



Annual Report and Accounts

1st April 2015 – 31st March 2016

“Achieving Excellence through People”



The Local Government Staff Commission
for Northern Ireland



CONTENTS

Page

CHAIRMAN'S FOREWORD	1
CHIEF EXECUTIVE'S REPORT	2
OPERATING, FINANCIAL AND MANAGEMENT REVIEW	6
<u>KEY PERFORMANCE AREAS:</u>	
KEY AREA 1 – TALENT AND DEVELOPMENT	10
KEY AREA 2 – RECRUITMENT AND DIVERSITY	13
KEY AREA 3 – PEOPLE STRATEGIES	15
KEY AREA 4 – CORPORATE GOVERNANCE	17
REMUNERATION REPORT	19
LOOKING AHEAD	23
STATEMENT OF POLICY	24
APPENDIX 1 STATEMENT OF PURPOSE, STRATEGIC AREAS AND MANDATES	25
APPENDIX 2 COMMISSION MEMBERS	26
APPENDIX 3 COMMISSION OFFICERS	27
FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENT STAFF COMMISSION AND THE LOCAL GOVERNMENT TRAINING GROUP YEAR ENDED 31 MARCH 2016	29
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOCAL GOVERNMENT STAFF COMMISSION	36
ACCOUNTS OF THE LOCAL GOVERNMENT STAFF COMMISSION	38
ACCOUNTS OF THE LOCAL GOVERNMENT TRAINING GROUP	56

CHAIRMAN'S FOREWORD

I have pleasure in introducing the Local Government Staff Commission's (the Commission) Annual Report and Accounts 2015/16.

This is the last Annual Report and set of accounts prepared by the Commission prior to its dissolution on 31 March 2017. The 2016/17 Annual Report and Accounts will be prepared by the Department for Communities. 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 of the highest quality.

It is of course essential that the Commission be wound up in an orderly and efficient manner and to that end we are working closely with the new Department for Communities through its Local Government Staff Commission Dissolution Project Board. The Project Board was set up during the year under report by the former Department of the Environment and the Commission is represented on it by the Chief Executive, Adrian Kerr, the Deputy Chair, Bernie Kelly and myself. The Project Board is chaired by the Department for Communities Permanent Secretary, Leo O'Reilly.

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

- Continuing to support councils with the recruitment of senior officers;
- Advising and supporting councils in implementing the Joint Forum agreements;
- Launching the Local Government Training Group's Learning Management System for local government;
- Continuing to support the work of the Equality and Diversity Strategic Working Group.

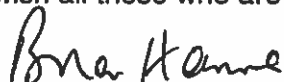
The final year of operation will involve working with councils to develop models for the future delivery of relevant services to ensure that these functions and networks continue without detriment to the sector.

I would like to take this opportunity to thank all the Commission members and staff who have provided great assistance to myself as Chairman in developing and supporting various Commission initiatives throughout a busy and challenging period. My thanks in particular go to the Chief Executive, Adrian Kerr and my Deputy Bernie Kelly.

As Chairman of the Commission I served on the Public Service Commission (PSC), a body set up by Government to assist staff caught-up in the transfer arrangements brought about by the Review of Public Administration (RPA). I would like to put on record my thanks to all those who served on or who worked for or with the PSC. I believe that the work of the PSC was highly significant and helped ensure that the new organisations were brought into being with the minimum of fuss and disruption. This of course includes the eleven new councils which came into being on 1st April 2015. The PSC was disbanded on 31st March 2016.

I also want to record my thanks to the very many colleagues in local government for their continued help in implementing the various Commission initiatives and to assure them of our continued support during the last year of the Commission's life.

Finally, as someone who has been involved in local government in Northern Ireland for over fifty years I wish all those who are now engaged in the new era every success for the future.



BRIAN HANNA
Chairman

CHIEF EXECUTIVE'S REPORT

Throughout 2015/16 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 2015/16. 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 6) which provides greater detail of the results achieved in relation to the objectives as set out in the Business Plan.

Talent and Development

- Since 1st April the majority of the direct support to councils has been in assisting the new Chief Executives and HR Lead Officers in the transition phase of Reform implementation.

The Commission and the Training Group continued to provide a range of targeted support to councils in the period following Transition with particular increased activity in the areas of leadership development and performance culture. The Training Group partnered Lisburn & Castlereagh CC in the provision of a Community Planning Conference held on 23rd September and provided funding to two councils to upskill staff and councillors to undertake community engagement events for community planning.

In addition, assistance was given to Society of Local Authority Chief Executives NI (SOLACE NI) to re-establish the Branch and in particular, funding and recruitment process support was provided to put in place a dedicated SOLACE Policy/Executive Officer for NI.

The Director continues to provide a secretariat service to Public Sector People Managers' Association NI (PPMA NI) and arranged a facilitated Workshop on 29th September to consider the future structure and operation of the NI Region post-transition. All new councils supported the re-establishment of the PPMA NI Region and an AGM was held in February with a full schedule of meetings and events planned for the forthcoming two years.

- The Learning Management System (eLearning platform) '*Local Government Learning*' was formally launched at the Conference on 20th October and released to councils on 1st November. Learning Pool, as part of the contract, are now supporting individual councils as they begin to work on their own landing pages, etc.

Throughout the year, the Project Team worked in partnership with Learning Pool on the design, structure and functionality of the site and piloting of the site took place between March and June. All project team members were registered in the Learning Pool Academy and had access to training/instruction in site administration and the content authoring software.

In August 2015, the Training Group procured:

- a catalogue or library of eLearning content suitable to the needs of local government and capable of being tailored/bespoke
 - software to allow local government officers to 'author' or write content
 - training for officers to use the authoring software.
- The Performance Culture Toolkit was released to councils and an electronic version is hosted on the Learning Management System. The Training Group supported the implementation of the Toolkit in a number of councils by giving funding support for OD and improvement projects including using LEAN approaches in service reviews.

An eLearning module is being developed to assist councils to undertake Stage 4 of the Toolkit 'Evaluating the Impact and Capturing the Learning'.

