

Annual Report and Accounts

1st April 2008 — 31st March 2009

“Achieving Excellence Through People”



The Local Government Staff Commission
for Northern Ireland



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CHAIRMAN'S FOREWORD

During 2008-09 the Staff Commission, in common with the local government sector generally, continued to focus on the reform and modernisation process. In this regard, Commission officers made valuable contributions to a number of working groups in developing approaches to human resources issues which will be faced during the transition period and after the new councils are established in May 2011.

The resource review of the Commission, which had been announced by the Environment Minister on 31 March 2008, was subsequently carried out by John Hunter, former Permanent Secretary at the Department of Finance and Personnel, and his report was issued in January 2009. The 'Hunter Report' concluded that:

"The LGSC has a vitally important continuing role to play in the run up to the creation of the 11 new councils in May 2011. If it did not exist, I believe that the Strategic Leadership Board would need to create such a body to support the 11 Transition Committees, to ensure consistency and more generally to provide policy advice on a range of HR matters, as set out in its 1972 terms of reference – while supporting local government training and new negotiating machinery."

In fulfilling its various roles, the Commission agreed to continue with the current resource base and to submit a business case for any additional resources, as required. Also, the Local Government Training Group agreed to take the leading role recommended in the report in relation to capacity building for officers and elected members.

A revised definition of the RPA Affected Group was issued for consultation by OFMDFM in February 2009. The Staff Commission had been removed from the affected group into the list of bodies not affected. This change was welcomed by the Commission as it underpinned the key roles highlighted for the organisation in the Hunter Report. The option remains, however, for the Commission to be transferred back into the RPA Affected Group if and when circumstances change.

The Commission's activities in 2008-09 are set out in this Annual Report. Our achievements are based on close working relationships with the councils and a wide range of other partner bodies. We thank them for their cooperation and look forward to continuing this work as the transition period gains momentum during 2009-10.



BRIAN HANNA CBE
Chairman

CHIEF EXECUTIVE'S REPORT

Throughout 2008/09 the Staff Commission concentrated on delivering the objectives that were set out in the revised Corporate Plan, launched in 2008. This defined our long-term objectives and key areas for the year as follows:

Key Area 1 - Local Government Reform/Modernisation Agenda - To provide leadership within local government in relation to HR matters arising from Local Government Reform and the Modernisation Agenda.

Key Area 2 - Recruitment and Selection - To ensure that councils and the Northern Ireland Housing Executive (NIHE) have effective recruitment practices which treat all applicants fairly and equitably.

Key Area 3 - Equality and Diversity - 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 4 - Learning and Development - To enhance knowledge and skills and to build capacity through the Local Government Training Group (LGTG) as the preferred source of advice and support for learning and development.

Key Area 5 - Employee Relations - To ensure that effective, productive and harmonious working environments and staff/ management relationships are sustained within local government.

Key Area 6 - Organisation Design 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.

Key Area 7 - 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 for 2008/09. All our strategic objectives were matched with outputs and related to initiatives in order to ensure increased effectiveness. By the year end these outputs were fully achieved. In order to provide a full understanding of the work of the Commission this section should be read in conjunction with the Operating Review (page 5) which provides greater detail of the results achieved in relation to the objectives as set out in the Business Plan.

Local Government Reform/Modernisation Agenda

- Throughout the year the Commission continued to be consulted by the Public Service Commission (PSC) in relation to all draft Guiding Principles and Recommendations and contributed to their formulation.
- In order to operationalise the Public Service Commission's 2nd Guiding Principle in relation to 'Vacancy Controls' (issued in July 2006) the Commission prepared and consulted on a paper "Vacancy Control System – Detailed Guidance" in January 2009. This consultation provided a considerable insight into how the Vacancy Control System might work in practice and is currently being discussed at Commission level with a view to issuing a final guidance document later in the year.

Recruitment and Selection

- Assessment centres were redesigned to cross match competencies through an increased range of assessment exercises.
- The role of the Commission observer at shortlisting and interviewing panels was re-assessed, more detailed reporting arrangements were developed and appropriate training provided.
- Commission officers undertook initial survey work in the area of providing guidance for councils and the Northern Ireland Housing Executive (NIHE) on the employment of people and the retention of employees aged over 65.
- The Commission's revised Code of Procedures was issued to councils and remains the authoritative guide for recruitment and selection in local government.
- Throughout the year officers assisted councils in a wide range of recruitment exercises for new/replacement posts and those relating to organisational change. These exercises included the appointment of Chief Executives in Derry, Coleraine and Ballymena Councils.

Equality and Diversity

- During the year assistance was provided to councils through regular meetings of the Statutory Duty Network and a joint response was prepared to the Equality Commission consultation exercise on the revised Section 75 guidance.
- In addition, two guidance documents on employing migrant workers and on monitoring were prepared for a sub group of the Statutory Duty Network and issued to councils.
- The Women in Local Councils initiative was widely promoted within councils and throughout the public sector.

Learning and Development

- Commission officers were actively involved in the Capacity Building Working Group which reported to Policy Development Panel 'C' in March 2009. This work will form the basis of an implementation plan to build capacity within the new council clusters during the transition period to May 2011 and beyond.
- Four facilitated workshops were arranged during the year to enhance the knowledge and skills of the Training Liaison Officer group. Two of the workshops focused on options for leadership development in the context of reform and modernisation.
- A wide range of short courses and personal development programmes arranged by the Training Group contributed significantly to the totality of learning and development

opportunities available to local government employees.

- The Women's Development Steering Group continued to make a major impact through the Women in Local Councils initiative, notably in the implementation of gender action plans and developing the Champions network.

Employee Relations

- Discussion was initiated on an improvement agenda for the NIJC in the context of the needs of councils during the Review of Public Administration (RPA) implementation and the new arrangements post-2011. Plans were progressed for the establishment of a new mechanism for the negotiation of RPA HR and terms and conditions issues under the auspices of the Regional Transition Co-ordinating Group.
- The Commission was confirmed as the independent chair and secretariat for a Joint Negotiating Forum relating to the proposed transfer of Group Environmental Health field staff to the NI Environment Agency's Water Management Unit.
- A series of events on topics including Equal Pay Audits, Single Status Implementation and Experience of Local Government Reorganisation were held in partnership with PPMA NI.
- The Commission arranged for 45 HR practitioners in councils to be trained in the legislative framework and practical application of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Organisation Design and Development

- The Commission initiated discussions with the Improvement and Development Agency (IDeA) in relation to planning a programme of OD events in 2009/10 to assist councils, Transition Committees and Transition Management Teams to prepare for RPA implementation.
- Commission officers worked closely with SOLACE NI to provide a series of workshops creating a foundation for leadership, networking and partnership opportunities.
- The Commission assisted arc21 and SWaMP 2008 to review organisational structures and staffing levels to meet operational needs and future challenges.

