DEL consulted on spending proposals for 2015-16 in response to the Executive's draft budget which placed a requirement on all Government Departments to make substantial reductions. In March 2016 DEL confirmed that the 2015-16 budget would remain at the 2011-12 allocations as there was little scope to reduce the Agency's budget without impacting upon important front-line services, and accepted that a reduction could also compromise the Agency's ability to respond positively to the planned introduction of new initiatives such as early conciliation.

In response to the Budget 2010 reductions the Agency Board had taken a conscious decision not to reduce levels of service. Instead the Agency introduced very radical measures to reduce discretionary spend but which allowed the organisation to retain existing staffing levels. In the current financial period there are now no meaningful opportunities to further reduce discretionary expenditure.

A profile of the estimated budget expenditure is provided (see Table 1).

During the 2014-15 the Agency maintained its full staffing establishment. The Agency will take account of any emerging budgetary pressures in seeking to maintain this position during 2015-16. As at January 2014 the Agency has a staff establishment of 66.8 full time equivalent posts (see Table 2).

Resource Pressures

Table 1 and Table 2 below reflect current steady state financial and staffing requirements that assume no change in the nature and extent of the Agency's statutory duties and powers, operational delivery, support service requirements including IS/IT demands and support provision. The impact of any in-year pay and price increases will create additional pressures.

In 2013 the Agency secured a new Information Systems Managed Service provider which now means that the Agency has an IT platform that meets our current and future requirements; but the cost of providing this enhanced capability does put further pressure on our current budget.

A rent review is also due for the Agency's headquarters offices in 2014-15 which may create additional pressures.

In September 2012, the Minister for Employment and Learning launched the Agency's enhanced Statutory Arbitration Scheme. From an employment relations perspective this has been a very positive measure as the new arbitration scheme now applies to almost all employment jurisdictions. However, the Agency is not resourced to deal with any increased demand for the Agency's arbitration/independent appeals services.

The DEL review of employment law also has very immediate and medium-term resource implications with the Agency being asked to deliver the following early resolution projects:

- the development of a detailed delivery model for routing all claims through the Agency;
- enhanced promotion of the Agency's advisory, conciliation and arbitration services with a view to substantially increasing the uptake of these services; and
- a study to determine the feasibility of introducing Early Neutral Evaluation as part of the Agency's package of early resolution services.

The Agency welcomes the Minister's commitment to employment relations. However, the above initiatives will have the following consequences:

- a requirement for increased staffing;
- an increase in the cost of the arbitration service;
- opportunity costs associated with the necessary development work to evaluate revised delivery mechanisms for Tribunal claims and the feasibility of introducing Early Neutral Evaluation;
- advertising and promotion costs associated with early conciliation and arbitration;
- the need to further enhance the Agency's new client management system to cover all corporate and service delivery functions.

It is clear that these increased operational and management pressures will necessitate funding that is additional to the steady state position indicated in Table 1. The current unfunded business pressures have resulted in the Agency Audit Committee identifying a risk to the Agency's credibility, a diminution of the Agency's professional reputation and a risk of failing to deliver key corporate and business objectives. The impact of these pressures is set out in the Agency's Risk Register.

Overall the above is an inadequate resource position that points to the structural underfunding of the Agency.

Reputational Risk / Opportunity Loss

Three critical opportunities are at risk during 2015-16.

- 1 The potential introduction of the re-routing of claims will require additional resources and funding. Failure to secure the necessary funding will place this planned initiative at great risk and not allow for the earlier resolution of employment disputes in the workplace.
- 2 The Agency (part) hosted a meeting of international ADR agencies (Australia, New Zealand, South Africa, USA, Britain and Ireland) in 2013. The Agency has also organised successful seminars with high profile speakers bringing innovative approaches to improving employment relations to Northern Ireland. The current funding position places these initiatives and events at significant risk thus reducing the Agency's capability to influence employment relations thinking and practice in Northern Ireland.
- 3 Budget constraints will continue to impact on the Agency's ability to conduct credible research and market its services to raise awareness of the support which the Agency provides particularly to the large SME sector of the NI economy. This failure is likely to have an adverse impact on the uptake of the Agency's existing services and any new services that may be introduced.

Conclusion

The Agency will seek to bear the additional in-year development costs associated with the early conciliation service and the neutral evaluation feasibility study. However, the Agency will submit a business case highlighting the resource implications of delivering an early conciliation service from 2016-17.

In 2015-16 the Agency will also submit a further business case to extend the new IT-based case management system to all directorates of the Agency, which will provide a greater capacity to meet our value for money objectives.

TABLE 1**EXPENDITURE BUDGET 2014-2015**

	£K
Staff & Chair	£2,613,000
Board	£47,000
Certification Officer	£24,000
500973 Frontline Resource	£2,684,000
Administration	£183,751
Training	£30,000
Premises	£457,249
IS Managed Services & other maintenance	£115,000
Certification Office	£10,000
50491 Resource	£796,000
Total Revenue	£3,480,000
500969 Fix & Fitt	£5,000
500970 IT Hardware	£15,000
501015 IT software	£10,000
500971 Land & buildings	£35,000
Total Capital	£65,000
Total	£3,545,000
501015 Provisional additional approval ICMS PH2	£55,000

TABLE 2 STAFFING 2014-15**STAFFING COMPLEMENT AS AT 1 APRIL 2014**

Post/Grade	LRA	Cert. Office	Total
Chief Executive	1		1
Directors (Grade 7)	3		3
Employment Relations Managers (DP)	9.8	1	10.8
EROs, Finance Officer (SO)	22		22
EOI		1	1
EOIs	14	1	15
Clerical Officers (AO)	10	1	11
Typists (AA)	3		3
TOTAL:	62.8	4	66.8