Recruitment and Diversity

- The Commission provided assistance to councils, as required, with the recruitment process to fill senior posts in the new councils, and by sending Observers to the appointment panels.
- The new councils were encouraged to appoint an elected member and an officer Diversity Champion. During the year, a programme of three seminars was held to assist them to carry out their role in their councils including equality and diversity awareness, personal development and case studies on good relations in councils.
- The Commission continued to work with the PPMA Recruitment Working Group on shared recruitment:
 - The recruitment portal for local government, "Local Government Jobs NI" (www.localgovernmentjobsni.gov.uk) was updated to reflect the new 11 councils in April 2015 and provided an online platform for all jobs in local government to be advertised.
 - Training was provided to the HR officers on administering assessment tests, including the bank of situational judgments tests which were developed for the sector.
 - In September, the tender for the management of the Local Government Shared Advertising Project 'Local Government Jobs NI' was circulated to councils and the contract was awarded until September 2017.
- The existing Code of Procedures on Recruitment and Selection, which is based on the involvement of the Commission throughout the recruitment process, will no longer be applicable when the Commission is dissolved. The Commission agreed that it would be useful to put in place a Code which they could recommend to councils prior to their dissolution, and which could be owned and managed by councils from April 2017. In February, a draft Code was issued to councils and other key stakeholders for consultation purposes. The consultation exercise closes at the end of May.

People Strategies

- The Local Government Reform Joint Forum was dissolved with effect from 31 March 2015 at the request of the Minister. Following this there was continuing support and advice to councils in respect of the outworkings of Joint Forum Agreements.
- Continued employee relations guidance and assistance was given to councils in relation to general HR practice decisions and casework.
- There was ongoing support for the People and Organisation Development Strategic Framework for Local Government in Northern Ireland.

Corporate Governance

- Following the Environment Ministers announcement that the Commission would wind up in April 2017 and the Executive Committee endorsement, steps have been taken to ensure that the closure is completed in a timely manner.
- The Commission's Audit Committee met on four 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 2016**

Background Information

The Local Government Staff Commission for Northern Ireland (the Commission) is an executive non-departmental public body sponsored by the Department for Communities (DfC) 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 for Communities, 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 2015/16 are set out in detail on page 38 of this annual report and accounts. The deficit for the year for net expenditure after interest was £76K, compared with a surplus of £1k for 2014/15.

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 4 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 2015/16.

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 516 invoices, of which 5 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 10 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.lqsc.org.uk).

Important Events Occurring After the Year End

There have been no significant events since the year end 31 March 2016 which would affect these accounts.

Members

Membership of the Commission is set out in Appendix 2 of the 2015/16 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.

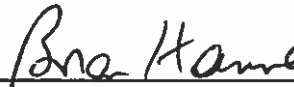
The Accounting Officer has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the Commission's auditors are aware of the information.

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 September 2016



BRIAN HANNA
Chair, Local Government Staff Commission
20 September 2016

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

TALENT STRATEGIC OBJECTIVE 2015-2017

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 2015-16				
ACTIONS 2015/16	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	Assist with the piloting and evaluation of models developed by the Pillar Working Group.	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 annual progress and support development of draft Plans for 2016-17 to support the overall programme. Report to the LGSC and the LGTG on progress as appropriate.
Maintain strategic partnering arrangements with SOLACE, LGCEG, PPMA, NILGA, trade unions and professional groups within local government	Meet regularly with the various partners and stakeholder groups regarding development needs particularly for Reform implementation and collaborative working. Develop, implement, review and update learning and development provision based on identified need.	Ensure that the needs of the partners and stakeholder groups are considered by the LGTG and the LGSC as appropriate.	Hold review meetings with the strategic partners to inform the Commission's business planning for 2016-17.	Review the outcomes of the strategic partners' meetings and recommend further initiatives for inclusion in the LGSC Business Plan 2016-17.
<u>Outcomes</u>				
All targets have been met in line with this Strategic Objective.				

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

TALENT STRATEGIC OBJECTIVE 2015-2017

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 2015-16

ACTIONS 2015/16	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 implementation and collaborative working approaches	Assist councils to implement 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 Performance Culture 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 2016-17.
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 2016-17.
Provide a secretariat service to PPMA NI	Assist PPMA to: <ul style="list-style-type: none"> • achieve its targets and objectives • prepare for Reform 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 2016-17 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 2015-2017

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 2015-16				
ACTIONS 2015/16	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<p>Maintain 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>Ensure that LGTG remains fully engaged in the development and implementation of the Reform Capacity Building Programme.</p> <p>Assist the Practitioners' Group (PG) and the Elected Member Development Steering Group (EMDSG) 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 LGTG 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 LGTG 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 call-off framework of providers for the Open Course Programme and other training provision is monitored and refreshed as necessary.</p>	<p>Quality assure the Open Course Programme 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>Continue to monitor and evaluate the operation of the Open Course Programme.</p> <p>Report to LGTG and LGSC on progress.</p>	<p>Monitor and evaluate all LGTG provision.</p> <p>Review and Plan for 2016-17.</p> <p>Plan for the implementation of outcomes as necessary.</p>
<p>Implement the central Learning Management System (LMS) for local government</p>	<p>Pilot the LMS in at least 3 councils and continue to develop content based on identified need.</p>	<p>Monitor and progress as necessary.</p>	<p>Monitor and progress as necessary.</p>	<p>Review and plan for 2016-17.</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 2015-2017

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

BUSINESS PLAN 2015-16				
ACTIONS 2015/16	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	Continue to assist councils to examine ways to collaborate in their recruitment practice through the PPMA recruitment sub group.	Continue to assist councils to manage the 'Local Government Jobs NI' recruitment portal.	Consult on a revised Code of Procedures on Recruitment and Selection for the 11 Councils.	Assist councils to implement the revised 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 with the piloting and evaluation of models developed by the Pillar Working Group.	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 annual progress and support development of draft Plans for 2016-17 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	Continue to provide assistance to councils to recruit senior posts in line with the agreed procedures.	Research the recruitment procedures for senior posts in other sectors.	Review the procedures for the appointment of senior staff and recommend improvements.	Assist councils to implement the procedures for the recruitment of senior posts in the revised Code of Procedures on Recruitment and Selection.
Provide Observers to attend selection panels for senior posts in councils and the NIHE	Continue to provide Observers to attend selection panels for senior posts.	Review the role of Observers and amend the Observer strategy as required.	Provide further training for Observers, as required.	Implement the Observer strategy for recruiting to senior posts.
Advise on best practice in the use of assessment centres and how recruitment exercises can be made more objective and transparent	Review the use of Situational Judgement Tests in councils and consider other ways of working together on assessment testing.	Review the use of assessment centres for Chief Executive and senior posts.	Research assessment testing in other sectors.	Assist councils to implement any new assessment techniques.
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 2015-2017