Corporate Governance

- Throughout the year the Commission continued to develop effective policies and working practices to ensure that the organisation performed at a high level. In order to ensure improvement in governance arrangements, the Commission in conjunction with the Department of the Environment updated the Management Framework Document and Financial Memorandum which were submitted to the Department of Finance and Personnel (DFP) for approval.
- The Commission's Audit Committee met on two occasions and reviewed the Audit Reports, the updated Risk Strategy and Internal Audit Strategy for 2008/09 – 2011/2012.
- Reports on the implementation of the Commission's Equality Scheme were endorsed by the Equality Commission for Northern Ireland (ECNI) and recommended improvements were implemented.
- The Commission was reaccredited with the new Investors in People standard in June 2008 and this ensured that the Commission's HR policies and staff development plans continued to be effective.



ADRIAN E KERR MBE
Chief Executive

OPERATING, FINANCIAL AND MANAGEMENT REVIEW

For the year ended 31 March 2009

Background Information

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

The Commission's principal function is to:

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

Specific functions are:

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

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

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

Results for the Year

The financial results of the Commission's operation in 2008/09 are set out in detail on page 40 of these accounts. The deficit for the year for operational costs was (£48k), compared with a deficit of (£29k) 2007/08.

Pension Liabilities

The Commission participates in the Northern Ireland Local Government Superannuation Committee Scheme (NILGOSC) for its employees. This year the Commission obtained FRS17 actuarial valuations and consequently the resulting net liability and FRS17 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 2008/09.

Payment to Suppliers

The Commission is committed to the prompt payment of suppliers for goods and services 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 all bills were paid within this standard.

Research and Development

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

Business Review

The Commission prepares strategic and business plans for each area of responsibility and monitors performance against key performance targets. A full review of the Commission's activities is provided on pages 9 to 22 of this Annual Report. The current Corporate/Business Plan is available on request from Commission offices and is available on the Commission's web site (www.lgsc.org.uk).

Important Events Occurring After the Year End

There have been no significant events since the year end 31 March 2009 which would affect these accounts.

Members

Membership of the Commission is set out in Appendix 2 of the 2008/09 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. In 2008 the Commission was re-awarded the 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 district councils and the Northern Ireland Housing Executive.

Future initiatives include:

- Developing a draft Staff Transfer Scheme and mechanisms for filling posts in the new councils post 2011
- the provision of ongoing assistance to the LGTG to implement its training strategy.
- working with the Equality Commission to ensure the implementation of Equality Schemes with district councils.
- continuing to advance the Commission's Women in Local Councils initiative.
- 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 Staff 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 current 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:



ADRIAN E KERR
Chief Executive and Accounting Officer
8th June 2009



BRIAN HANNA
Chairman, Local Government Staff Commission

KEY AREA 1 - LOCAL GOVERNMENT REFORM/ MODERNISATION AGENDA

(Lead Officer - Adrian Kerr)

STRATEGIC OBJECTIVE

To provide leadership within local government in relation to HR matters arising from Local Government Reform and the Modernisation Agenda

ACTION PLAN 2008/09	PROGRESS
Advise the PSC on the local government perspective on HR issues, as required.	The Commission has continued to advise the PSC both formally and informally on the human resource implications of RPA implementation. Specifically the Commission have produced a paper for the Strategic Leadership Board (SLB) on the operationalisation of the PSC's Guiding Principles for local government.
Assist councils to operationalise the PSC's Guiding Principles and Recommendations.	<p>The Commission consulted on a Vacancy Control Scheme and prepared a draft Staff Transfer Scheme.</p> <p>The Commission and LGTG provided 3 TUPE Awareness courses for HR practitioners in councils. In total 45 HR practitioners were trained.</p>
Prepare a transitional HR Framework for local government.	A small group has been set up to look at the HR Frameworks from Health, Education and the Local Government Management Services Board in order to draft a HR Framework for local government. The Commission are also advising the DoE on the HR work to be scoped by Policy Development Panel (PDP) C.
Advise the Department of the Environment (DoE), NILGA and the Society of Local Authority Chief Executives (SOLACE) on HR matters, as required.	Commission officers have been tasked with assisting PDP C on HR and Capacity Building issues.

KEY AREA 1 - LOCAL GOVERNMENT REFORM/ MODERNISATION AGENDA (cont.)

(Lead Officer - Adrian Kerr)

STRATEGIC OBJECTIVE

To provide leadership within local government in relation to HR matters arising from Local Government Reform and the Modernisation Agenda

ACTION PLAN 2008/09	PROGRESS
Research change management processes and best practice models and recommend, as appropriate.	The Change Champions Network continues to be supported as part of the Women in Local Councils initiative with seminars held on 4 and 16 April. Coaching and mentoring sessions were held in April and June.
Promote the Commission's HR Standards Framework as a benchmark for improving council HR services.	A familiarisation workshop on "Local Government Restructuring: Guidance on Staffing Issues" was held on 4th September. Officers from the Department for Communities and Local Government attended and discussed restructuring and staffing issues during reorganisation in England.
Introduce learning from the Women in Local Councils initiative into frameworks and other developments required to deliver local government reform and the modernisation agenda.	Research is currently being conducted into the roles, skills and development needs of Champions/Agents for change. The results of the research will inform further Commission initiatives in supporting the people aspects of the planned Local Government reorganisation.

KEY AREA 2 - RECRUITMENT AND SELECTION

(Lead Officer - Lorna Parsons)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
<p>Keep under review the guidance on vacancy controls and assist councils and the NIHE to implement the guidance, when appropriate.</p>	<p>Following the Ministerial announcement in March 2008, the Detailed Guidance on a Vacancy Control System was reviewed and agreed by the Commission in January 2009. It was issued to councils and other stakeholders for consultation purposes. The consultation responses will be considered in detail by the Commission at its meeting in April 2009.</p>
<p>Continue to advise councils on best practice in recruitment and selection including:</p> <ul style="list-style-type: none"> o employment and retention of people aged over 65 years o employment of migrant workers o child protection issues 	<p>The Code of Procedures on Recruitment and Selection was revised and issued to councils in February for implementation on 1 April 2009. A familiarisation seminar for councils was held in March 2009.</p> <p>Advice on best practice in recruitment and selection was provided to individual councils by phone, email and letter. An Equality Network seminar on the practical issues of implementing the age discrimination legislation was held in April 2008.</p> <p>A Guidance Note on Employing Migrant Workers was prepared and issued to councils in June 2008.</p>
<p>Review the recruitment practices in individual councils, as required.</p>	<p>A review of the recruitment practices in one council was completed in July 2008. Recommendations from this review led to changes in the revised Code of Procedures on Recruitment and Selection to provide councils with more flexibility in the chairing of panels and composition of panels for basic grade posts.</p>

KEY AREA 2 - RECRUITMENT AND SELECTION (cont.)

(Lead Officer - Lorna Parsons)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
<p>Contribute to external working groups including:</p> <ul style="list-style-type: none"> o the Equality Commission for NI roundtable discussions o the Safeguarding Vulnerable Groups Stakeholder Group 	<p>Regular meetings have been held with officers from the Equality Commission for NI and a number of joint events were organised during the year.</p> <p>Information from the Safeguarding Vulnerable Groups Stakeholder Group meetings is shared with councils at the Child Protection Network. A scoping study was carried out across the councils to identify the number of posts which would come under the scope of the legislation when it comes into force in 2010.</p> <p>Two seminars were held for Child Protection Officers and HR Officers to outline the new legislation and the implications for councils in May 2008 and January 2009.</p>
<p>Continue to implement the Observer strategy.</p>	<p>During the year Observers attended 53 recruitment panels in councils. In addition the Commission administered the recruitment exercises for the Chief Executive appointments in Ballymena, Coleraine and Derry Councils.</p>
<p>Continue to review the role of Observers and provide training as required.</p>	<p>Training was provided for Commission Observers in August 2008. The role of the Observer was reviewed in line with the revised Code of Procedures on Recruitment and Selection.</p>
<p>Assist the Local Government Child Protection Network to develop a child protection training strategy.</p>	<p>A sub group of the Child Protection Network examined the options for standardising child protection training across councils and 2 courses were piloted on the Training Group's short course programme.</p>

KEY AREA 3 - EQUALITY AND DIVERSITY

(Lead Officer - Lorna Parsons)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Continue to advise and assist councils and the NIHE to implement their Section 75 duties.	<p>Advice and assistance on Section 75 was provided through the Statutory Duty Network which met on 5 occasions. A number of stakeholder engagement workshops were held for equality officers.</p> <p>The Commission encouraged councils to participate in Community Relations Week and Anti-Racism Week and held good relations seminars promoting best practice in April and November.</p>
Continue to assist councils and the NIHE to implement their Disability Action Plans.	<p>Advice and assistance was provided to individual councils. A meeting was arranged in May with a representative of the Equality Commission who gave generic feedback on Disability Action Plans.</p> <p>Derry City Council was partnered in hosting a seminar "Counting the Cost of Mental Health and Well-Being" in April. A similar event was held in partnership with the Equality Commission in Stormont in November.</p>
Co-ordinate a response on behalf of councils to the consultation on the revised Section 75 guidance and assist councils to develop new Equality Schemes, when appropriate.	A meeting of the Statutory Duty Network was held in October to discuss the draft Guidance and a joint response was prepared on behalf of the councils and submitted to the Equality Commission in November.
Continue to co-ordinate responses on behalf of councils to equality consultation exercises, as required.	A response was prepared on the Equality Commission's Guide to Promoting a Good and Harmonious Working Environment in September.

KEY AREA 3 - EQUALITY AND DIVERSITY (cont.)

(Lead Officer - Lorna Parsons)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Maintain the Equality Network, Statutory Duty Network and other working groups as required.	<p>The Equality Network met on 3 occasions and training was provided on the practical implications of the age discrimination legislation, dignity at work and an employment law update.</p> <p>The Statutory Duty Network met on 5 occasions. Two sub groups were set up to prepare guidance on employing migrant workers and on monitoring.</p>
Revise the model policies on equal opportunities and harassment.	The model policy on equal opportunities was revised and included in the revised Code of Procedures on Recruitment and Selection. A seminar on dignity at work was provided through the Equality Network in April.
Promote the Women in Local Councils initiative throughout the wider public sector as a good practice change model.	The first Women in Local Councils – Making a Difference Award was presented to Newtownabbey Borough Council in May. A showcase event was held in October to utilise good practice related case-studies and to celebrate the success of this innovative approach to address common change problems across the councils.
Maintain links with external equality bodies and networks.	Links were maintained with external equality bodies and networks and a number of events were run in partnership with external bodies.
Promote good practice amongst councils regarding migrant worker issues.	<p>A guide to employing migrant workers was prepared for a sub group of the Statutory Duty Network and circulated to councils in June.</p> <p>A series of workshops sharing the learning from the Women into Non-traditional Sectors project has highlighted employability best practice particularly with hard to reach groups such as migrant workers.</p>
Continue to develop relationships with the Commission's Partner Consultees.	Partner Consultees were invited to Commission showcase events such as the Good Relations event in May and the Women in Local Councils showcase event in October.

KEY AREA 4 - LEARNING AND DEVELOPMENT

(Lead Officer - John Hanna)

STRATEGIC OBJECTIVE

To enhance knowledge and skills and to build capacity through the Local Government Training Group (LGTG) as the preferred source of advice and support for learning and development

ACTION PLAN 2008/09	PROGRESS
Assess capacity building requirements in the context of modernisation and the implementation of the RPA and develop a flexible action plan responsive to the changing environment.	Two Commission officers were members of the Capacity Building Working Group which was given responsibility for assessing capacity building requirements. A report was presented to Policy Development Panel 'C' in March 2009.
Prioritise training and development initiatives to maximise learning benefits and ensure value for money.	Throughout the year all programmes and courses reflected councils' priorities, both on the schedules of open courses and in the LGTG's support for in-house initiatives.
Establish the TLO network as the primary channel for identifying learning and development needs, implementing solutions and evaluating outcomes.	Four facilitated workshops were held during the year in order to develop the skills of TLOs in the key elements of their role.
Implement an appropriate structure for the LGTG during the period of transition leading to the implementation of the Reform of Local Government.	It was agreed not to alter the structure of the LGTG pending the outcome of the resource review of the LGSC. In March 2009 the LGTG agreed to take the lead role in training and development in local government up to May 2011, as recommended in the review, and it was recognised that structural change would be essential during 2009-10.
Implement a communications strategy, to involve all key stakeholders in learning and development.	Communications within the TLO network were improved through the four workshops; widespread dissemination of information; and encouragement of joint working within the new council clusters.
Carry out an audit of current training and development initiatives in councils.	An audit was carried out in order to provide information for the TLO workshops.