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 2015-16				
ACTIONS 2015/16	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	Refresh the membership of the Statutory Duty Network in line with the new council structures.	Ensure that the Statutory Duty Network meets on a regular basis.	Encourage the Equality Officers to collaborate on equality and diversity issues, where possible.	Review the work of the Statutory Duty Network and develop a plan for 2016-17.
Advise and assist councils to implement best practice in equality and diversity	Assist councils to roll-out the e-learning programme on equality and diversity for council officers and elected members.	Encourage councils to apply for part-funding for equality and diversity events from the LGTG and LGSC.	Encourage councils to develop a bank of good practice case studies and disseminate across all councils.	Review progress and plan for 2016-17.
Act as secretariat to the Equality and Diversity Group and assist it to implement its Strategic Plan	Refresh the membership of the Equality and Diversity Group and review the Strategy and Action Plan and update.	Hold regular meetings of the Equality and Diversity Group.	Provide training and/or showcasing seminars on equality and good relations issues.	Review progress and plan for 2016-17.
Refresh the membership of the Equality and Diversity Group and review the Strategy and Action Plan and update	Hold regular meetings of the Equality and Diversity Group.	Provide training and/or showcasing seminars on equality and good relations issues.	Review progress and plan for 2016-17.	Refresh the membership of the Equality and Diversity Group and review the Strategy and Action Plan and update.
<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 2015-2017

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 2015-16

ACTIONS 2015/16	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Lead the implementation of the People/OD Strategic Framework for local government	Ongoing support for governance of the Strategic Framework and the Working Groups. Provide assistance with programme planning and advice on Programme Management. Facilitate the further progression of the updated action plans from the Working Groups. Develop interim reports for the LGCEG and report progress at conferences and seminars as required.	Facilitate management for the implementation of the Framework, through research, support and advice.	Facilitate Programme Management for the implementation of the Framework, through research, support and advice.	Review annual outcomes and support the development of the draft Programme Plan for 2016-17. Report to the Commission and submit proposals to the HR Conference.
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 2 goals.	Facilitate progress in line with the agreed action plans.	Facilitate progress in line with the agreed action plans.	Review annual outcomes and support development of the draft Project Plan for 2016-17, 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 HR strategy, policy, or practice in relation to change management and benchmarking exercises.	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 2016-17 Business Plan.
Implement revised procurement procedures with a view to updating select lists of consultants, providers and assessors across the full range of LGSC and LGTG services as required.	Continue with the agreed 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 2015-2017

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

BUSINESS PLAN 2015-16

ACTIONS 2015/16	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 LG reform and progress on the ICE programme. Work towards implementation of the new industrial relations framework.	Support any residual LGRJF workload prior to merging with new machinery.	Support any residual LGRJF workload prior to merging with new machinery.	Support any residual LGRJF workload prior to merging with new machinery.
Support the new industrial relations framework	Assist with developing and implementing the Work Plan for the new framework, including preparing background and policy papers and undertaking research or benchmarking.	Support the new negotiation machinery in consultation and negotiation as required. Assist in the development and implementation of specific tasks as timetabled in the Work Plan.	Support the new negotiation machinery in consultation and negotiation as required. Assist in the development and implementation of specific tasks as timetabled in the Work Plan.	Assist the new negotiation machinery to revise and update the future work plan. Assist in the development and implementation of specific tasks as timetabled in the Work Plan.
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 Alternative Dispute Resolution mechanisms in councils in parallel with any assistance regarding complaints, grievances and disciplinary matters.	Provide support on request and encourage programmes for ADR and assist councils as required.	Provide support on request and encourage programmes for ADR and assist councils as required.	Provide support on request and encourage programmes 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, e.g., emotional intelligence and emotional resilience.	Continue assistance as required.	Continue assistance as required.	Review progress and plan for 2016-17.

Outcomes

Support to the industrial relations machinery and revised negotiating model could not be completed in the 2015/16 financial year but will be a key priority for the Commission in 2016/17. All other targets have been met in line with this Strategic Objective

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

GOVERNANCE STRATEGIC OBJECTIVE 2015-2017

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

BUSINESS PLAN 2015-16				
ACTIONS 2015/16	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 2014-15 accounts and implement agreed financial scheme for 2015-16.</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 2014-15 Annual Report and Accounts.</p> <p>Review and update the Commission's Risk Register as required.</p>	<p>Publish 2014- 15 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 2016-17.</p> <p>Prepare 2016-17 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>Carry out a Training Needs Audit based on the 2014/15 individual development plans.</p>	<p>Provide individual support necessary to implement business plan activities.</p>	<p>Ensure implementation of individual development plans.</p>	<p>Update overall staff development strategy for the incoming year.</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>Continue to work with Pillar Working Groups at local and central level.</p>	<p>Issue an Information Bulletin to report progress in relation to progress on all Commission activities.</p>	<p>Review progress in relation to the 2015-16 Business Plan objectives and communicate to stakeholders.</p>	<p>Continually review all communication methods and update as appropriate.</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 2015-2017

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

BUSINESS PLAN 2015-16				
ACTIONS 2015/16	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 and new members, 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>Examine H&S policies and procedures to ensure compliance with the recommendations arising from the 2014 Fire Risk Assessment (FRA).</p> <p>Review Website provision to ensure it meets LGSC/LGTG requirements in light of Local Government Reform.</p>	<p>Update H&S policies as appropriate in line with the recommendations arising from FRA</p> <p>Review Asset Register and update, as necessary</p> <p>Implement Website improvements, as required</p>	<p>Update H&S policies as appropriate in line with the recommendations arising from FRA.</p> <p>Review financial procedures to ensure seamless delivery in the provision of Commission services</p> <p>Implement Website improvements, as required</p>	<p>Ensure that all recommendations arising from the 2014 Fire Risk Assessment have been implemented</p> <p>Update financial procedures as appropriate</p> <p>Implement Website improvements, as required</p>
<p><u>Outcomes</u></p> <p>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 10.5% 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 for Communities 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 for Communities. All appointments are designated for a four-year term by the Department for Communities 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

	2016 £'000	2015 £'000
Mr Brian Hanna Chairman	15.3	28.6
Members' Emoluments	13.3	7.7

Senior Officers' Emoluments

Date of Contract	Scales 2016	2016 £'000	2016 £'000 Bonus	2016 (to nearest £100) Benefits In Kind	2016 (to nearest £1000) Pension	2016 £'000 Total	2015 £'000 Bonus	2015 (to nearest £100) Benefits In Kind	2015 (to nearest £1000) Pension	2015 £'000 Total
Adrian Kerr (Part-time) Chief Executive 01/09/91	Band 3 FTE 100 - 105	80 - 85	-	-	33	115 - 120	70 - 75 FTE 90 - 95	-	18	90 - 95
Linda Leahy Director	Deputy to Chief Executive 31/05/95	60 - 65	-	-	90	150 - 155	55 - 60	-	11	65 - 70
Lorna Parsons (Part-time) Director	01/04/92	PO9 FTE 50 - 55	30 - 35	-	32	60 - 65	30 - 35 FTE 50 - 55	-	9	40 - 45
Dermot O'Hara Director	01/02/11	PO9	50 - 55	-	17	65 - 70	50 - 55	-	13	60 - 65

Band of Highest Paid Total Remuneration

2015-16

2014-15

100 - 105

90 - 95

Median Total Remuneration Ratio

**34,746
2.9**

**32,778
2.8**

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 (FTE) remuneration of the highest-paid officer in the financial year 2015/16 was £100k - £105k and 2014/15 was £90k - £95k. This was 2.9 times the median remuneration of the workforce in 2015-16, a slight increase from 2014-15 (2.8) due to a pay increase for the workforce in 2015/16.

In both 2015/16 and 2014/15 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.

Staff Costs

	2015/16 No's	2014/15 No's
(a) The average weekly number of employees (full time equivalent) was:	10	10
	2015/16 £000s	2014/15 £000s
(b) The costs incurred in respect of these employees were:		
Salaries and Wages	423	374
Social Security Costs	39	33
Pension Costs – NILGOSC	79	72
	541	479
Service Costs/(Gains)	114	92
Superannuation - re: charge to provision	(79)	(72)
TOTAL	576	499

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.

All staff are permanent employees of the Commission. There are four members of senior staff on pay scales as laid out in page 20, of which 2 are male and 2 are female. The overall breakdown of staff employed by the Commission for the year ended 31st March 2016 was 3 male and 8 female staff.

The average number of sick days for 2015/16 was 5.1 days per staff member.

There were no off-payroll engagements in 2015/16. Expenditure on consultancy in 2015/16 was £8,930. This relates to advice sought from experts regarding the closure of the Commission on 31st March 2017.

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

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 31/03/2015	CETV at 31/03/2016	Real Increase in CETV after adjust
	£'000	£'000	£'000	£'000	£'000
Adrian Kerr Chief Executive	0.0 – 2.5 Plus lump sum 0.0 – 0.0	0 – 5 Plus 0 – 0 Lump sum	49	82	28
Linda Leahy Director	2.5 – 5.0 Plus lump sum 5.0 – 7.5	80 - 85 Plus 65 – 70 Lump sum	464	552	79
Lorna Parsons Director	0.0 – 2.5 Plus lump sum 0.0 – 2.5	10 – 15 Plus 20 – 25 Lump sum	172	201	13
Dermot O'Hara Director	0.0 – 2.5 Plus lump sum 0.0 – 0.0	0 – 5 Plus 0 – 0 Lump sum	49	64	12

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

20 September 2016

LOOKING AHEAD

For the year 2016/17 the Commission's Strategic Plan has been updated to ensure the continuation of services for the last year of the Commission's operation. The 2016/17 Business Plan is designed to take all reasonable steps to prepare for the closure of the Commission in March 2017 while ensuring that any ongoing HR and OD work is integrated within the 11 council structure. The Commission's Risk Register has also been updated to take account of the risks associated with the closure and loss of continuity in service provision.

On this basis the Commission will:

- Continue to work with and provide its statutory services to councils and the Northern Ireland Housing Executive.
- Develop models for the future delivery of its functions and consult widely on these models.
- Ensure a seamless transition of services to appropriate service deliverers in order to ensure continuity within the sector.

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 developing a continuity plan for the People & OD Strategic Framework;
- hosting an Equality and Diversity Conference in 2016 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;
- continue to provide an independent secretariat to support consultation and negotiation machinery within the local government sector as required.

Following the closure of the Commission we hope that councils will ensure the continuation of a high quality HR & OD service through the current change process and in the years ahead.

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:

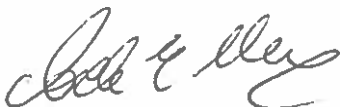
- Association for Public Service Excellence (APSE)
- Chartered Institute of Personnel and Development (CIPD)
- Equality Commission for Northern Ireland (ECNI)
- Labour Relations Agency (LRA)
- Northern Ireland Civil Service (NICS)
- Northern Ireland Joint Council for Local Government Services (NIJC)
- 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 (01 DECEMBER 2014 – 31 MARCH 2017)**Chairman**

Brian Hanna CBE Former Chief Executive, Belfast City Council

Vice Chair

Mrs Bernie Kelly Former 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)