KEY AREA 4 - LEARNING AND DEVELOPMENT (cont.)

(Lead Officer - John Hanna)

STRATEGIC OBJECTIVE

To enhance knowledge and skills and to build capacity through the Local Government Training Group (LGTG) as the preferred source of advice and support for learning and development

ACTION PLAN 2008/09	PROGRESS
Review the effectiveness of the LGTG's current provision of staff development programmes and skills-based training and amend as necessary.	The effectiveness of all current provision was reviewed to ensure relevance during the transition period. In this regard, accredited providers of the PRINCE2 project management methodology were identified for provision of this training in 2009-10.
Identify and disseminate examples of best practice and relevant case studies.	Examples of best practice and associated case studies were considered in the TLO workshops, with a view to developing a website to share such information.
Carry out research into leadership development and make recommendations to meet the emerging needs of councils.	Two facilitated workshops on leadership development were held. The outcomes would be considered in conjunction with the report of the Capacity Building Working Group.
Develop an induction template for adaptation by individual councils, as required.	Preliminary work was undertaken on drafting an induction template.
Develop web-based facilities for an information database and the evaluation of courses and trainers.	Work was undertaken to identify categories of information for inclusion in a database and to assess possible formats and means of access for users. Implementation is scheduled for 2009-10.
Support ongoing initiatives to maximise learning and development outcomes, including Women in Local Councils; People Improve Performance; Interchange and cross-border networks.	The LGTG continued to support the Women in Local Councils initiative through assisting in the implementation of Gender Action Plans and development of the Champions' network. Support was given on an ongoing basis to People Improve Performance and cross-border networks, while input was given to DFP's major review of Interchange.

KEY AREA 5 - EMPLOYEE RELATIONS

(Lead Officer - Linda Leahy)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
<p>Facilitate the development of the NIJC on an ongoing basis.</p> <p>Recommend alternative approaches to decision making and constituent consultation as detailed in the Commission's NIJC Review Report.</p> <p>Report to the Commission on the operation of the NIJC on an ongoing basis.</p> <p>Continue to develop ongoing relationship with Trade Unions and the Northern Ireland Council of the Irish Congress of Trade Unions.</p> <p>Research structures and mechanisms for negotiations aimed at strengthening the authority of the NIJC and discuss with NIJC and other stakeholders</p>	<p>The Commission considered a report on an improvement agenda for the NIJC in October/ November. The Joint Secretaries were invited to a meeting to discuss the operation of the NIJC in the context of the needs of councils during RPA implementation and in the new arrangements post-2011. Discussions are ongoing at NIJC in relation to terms of reference and methodology for a Review of the NIJC.</p> <p>The Commission assisted with the plans for the establishment of a mechanism for the negotiation of regional RPA HR and terms and conditions issues under the auspices of the RTCG.</p> <p>The Commission provided independent chairing and secretariat facilities to a Joint Negotiating Forum established in relation to the proposed transfer of field staff currently employed in Group Environmental Health Committees to the NI Environment Agency's Water Management Unit.</p>
<p>Organise an Equal Pay event for district councils in partnership with the Public Sector People Managers' Association (PPMA NI) and the Equality Commission.</p>	<p>An event on the practicalities and best practice aspects of carrying out Equal Pay Audits to inform Pay and Grading Reviews was held in April for district council HR officers. Attendees considered case studies from Belfast, Newtownabbey and Carrickfergus councils.</p> <p>An Equal Pay event was held in December 2008 in partnership with PPMA and the Equality Commission. Bob Collins, Chief Commissioner of ECNI, addressed delegates on equal pay issues and presentations were made by local government HR colleagues from the North East of England who had extensive experience in implementing Single Status and equal pay issues generally.</p>

KEY AREA 5 - EMPLOYEE RELATIONS (cont.)

(Lead Officer - Linda Leahy)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
<p>Partner the Employers' Side of NIJC and PPMA NI in the provision of a seminar to inform councils of the provisions of the new look Local Government Pension Scheme.</p>	<p>NILGOSC ran a number of seminars for employers on forthcoming changes to the pension scheme.</p> <p>The Commission assisted PPMA NI to develop a Model Pensions and Compensation Discretions Policy which also covered arrangement for Flexible Retirement. The Model was issued to councils in June 2008.</p>
<p>Seek to ensure that ADR mechanisms are integrated into Employee Relations policies being during the review process.</p> <p>Gain support for and develop Workplace Mediation mechanisms.</p> <p>Maintaining and developing relationships with Centre for Effective Dispute Resolution (CEDR), Core Solutions, Labour Relations Agency and the panel of CEDR Accredited Mediators in local government.</p>	<p>The Commission met with representatives from the Labour Relations Agency in July to discuss future areas for co-operation and mediation schemes.</p> <p>There were some initial discussions with trade unions about the development of workplace Mediation mechanisms.</p> <p>Commission officers who are Accredited Mediators were asked to assist with implementing mediation interventions in workplace disputes in three councils.</p>
<p>Recommend and quality assure independent investigation processes as required.</p>	<p>Advice and assistance was provided to four councils in relation to investigations at senior level.</p>

KEY AREA 6 - ORGANISATION DESIGN AND DEVELOPMENT

(Lead Officer - Linda Leahy)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Promote relevant and best practice OD processes including cultural change, leadership, change management, service improvement and performance improvement.	The Commission assisted individual councils in relation to OD interventions and developments throughout the year. Initial discussions were held with the IDeA in relation to planning a programme of OD events for councils in 2009/10 to assist councils, Transition Committees and Management Teams to prepare for RPA implementation.
Facilitate, in partnership with SOLACE NI, a working group on talent management and leadership development for 2nd tier officers.	Commission officers worked closely with SOLACE NI to provide a series of workshops creating a foundation for leadership, networking and partnership opportunities.
Keep the Guidance on the Staffing Implications of Organisation Development and Change, (September 2002), under review and update as appropriate.	<p>The Guidance was re-examined in the context of RPA and specifically the operationalisation of the 4th Guiding Principle 'Filling Vacancies and New or Substantially New Posts in New Organisations' for use in local government.</p> <p>The Commission assisted arc21 and SWaMP 2008 to review organisational structures and staffing levels to meet operational needs and future challenges.</p>
Contribute to the Public Sector People Managers' Association (PPMA) Lead Group on OD and promote the PPMA OD Toolkit.	Commission officers attended 2 meetings of the Lead Group now re-named the PPMA 'Leadership and OD Network' and contributed to the development of a booklet entitled "The Organisation Development Challenge of Shared Services" which is a joint PPMA/SOLACE Enterprises publication.
Assist in the development of the Code of Conduct for Councillors and keep the Code of Conduct for Employees under review.	<p>Advice was given to individual councils on the implementation and application of the two Codes of Conduct.</p> <p>PDP A, in making policy recommendations in relation to governance issues for the new councils, considered the legislative requirements for a statutory ethical framework for elected members.</p>

KEY AREA 6 - ORGANISATION DESIGN AND DEVELOPMENT (cont.)