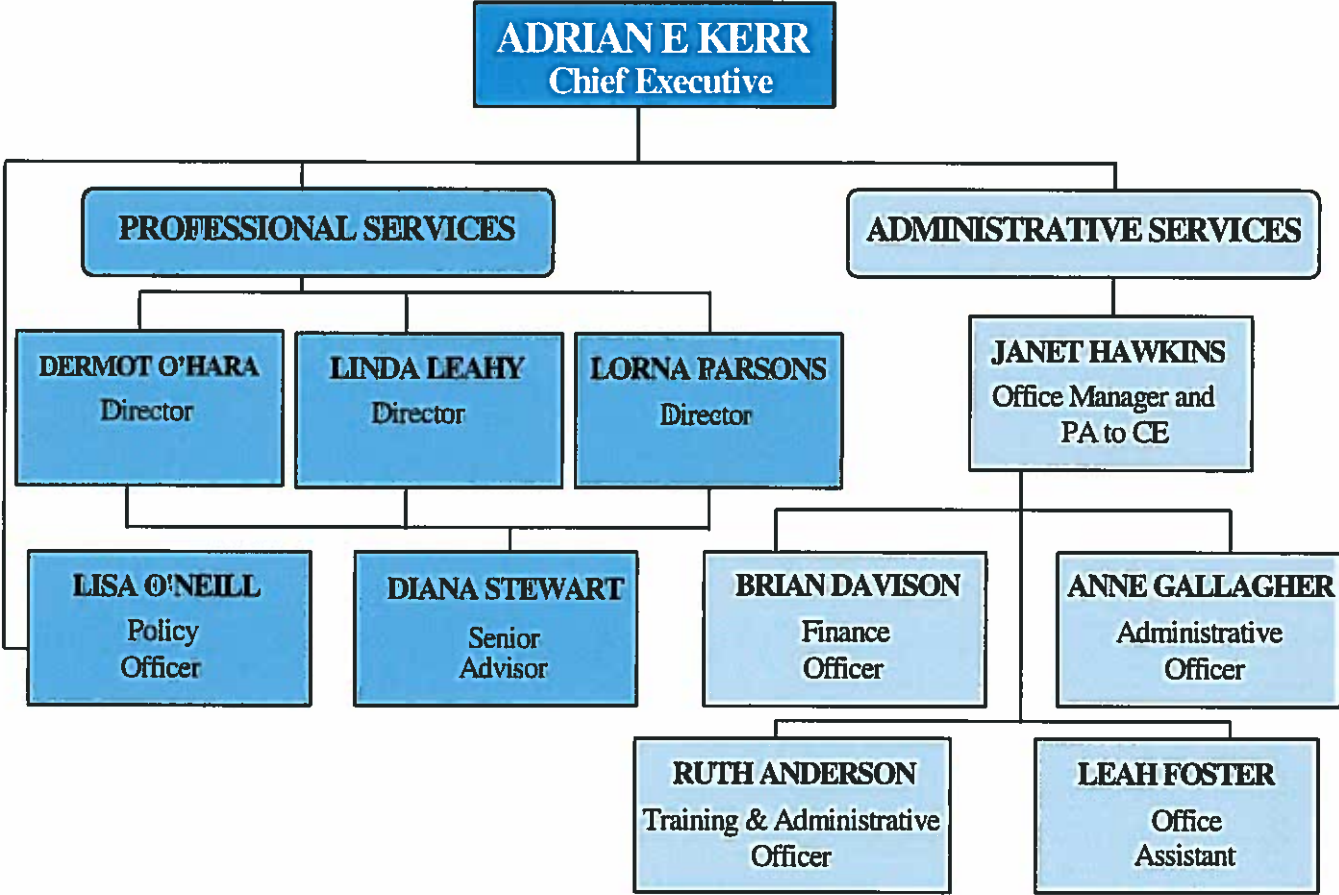
Professor Robert Hutchinson Former Dean of the Ulster Business School and
Provost University of Ulster, Coleraine Campus

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.
BRIAN DAVISON Finance Officer	Responsible for financial services and systems.
ANNE GALLAGHER Administrative Officer	Responsible for administrative and secretariat support to the Directors.
RUTH ANDERSON Training & Administrative Officer	Responsible for clerical support to the Director – Talent & 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 2016

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 10 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Commission is required to approve the accounts.

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 for Communities 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 for Communities, 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 for Communities 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 2016 has been prepared in the form directed by the Department for Communities and under the accounting policies set out in note 1.
- (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
20 September 2016

Commission Approval of Statement of Accounts

These accounts were approved by the Commission on 20 September 2016

Signed:



BRIAN HANNA
Chair, Local Government Staff Commission
20 September 2016

LOCAL GOVERNMENT STAFF COMMISSION

Governance Statement for the Financial Year Ended 31 March 2016

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 for Communities, 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 four times during the 2015/16 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 2016 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 2, 2015-16. 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 for Communities. 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 2015 – 31 March 2016

	Commission Meetings Attended – (10 held)	Audit Committee Meetings Attended – (4 held)
Brian Hanna	10	4
Lindsay Boal	7	N/A
Monica Burns	5	N/A
Deborah Colville	8	N/A
Paul Corrigan	10	N/A
William Francey	10	4
Bumper Graham	9	N/A
Robert Hutchinson	10	3
Bernie Kelly	10	N/A
Charlie Mack	9	N/A
Roisin McDonough	7	N/A
Hilary Singleton	8	4

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 2015/16 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 2016 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 2015/16.

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

- 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. A project plan has been put in place by the Department for Communities to ensure a timely and mannerly wind up. Risks have been identified and a sub group established to oversee the wind down in line with the risk register.
- The relationship with the Local Government Training Group is governed by a Service Level Agreement, which will be terminated when the Commission is dissolved and may be transferred to a "facilitating council".

Signed: _____



DR ADRIAN E KERR
Chief Executive and Accounting Officer

20 September 2016



BRIAN HANNA
Chair, Local Government Staff Commission

20 September 2016

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 2016 under the Local Government (Northern Ireland) Order 2005. The financial statements 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.

This report is made solely to the Members of the Commission in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities.

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 of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year. My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice. 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 Auditing Practices Board'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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 financial position of the Local Government Staff Commission as at 31 March 2016 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities (formerly Department of the Environment) directions issued thereunder.
- 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 has been properly prepared in accordance with the Department for Communities directions made under the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015; 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:
 - the Annual Governance Statement:
 - does not reflect compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 ;
 - does not comply with proper practices specified by the Department for Communities;
 - is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the statement of accounts 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
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or
- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Council; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

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

28 September 2016

LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF COMPREHENSIVE NET EXPENDITURE
for the year ended 31 March 2016

	Notes	2015/16 £000s	2014/15 £000s
Income from sale of goods and services		709	709
Statutory income to defray provision	5	1,671	-
Other operating income		24	37
Net Return on Assets	11	(12)	(12)
Total operating income		2,392	734
Staff costs		576	499
Purchase of goods and services	3	195	211
Depreciation and impairment charges	4	24	21
Provision expense	8	1,671	-
Other operating expenditure		-	-
Total operating expenditure		2,466	731
Net operating expenditure		74	(3)
Finance income		-	-
Finance expenses		2	2
Net expenditure for the year ended 31 March 2016		76	(1)
Other comprehensive net expenditure			
Items which will not be reclassified to the operating costs:			
- Net gain/loss on revaluation of property, plant and equipment	4	(20)	-
- Net gain/loss on revaluation of intangible assets		-	-
- Actuarial gain/loss on pension scheme liabilities	11	(151)	72
Items which may be reclassified to net operating costs:			
- Net gain/loss on revaluation of investments		-	-
Comprehensive net expenditure for the year		(95)	71

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 2016

	Notes	31 Mar 16 £000s	31 Mar 15 £000s
Non-current assets:			
Property, plant & equipment	4	420	424
Intangible assets		-	-
Financial assets		-	-
Total non-current assets		420	424
Current assets			
Assets classified as held for sale		-	-
Inventories		-	-
Trade & other receivables	5	1,682	17
Other current assets		-	-
Financial assets		-	-
Cash & cash equivalents	6	217	200
Total current assets		1,899	217
Total Assets		2,319	641
Current liabilities			
Trade and other payables	7	(84)	(46)
Provisions	8	(1,671)	-
Other liabilities		-	-
Total current liabilities		(1,755)	(46)
Total assets less current liabilities		564	595
Non-current liabilities			
Provisions		-	-
Other payables	9	(91)	(113)
Financial liabilities	11	(327)	(431)
Total non-current liabilities		(418)	(544)
Total assets less total liabilities		146	51
Taxpayers' equity and other reserves			
General Fund		126	51
Revaluation Reserve		20	-
Total equity		146	51

The financial statements were approved by the Commission on 20 September 2016 and signed on its behalf by:



ADRIAN E KERR
Chief Executive and Accounting Officer
20 September 2016

BRIAN HANNA
Chair, Local Government Staff Commission
20 September 2016

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 2016

	Notes	2015/16 £000s	2014/15 £000s
Cash flows from operating activities			
Net operating cost		(76)	1
Adjustments for non-cash transactions	4	24	21
Interest Payables		2	2
(Increase)/Decrease in trade and other receivables	5	(1,665)	19
Increase/(Decrease) in trade and other payables	7	38	(11)
Increase/(Decrease) in provisions	8	1,671	-
Return on Net Assets in Pension Fund	11	12	12
Current Service Cost	11	114	92
Net cash outflow from operating activities		120	136
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	(9)
Employer's Superannuation		(79)	(72)
Interest		(2)	(2)
Proceeds of disposal of property, plant and equipment		-	-
Proceeds of disposal of intangibles		-	-
Net cash outflows from investing activities		(81)	(83)
Cash flows from financing activities			
Grants from sponsoring department		-	-
Net financing from the National Insurance Fund		-	-
Net financing from the Contingencies Fund & National Loans Fund		-	-
Capital elements of payments in respect of finance leases and on balance sheet (SoFP) PFI Contracts	9	(22)	(22)
Net financing		(22)	(22)
Net increase/(decrease) in cash and cash equivalents in the period		17	31
Cash and cash equivalents at the beginning of the period		200	169
Cash and cash equivalents at the end of the period	6	217	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 2016

	General Fund	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
Balance at 31 March 2014	122	-	122
Retained surplus/(deficit)	1	-	1
Grants from sponsoring department	-	-	-
Comprehensive net expenditure for the year	-	-	-
Actuarial gain/(loss) on pension (see note 11)	(72)	-	(72)
Transfer between reserves	-	-	-
Balance at 31 March 2015	51	-	51
Retained surplus/(deficit)	(76)	-	(76)
Revaluation of non-current assets	-	20	20
Grants from sponsoring department	-	-	-
Comprehensive net expenditure for the year	-	-	-
Actuarial gain/(loss) on pension (see note 11)	151	-	151
Transfer between reserves	-	-	-
Balance at 31 March 2016	126	20	146

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 2016

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

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.

Following the decision of the Minister to wind the Commission up in March 2017 a project plan has been put in place by the Department for Communities to ensure a timely and mannerly wind up. Risks have been identified and a sub group established to oversee the wind up in line with the risk register.

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 10.5% 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 £29,225 and employer £79,000. In addition £24,998 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 2016 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 2016 % per annum	31 March 2015 % per annum
Discount Rate	3.40	3.20
Pension Increases	1.80	1.80
Pension Accounts Revaluation Rate	1.80	1.80
Salary Increases	3.30	3.30

The total net pension deficit as at 31 March 2016 is £327,000, 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: Other Operating Costs

	2015/16 £000s	2014/15 £000s
These comprise:		
Commission Chairman and Members' Allowances	29	34
Research, Marketing and Development	21	7
Conferences, Courses and Training	21	5
Rates	20	21
Other General Administration Expenses	84	122
External Auditor's Remuneration	7	7
Travel and Subsistence – Staff	12	11
Travel and Subsistence – Commission Members	1	2
CEO - Recruitment	-	2
TOTAL	195	211

Note 4: 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 2015	460	92	45	597
Additions (including accruals)	-	-	-	-
Disposals	-	-	-	-
Adjustment arising on revaluation	23	-	-	23
At 31 March 2016	483	92	45	620
DEPRECIATION				
At 1 April 2015	56	74	43	173
Charge for the year	17	6	1	24
Disposals	-	-	-	-
Adjustment arising on revaluation	3	-	-	3
At 31 March 2016	76	80	44	200
NET BOOK VALUE				
At 31 March 2016	407	12	1	420
At 31 March 2015	404	18	2	424
Comparative 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 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
Asset Financing:				
	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
Owned	407	12	1	420
Finance Leased	-	-	-	-
On-balance sheet (SoFP) PFI (and other service concession arrangements) contracts	-	-	-	-
Carrying amount at 31 st March 2016	407	12	1	420