(Lead Officer - Linda Leahy)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Contribute to the Working for Health Strategy through the 'Government Leading by Example' programme team.	The programme team met 3 times and agreed a high level action plan to develop an excellence model for the management of workplace health for public sector organisations, including targets for employee attendance.
Support a programme of initiatives to improve the management of employee health and well being within the workplace, including showcasing best practice, masterclass sessions and networking.	The Commission worked closely with HSE NI to ensure a more strategic approach to workplace health as well as Stress Management Standards implementation and production of a mental health in the workplace leaflet. Best practice sessions were held on mental health in the workplace and dealing with stress.
Evaluate the pilot of the 'People Improve Performance' performance management system and make recommendations accordingly.	<p>The system has been recommended to councils over the year and its implementation monitored informally by Commission officers.</p> <p>Performance management is one of the components of an OD approach to capacity building which will be recommended in the Capacity Building Report to PDP C in spring/summer 2009.</p>
Introduce learning from the Women in Local Councils initiative into organisational development, change management, development of Codes of Conduct and other developments.	The Commission continued to support the Women in Local Councils initiative through assisting in the implementation of Gender Action Plans and supporting the network of Champions to address the under-representation of women.
Promote best practice examples of change management in partnership with the LGMSB.	Commission members visited the LGMSB and Public Appointments Service in Oct 2008 to discuss mutual management/HR challenges. It was agreed to progress the identified priorities during 2009/2010.

KEY AREA 7 - CORPORATE GOVERNANCE

(Lead Officer - Adrian Kerr)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Work with Internal Audit, the Local Government Auditor and the Commission's Audit Committee to improve the audit process, including preparing the annual accounts and updating the Risk Strategy as necessary.	The Commission continued to work with internal and external auditors to ensure that there is a sound system of control in place. Audit reports for the year were considered by the Audit Committee at its meeting in September 2008.
Agree the Management Statement and Financial Memorandum with the Department of the Environment (DoE).	The draft Financial Memorandum was approved by DFP and is currently being finalised by the DoE.
Continue to present half-yearly budget reports to the Audit Committee and the Commission.	Budgetary control reports were produced monthly and informed decision making by the Commission's Chief Executive. Half-yearly reports were presented at Commission meetings and a revised Financial Schedule was endorsed in September 2008. The Audit Committee met in September 2008 and March 2009.
Develop and update policies to meet best practice standards in corporate governance.	The Commission's Whistleblowing Policy and financial procedures were updated to reflect new guidance from DFP on procurement of goods and services.
Continue to implement the Commission's Equality Scheme in line with the agreed timetable.	The Commission's Equality Scheme is currently being implemented in line with the agreed timetable. The annual Section 75 Progress Report was submitted to the Equality Commission in September.
Develop a good relations policy statement.	A good relations policy statement will be included in the revised Equality Scheme.
Continue to implement the Disability Action Plan.	Work is ongoing to progress the Commission's Disability Action Plan. Commission's officers began to investigate how the Commission offices could provide better access for disabled persons. In addition the Office Manager reviewed the Commission's website to ensure accessibility for people with disabilities.

KEY AREA 7 - CORPORATE GOVERNANCE (cont.)

(Lead Officer - Adrian Kerr)

STRATEGIC OBJECTIVE

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

ACTION PLAN 2008/09	PROGRESS
Design and implement a corporate Performance Management Scheme for all staff.	A system of performance management was developed for senior staff and relates to joint senior management monthly appraisal against objectives.
Seek re-accreditation under the new Investors In People (IIP) Standard in June 2008.	The Commission received re-accreditation for the new Investors in People standard in June 2008.
Follow directives from the Public Service Commission and work jointly with the Department of the Environment on implementation matters.	The Commission accepted all PSC Guiding Principles and Recommendations and continued to work with the Department of the Environment on implementation within councils.
Continue to utilise specialist IT consultancy services and training, as appropriate.	The Commission maintained its IT systems with the assistance of specialist consultancy services as appropriate.
Improve the Commission's website for internal and external users, including surveying users for improvement suggestions.	Following consultation with stakeholders the Commission's website was redesigned and improved for access for users with disabilities and relaunched on 01 December 2008.
Review and amend policies and procedures for key administrative areas of operation.	In June 2008 the Public Record Office for NI approved and signed the Commission's Disposal Schedule and in January 2009 the Commission launched its updated Publication Scheme in line with the Information Commissioner's guidance.
Cooperate fully in the review of the Commission by the DoE.	A review of the Commission's resources was commissioned by the DoE and undertaken by John Hunter (former Permanent Secretary of DFP) in November 2008 and the report issued in February 2009.

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.

Job Evaluations 2008/09

A job evaluation exercise was carried out in February 2008 to determine appropriate salary scales for all officers employed by the Commission, utilising the services of Hay Management Consultants. This exercise resulted in revised salary scales for all officers. The salary scales for the Chief Executive and Senior Officers as detailed in this report reflect the revised salary scales which were implemented with effect from 1st February 2008.

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. Permanent appointments are open-ended until officers reach the retirement age of 65. 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. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 6% of pensionable earnings. (As from 1st April 2009 contribution banding rates will be calculated for each officer depending on salary scale from a range between 5.5% to 7.5%). Pension payments increase in line with the Retail Price Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

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

Chairman and Commission Members

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

Service Contracts for Chairman and Commission Members

The appointments of the Chairman and Commission members are made by the Minister of the Environment. All appointments are designated for a four year term by the Department of the Environment in accordance with the Commissioner for Public Appointments for the Northern Ireland Code of Practice. The current Commission was appointed in December 2005.