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 5: Trade Receivables and Other Current Assets

Amounts falling due within one year:	2015/16 £000s	2014/15 £000s
Trade receivables	6	6
Deposits and advances	-	-
Other Receivables*	1,671	-
Prepayments and accrued income	5	11
Current part of PFI (and other service concession arrangements) prepayment	-	-
Current part of NLF loan	-	-
TOTAL	1,682	17

*Under the Local Government Act (Northern Ireland) 1972, Section 40 Schedule 3 and the Housing Orders (NI) 1976 and 1981, the District Councils, Northern Ireland Housing Executive and Department for Communities have responsibility for meeting the expenditure of the Commission together with any contingencies. See Note 8.

Note 5.1: Intra-Governments Balances

	Amounts falling due within one year £'000		Amounts falling due after more than one year £'000	
	2015-16	2014-15	2015-16	2014-15
Balances with central government	1,671	-	-	-
Balances with local authorities	6	6	-	-
Balances with NHS bodies	-	-	-	-
Sub-total: intra government balances	1,677	6	-	-
Balances with bodies external to Government	5	11	-	-
Trade Receivables at 31 March 2016	1,682	17	-	-

Note 6: Cash and Cash Equivalents

	2015/16 £000s	2014/15 £000s
Balance at 1 April 2015	200	169
Net change in cash and cash equivalent balances	17	31
Balance at 31 March 2016	217	200
The following balances at 31 March were held at:		
Commercial banks and cash in hand	217	200

Note 7: Trade Payables and Other Current Liabilities

Amounts falling due within one year:	2015/16 £000s	2014/15 £000s
VAT	-	-
Other taxation and social security	-	-
Trade payables	7	-
Accruals	16	24
Accrued and deferred income	39	-
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	84	46

Note 7.1 Intra-Government Balances

	Amounts falling due within one year £'000		Amounts falling due after more than one year £'000	
	2015-16	2014-15	2015-16	2014-15
Balances with central government	-	-	-	-
Government Bodies	1	1	-	-
Balances with local authorities	44	2	-	-
Balances with NHS bodies	-	-	-	-
Sub-total: intra-government balances	45	3	-	-
Balances with bodies external to government	39	43	-	-
Trade payables at 31 March 2016	84	46	-	-

Note 8: Provision for Liabilities and Charges

	Departure Costs	Other	Total
	£000s	£000s	£000s
Balance at 1 April 2015	0	-	0
Provided in the year	1,671	-	1,671
Provisions not required written back	-	-	-
Unwinding of discount	-	-	-
Balance at 31 March 2016	1,671	-	1,671

The Commission Dissolution is planned for 31 March 2017 (see 'Going Concern' paragraph 2 page 43). On this basis dissolution costs will be incurred in the 2016/17 Financial Year to include redundancy costs and exit costs from the NILGOSC pension scheme. These additional costs are currently estimated to be a maximum of £1,671,000.

See also Note 5.

Note 9: Non-Current Liabilities - Other Payables

	2015/16 £000s	2014/15 £000s
Loans	91	113

Note 10: Loans

	2015/16 £000s	2014/15 £000s
Amounts falling due:		
In one year or less	22	22
Between one and two years	22	22
Between two and five years	69	70
In five years or more	0	21
	91	113
TOTAL	113	135

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

	2015/16 £000s	2014/15 £000s
Scheme Liability at Beginning of the Year	(431)	(327)
Current Service Cost	(114)	(92)
Past Service (Cost)/Gain	-	-
Employer Contributions	79	72
Net Return on Assets	(12)	(12)
Actuarial Gains/(Losses)	151	(72)
	(327)	(431)
Scheme Surplus/(Deficit) at 31 March 2016	(327)	(431)

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 2016 % p.a.	Assets at 31 Mar 2016 £(000)	Expected Long Term Return at 31 Mar 2015 % p.a.	Assets at 31 Mar 2015 £(000)
Equities	3.4	2,145	3.2	2,162
Bonds	3.4	361	3.2	361
Property	3.4	394	3.2	373
Cash	3.4	68	3.2	59
Other	3.4	15	3.2	6
Total		2,983		2,961

Note 11(b): Net Pension Liability

	31 Mar 2016 £(000)	31 Mar 2015 £(000)
Estimated Employer Assets (A)	2,983	2,961
Present Value of Scheme Liabilities	(3,310)	(3,392)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(3,310)	(3,392)
Net Pension Asset (A-B)	(327)	(431)

Note 11(c): Reconciliation of Defined Benefit Obligation

	Year to 31 Mar 2016 £(000)	Year to 31 Mar 2015 £(000)
Opening Defined Benefit Obligation	3,392	3,011
Current Service Cost	114	92
Interest Cost	106	126
Contributions by Members	29	25
Actuarial Losses/(Gains)	(162)	305
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	(169)	(167)
Closing Defined Benefit Obligation	3,310	3,392

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

	Year to 31 Mar 2016 £(000)	Year to 31 Mar 2015 £(000)
Opening Fair Value of Employer Assets	2,961	2,684
Expected Return on Assets	94	114
Contributions by Members	29	25
Contributions by the Employer	79	72
Contributions in respect of Unfunded Benefits	-	-
Actuarial Gains/(Losses)	(11)	233
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Unfunded Benefits Paid	-	-
Benefits Paid	(169)	(167)
Closing Fair Value of Employer Assets	2,983	2,961

Note 11(e): Net Return on Assets:

	Year to 31 Mar 2016 £(000)	Year to 31 Mar 2015 £(000)
Expected Return on Employer Assets	94	114
Interest on Pension Scheme Liabilities	(11)	233
Net Return	83	347