Chairman and Members' Emoluments

	2009 £'000	(Revised) 2008 £'000
Mr Brian Hanna Chairman	14.1	13.8
Members' Emoluments	12.0	6.0

Senior Officers' Emoluments

	Date of contract	Scales:	2009 £'000	Scales	2008 £'000
Adrian Kerr Chief Executive	01/09/91	Band 2	83 - 91	Band 3	75 - 82
John Hanna Professional Officer	01/03/92	PO9	46 - 49	PO7	40 - 43
Linda Leahy Professional Officer	31/05/95	PO9	46 - 49	PO7	40 - 43
Lorna Parsons Professional Officer	01/04/92	PO9	29 - 31	PO7	26 - 27

Pension Entitlement of Chief Executive and Professional Officers

	Real Increase in pension & related lump sum at age 65	Total accrued pension at age 65 & related lump sum	CETV at 31/3/2008 (as restated)	CETV at 31/3/2009	Real Increase in CETV after adjustment
	£'000	£'000	£'000	£'000	£'000
Adrian Kerr Chief Executive	1.5 – 2.0 Plus lump sum 5.0 – 5.5	40 – 45 Plus 125 – 130 Lump sum	912	1,025	74
John Hanna Professional Officer	1.5 – 2.0 Plus lump sum 5.0 – 5.5	15 – 20 Plus 50 – 55 Lump sum	358	408	33
Linda Leahy Professional Officer	1.5 – 2.0 Plus lump sum 4.5 – 5.0	15 – 20 Plus 50 – 55 Lump sum	238	285	35
Lorna Parsons Professional Officer	0.5 – 1.0 Plus lump sum 2.5 – 3.0	5 – 10 Plus 20 – 25 Lump sum	98	120	16

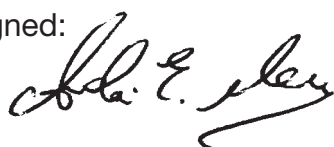
Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised values of the pension scheme benefits accrued by member 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 (including restatement of March 2008 figures)

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. CETVs have increased this year as the factors used in calculating CETVs have been updated by the Government Actuary from 1 October 2008. The CETV amounts at 31 March 2008 have therefore been recalculated, upon instruction by the Department of Finance & Personnel; these recalculations give a more meaningful comparison with this year's figures.

Signed:



ADRIAN E KERR

Chief Executive and Accounting Officer

8th June 2009

LOOKING AHEAD

The Commission's Business Plan 2009 - 10 places emphasis on:

- providing assistance on the human resource and capacity building issues relevant to the reform of local government as detailed in the Corporate Plan 2008-10.
- reflecting the review of the Commission undertaken by the Department of the Environment in November 2008, which detailed a number of recommendations on how the Commission could assist in the implementation of the reform process, Transition Committees and Transition Management Teams in the lead up to May 2011 and during the consolidation of the new councils.
- placing the future work of the Commission in the context of facilitating the change; ensuring that staff are treated fairly and equitably and that equality of opportunity duties are implemented.

The work of the Public Service Commission is of particular relevance to the Local Government Staff Commission and, through the continued membership of our Chairman, strong links have already been established. We will continue to contribute to their ongoing programme of change and assist in the operationalisation of the PSC's Guiding Principles and Recommendations for local government. During 2009/10 the Commission intends to issue a Vacancy Control Scheme for local government and will assist in the development of a Staff Transfer Scheme and models for filling posts in the new councils.

The year ahead provides a unique opportunity to demonstrate the value of Commission functions in both influencing the change process and making change happen. In addressing this opportunity we will work with all those concerned in the implementation of the RPA, both within local government and across the public sector.

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

These include:

- the launch of an initiative "Disability in Local Councils" to encourage the participation of people with disabilities at all levels
- continued evaluation of recruitment and selection processes
- implementation of a framework for addressing capacity building
- advising and supporting the regional collective negotiating machinery established to deal with HR issues relating to the reform of local government
- continuing to support the "Women in Local Councils – Making a Difference" initiative through the network of champions and the implementation of gender action plans.

STATEMENT OF POLICY

The Commission has adopted a more focused approach to business planning and 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 Services Board (LGMSB – 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)

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.



ADRIAN E KERR
Chief Executive and Accounting Officer
8th June 2009

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]

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

CURRENT MEMBERSHIP (2005 - 2009)

Reconstituted in December 2005

Chairman

Brian Hanna CBE Former Chief Executive, Belfast City Council

Vice-Chair

Marion Smith UUP Councillor, North Down Borough Council

Members

Carol Ackah Part-time Lecturer and HR Consultant
Member of the Local Government Staff Commission Audit Committee

Brian Campfield Deputy General Secretary, Northern Ireland Public Service Alliance
(NIPSA)

Carmel Connelly Assistant Director of Corporate Services, Lisburn City Council

Adrian Donaldson MBE Chief Executive, Castlereagh Borough Council

Oliver Gibson Former DUP Councillor, Omagh District Council
Commission representative on the Local Government Training Group

Barbara Gilliland UUP Councillor, Newtownabbey Borough Council

Robert Hanna CBE Former Pro-Chancellor, University of Ulster
Member of the Local Government Staff Commission Audit Committee

Bronagh Hinds Consultant
Director, DemocraShe

Maurice Jennings Assistant Director of Personnel & Management Services,
Northern Ireland Housing Executive
Member of the Local Government Staff Commission Audit Committee

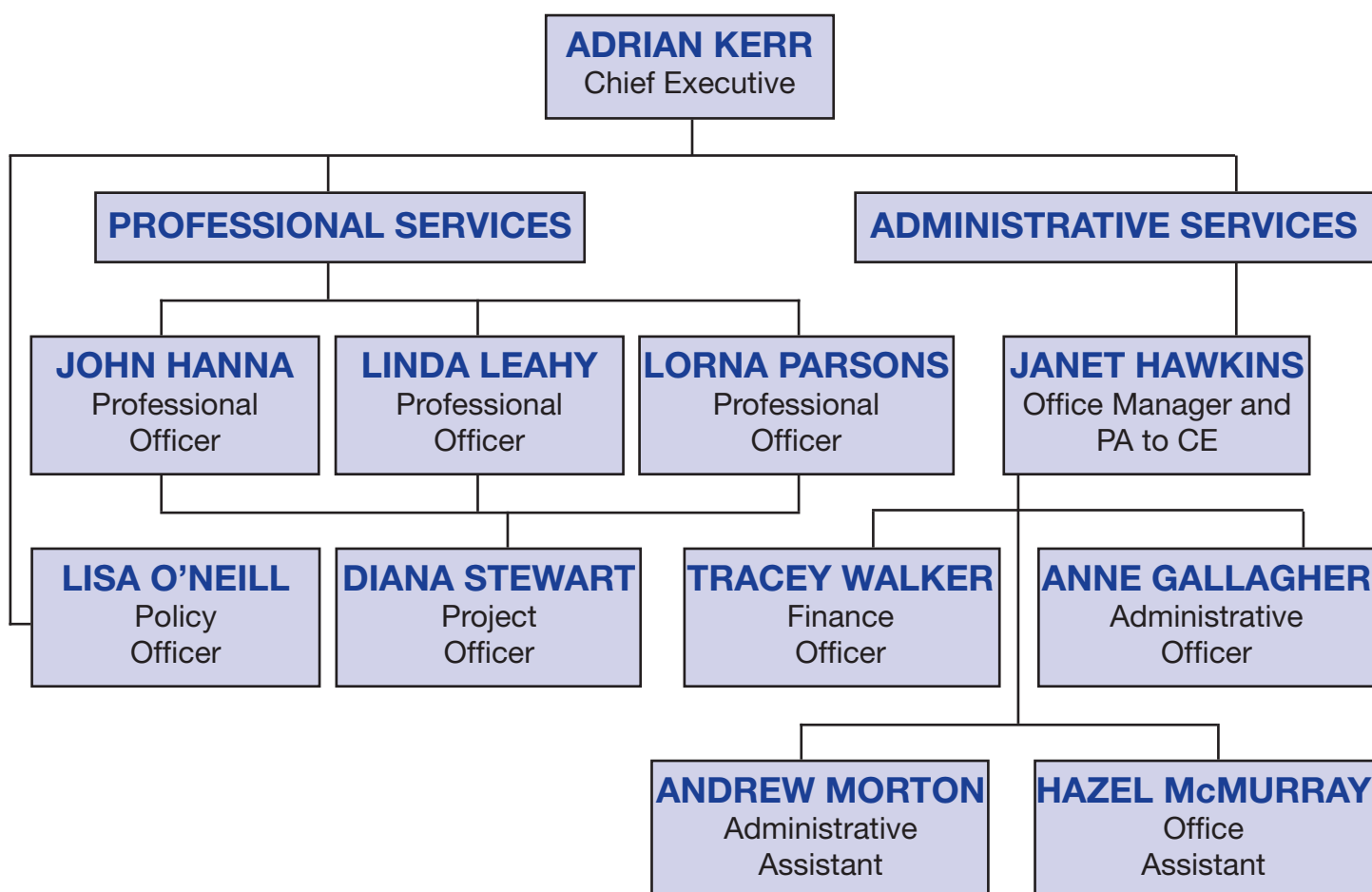
Thomas McCall Chief Executive, Newry and Mourne District Council

Wavell Moore Public Sector Consultant
Chair of the Local Government Staff Commission Audit Committee

Eamon Mullan Head of Governance Services, University of Ulster

Roger Wilson Chief Executive, Coleraine Borough Council

Commission Staffing



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

ADRIAN E KERR MBE
Chief Executive

Overall responsibility for the implementation of the Commission's strategy and the management of resources.

JOHN HANNA
Professional Officer

Responsibilities include:
Developing Training and Personnel systems and Chief Executive liaison.

LINDA LEAHY
Professional Officer

Responsibilities include:
Developing Employee Relations and Organisation Design and Development services.

LORNA PARSONS
Professional Officer

Responsibilities include:
Developing Equality of Opportunity policies/practices and associated external liaison.

LISA O'NEILL
Policy Officer

Responsible for Commission Policy Development and Implementation.

Commission Staffing

DIANA STEWART
Project Officer

Responsible for assisting the Professional Officer team with human resource development projects.

JANET HAWKINS
Office Manager &
Personal Assistant to
the Chief Executive

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

TRACEY WALKER
Finance Officer

Responsible for financial systems and services.

ANNE GALLAGHER
Administrative Officer

Responsible for administrative and secretariat support to the Professional Officers.

ANDREW MORTON
Administrative Assistant

Responsible for clerical support to the Professional Officer (Training and Development) and general duties.

HAZEL MCMURRAY
General Office Assistant

Responsible for direct customer contact and administrative support.

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 2009**

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

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

The Commission's responsibility

Under Regulation 5 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006, the Commission is required to approve the accounts. These accounts were approved by the Commission on 8 June 2009.

The Chief Executive/Accounting Officer's responsibilities

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

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

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

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

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

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

LOCAL GOVERNMENT STAFF COMMISSION

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

Certificate of the Accounting Officer

I certify that: -

- (a) the Statement of Accounts for the year ended 31 March 2009 on pages 39 to 55 has been prepared in the form directed by the Department of the Environment
- (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: _____

ADRIAN E KERR
Chief Executive and Accounting Officer
8 June 2009

Commission approval of Statement of Accounts

These accounts were approved by the Commission on 8 June 2009.



Signed: _____

BRIAN HANNA
Chairman, Local Government Staff Commission
8 June 2009

LOCAL GOVERNMENT STAFF COMMISSION

Statement on Internal Control for the Financial Year Ended 31 March 2009

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Local Government Staff Commission's (the Commission's) policies, aims and objectives, whilst safeguarding the public funds and the Commission's assets, for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

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

The Commission agrees with its sponsoring Department, the Department of the Environment, a Corporate 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 Corporate Plan, together with appropriate targets and performance measures. Results against targets and performance measures are reported monthly and in the Annual Report at year-end.

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

The Dossier of Controls, Government Accounting Northern Ireland 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 purpose of the system of internal control

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 ongoing 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 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

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 the business planning and 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 corporate 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 the realisation of the risk and the impact of the realisation of the risk. Risk priorities during 2008/09 included the future of the Commission following the RPA decision, retention of reputation and staff, continuing recognition of quality service and improvement agenda.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the management team within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Commission, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Commission receives periodic reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress reports on key projects. The Commission's Audit Committee has fully endorsed the Commission Risk Management Policy, Strategy and Register and there will be a complete review of all of these documents in the coming year.

The Commission ensures that the system of internal control is effective through both the Commission's Internal and External Auditors as well as regular and robust reporting arrangements to both the Commission itself and the Audit Committee. The Commission has no significant internal control problems to report.