Note 11(f): Actuarial Analysis

	Year to 31 Mar 2016 %	Year to 31 Mar 2015 %
Pension Increase Rate (CPI)	1.8	1.8
Salary Increase Rate	3.3	3.3
Expected Return on Assets	2.8	13.1
Discount Rate	3.4	3.2

Note 11(g): Mortality Assumptions

Actuarial Assumptions for average future life expectancy at age 65	Males	Females
Current Pensioners	22.3 years	24.8 years
Future Pensioners (aged 45 at accounting date)	24.5 years	27.2 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 2016 £(000)	Year to 31 Mar 2015 £(000)	Year to 31 Mar 2014 £(000)	Year to 31 Mar 2013 £(000)	Year to 31 Mar 2012 £(000)
Fair Value of Employer Assets	2,983	2,961	2,684	2,521	2,125
Present Value of Defined Benefit Obligation	(3,310)	(3,392)	(3,011)	(2,985)	(2,569)
Surplus/(Deficit)	(327)	(431)	(327)	(464)	(444)
Actuarial Gains/(Losses) on Employer Assets	11	(233)	(118)	249	(130)
Actuarial Gains/(Losses) on Obligation	165	305	(62)	(261)	38
Actuarial Gains/(Losses) recognised in SRIE	(151)	72	(180)	(12)	(92)

Note 12: Capital Commitments

	2015/16 £000s	2014/15 £000s
Contracted	-	-
Authorised but not contracted	-	-
TOTAL	-	-

Note 13: Commitments under Leases - Photocopier

	2015/16 £000s	2014/15 £000s
Not later than one year	1	1
Later than one year and not later than five years	1	2
	2	3

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 for Communities. The Department for Communities 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 for Communities 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:

	2015/16	2014/15
	£	£
Less than three months	5,500	5,500
Three to six months	-	200
Six months to one year	-	-
More than one year	-	-

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 516 invoices totalling £357,394.

The Commission paid 511 invoices within the 30 day target.
The Commission paid 420 invoices within the 10 day target.
The Commission paid 5 invoices outside the 30 day target.

Note 17: Assembly Accountability Disclosures

No losses, special payments or remote contingent liabilities were identified by the Commission in 2015/16.

**LOCAL GOVERNMENT TRAINING GROUP
RECEIPTS AND PAYMENTS ACCOUNT
for the year ended 31 March 2016**

	Notes	Year Ended 31 March 2016 £	Year Ended 31 March 2015 (Restated) £
Recurrent Transactions			
Contributions	2	325,928	300,000
DOE Capacity Building Fund (CPF)		37,655	426,780
Operating Receipts	3	83,918	106,240
		447,501	833,020
Less Operating Costs	4	255,663	884,628
Surplus/(Deficit)		191,838	(51,608)
APPROPRIATION ACCOUNT			
Balance brought forward		284,836	336,444
Surplus/(Deficit) for the year		191,838	(51,608)
Balance carried forward 31/03/16		476,674	284,836
Represented by:-			
Current Account		426,537	234,803
Fixed Term Deposit Account		50,137	50,033
		476,674	284,836

Signed:



STEPHEN REID
Chairman, Local Government Training Group

20 September 2016



DR ADRIAN E KERR
Chief Executive and Accounting Officer

20 September 2016

LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS
for the year ended 31 March 2016

1. BASIS OF ACCOUNTS

These accounts have been prepared for presentation to the Local Government Staff Commission at its meeting on the 21 June 2016.

	Year Ended	
	31 March 2016 £	31 March 2015 (Restated) £
2. CONTRIBUTIONS RECEIVED		
District Councils & DOE CPF	363,583	726,780
3. OPERATING RECEIPTS		
Bank Interest	104	95
Course Fees	61,414	106,145
Internal Transfer	22,400	
	<u>83,918</u>	<u>106,240</u>
4. OPERATING COSTS		
Strategic Framework Implementation		
1.1: Leadership & Talent Management		
Chief Executive and 2 nd Tier Development	17,816	59,415
Leadership Development	17,274	34,188
Talent Management Framework	13,562	756
	<u>48,652</u>	<u>94,359</u>
1.2: Performance Culture		
Performance Culture Toolkit	14,870	19,720
Performance Culture eLearning Module	720	-
OD Projects	3,521	-
	<u>19,111</u>	<u>19,720</u>
1.3: Employee Relations and Pay Reward		
Employee Relations	1,381	-
Pay and Reward Framework	-	-
	<u>1,381</u>	<u>-</u>
1.4: Learning Organisation		
Development Programmes	3,000	-
Knowledge and Skills Based Training	85,308	216,020
Professional Groups and Support Staff	-	1,500
Advanced Diploma (University of Ulster)	-	-
eLearning	14,386	50,691
	<u>102,694</u>	<u>268,211</u>

LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS
for the year ended 31 March 2016 (cont'd)

	Year Ended	
	31 March 2016 £	31 March 2015 (Restated) £
1.5 Capacity Building for Local Government Reform		
At Risk Staff	37,051	411,811
Community Planning	5,940	-
Conferences/Workshops	1,206	35,940
	44,197	447,751
1.6 Equality and Diversity		
Equality and Diversity Projects	1,442	8,414
Champions of Change Management	-	-
Next Generation Leadership	3,600	-
E & D eLearning Content	840	-
	5,882	8,414
1.7 Capacity Building for Elected Members		
Adv Diploma in Civic Leadership	1,500	23,551
Elected Member Charter	750	-
Elected Members In-house	4,427	-
	6,677	23,551
1.8 Miscellaneous Initiatives		
liP	3,990	-
Cross-Border Initiatives	-	-
	3,990	-
1.9 Administration		
Printing and Stationery	114	114
LGSC Administration	22,000	22,000
Bank Charges	75	90
IT/Website Maintenance	-	-
Professional Fees	-	-
Travel and Subsistence	471	418
LMS Commission	192	-
Meeting Expenses	227	-
	23,079	22,622
Total Operating Costs	255,663	884,628

Note 18: Events after the Reporting Period

There were no events occurring after 31 March 2016 which require adjustment to the Commission's financial statements or additional disclosures.

Date of Authorisation for Issue

The Chief Financial Officer authorised these financial statements for issue on 28 September 2016.