Signed: _____



ADRIAN E KERR
Chief Executive and Accounting Officer
8 June 2009

LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

THE CERTIFICATE AND OPINION OF THE LOCAL GOVERNMENT AUDITOR TO THE MEMBERS OF THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

I certify that I have audited the financial statements of the Local Government Staff Commission for the year ended 31 March 2009 under the Local Government Act (NI) Order 2005. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes including the Receipts and Payments Account for the Local Government Training Group. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective Responsibilities of the Local Government Staff Commission, Chief Executive/Accounting Officer and Local Government Auditor

The Local Government Staff Commission and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and Department of the Environment's directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Commission's and Chief Executive's/Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Local Government (NI) Order 2005 and Department of the Environment's directions made thereunder. I report to you whether, in my opinion, the information, which comprises Chief Executive's Report, Operating, Financial and Management Review and management commentary is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Local Government Staff Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Local Government Staff Commission's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Local Government Staff Commission's corporate governance procedures or its risk and control procedures. I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the unaudited part of the Remuneration Report and the Chairman's Forward. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and with the Code of Audit Practice issued by the Chief Local Government Auditor. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Local Government Staff Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Local Government Staff Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Local Government (NI) Order 2005 and directions made thereunder by the Department of the Environment, of the state of the Local Government Staff Commission's affairs as at 31 March 2009 and of its deficit, recognized gains and losses and cash flow for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Local Government (NI) Order 2005 and Department of the Environment's directions made thereunder; and
- information, which comprises the Chief Executive's Report, Operating, Financial and Management Review and the management commentary is consistent with the financial statements.
- the Receipts and Payments account of the Local Government Training Group presents fairly the monies received and paid in the year to 31 March 2009.

Opinion on Regularity

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

Report

I certify that I have completed the audit of the financial statements in accordance with the requirements of the Local Government (NI) Order 2005 and the Code of Audit Practice issued by the Chief Local Government Auditor. I have no observations to make on these financial statements.

Stephen Knox
Local Government Auditor



Signed: _____ 9 September 2009

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

**LOCAL GOVERNMENT STAFF COMMISSION
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2009**

	Notes	2008/09 £000s	2007/08 £000s
Income			
Contributions from District Councils		497	466
Contributions from N.I. Housing Executive		123	119
“Women in Local Councils” funding		25	—
Income from Local Government Training Group		22	22
Income from activities		8	71
Other operating income	9	4	5
Bank Interest received		7	10
Net Return on Assets	10	0	5
		<u>686</u>	<u>698</u>
TOTAL INCOME			
Expenditure			
Staff Costs	2(b)	461	429
Depreciation and other amounts	4	22	31
Other operating costs	3	222	237
Notional Cost of Capital	1	17	13
Interest paid on loan		12	17
		<u>734</u>	<u>727</u>
(Deficit) for the year		(48)	(29)

The amounts set out above arise wholly from continuing operations.
The notes on pages 44 to 56 form part of these accounts.

LOCAL GOVERNMENT STAFF COMMISSION

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2009**

	Notes	2008/09 £000s (48)	2007/08 £000s (29)
Deficit for the year — before notional cost credit		17	13
Notional cost credit			
Adjustment for government grant reserve release	9	(4)	(5)
Unrealised surplus on revaluation of fixed assets	9	(80)	25
Actuarial Gain/(Loss) — pension scheme assets	10	(348)	342
TOTAL SURPLUS/(DEFICIT) RECOGNISED SINCE LAST FINANCIAL STATEMENT		<u>(463)</u>	<u>346</u>

The notes on pages 44 to 56 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
BALANCE SHEET AS AT 31 MARCH 2009**

	Notes	31 March 2009 £000s	31 March 2008 £000s
FIXED ASSETS			
Tangible Fixed Assets	4	<u>908</u>	<u>1,007</u>
CURRENT ASSETS			
Debtors	5	12	53
Cash at bank and in hand		<u>69</u>	<u>114</u>
		81	167
CREDITORS: Amounts falling due within one year	6	<u>(41)</u>	<u>(84)</u>
NET CURRENT ASSETS		<u>40</u>	<u>83</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		948	1,090
CREDITORS: Amounts falling due to after more than one year	7	(233)	(255)
PROVISIONS FOR LIABILITIES AND CHARGES			
Pension Provision	10	<u>(449)</u>	<u>(106)</u>
NET ASSETS		<u>266</u>	<u>729</u>
FINANCED BY: CAPITAL AND RESERVES			
Government Grant Reserve	9	186	190
Revaluation Reserve	9	442	533
General Fund	9	<u>(362)</u>	<u>6</u>
		<u>266</u>	<u>729</u>

The notes on pages 44 to 56 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2008/09 £000s	2007/08 £000s
Net cash inflow from continuing operating activities	11(a)	<u>(25)</u>	<u>46</u>
Returns on investments and servicing of finance			
Interest received		7	10
Interest paid		<u>(12)</u>	<u>(17)</u>
		<u>(5)</u>	<u>(7)</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	4	<u>(3)</u>	<u>—</u>
Net cash flow before financing		<u>(33)</u>	<u>39</u>
Financing			
Repayment of long term loan	8	<u>(12)</u>	<u>(6)</u>
INCREASE/(DECREASE) IN CASH		<u>(45)</u>	<u>33</u>

The notes on pages 44 to 56 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

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.

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.

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.

Grants received for specific capital expenditure are credited to the Government Grant Reserve and released as Other Operating Income to the Income and Expenditure account over the useful lives of the related assets.

FIXED ASSETS

The Commission's fixed assets comprise building, 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 Valuation and Lands Agency.

The threshold for capitalisation as an individual or grouped fixed asset is £1,000.

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
Fixture and Fittings	5-10 years

Note 1: Statement of Accounting Policies (continued)

STOCK

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

PENSION

The Commission participates in the Northern Ireland Local Government Superannuation Committee Scheme (NILGOSC) for all 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. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3/80th’s of pensionable salary, also accrues for each year of service, is payable on retirement. The scheme’s professionally qualified actuaries recommend the rate of contributions to be paid (currently 6% for staff and 15% by the Commission). The employer contribution for 2009/2010 has been set at 16%.

The total amounts paid into the scheme this financial year were: employees £22,451, and employer £55,454. In addition £11,665 was paid by way of AVCs to the Prudential.

Previously NILGOSC was not able to identify the associated assets/liabilities, nor details of any surplus or deficits in the scheme, which apply to the Commission. The Commission, in accordance with FRS 17, accounted for its pension contributions for funded activities as a multi employer scheme, which uses the measurement rules for a defined contribution scheme, by charging the costs immediately to the Income and Expenditure Account. As NILGOSC are now able to split the fund’s assets/liabilities between employing authorities, from 2006/2007 the Commission accounted for the pension contributions as a defined benefit scheme, reflecting a change in accounting policy in that year.

An actuarial valuation was carried out on 31 March 2009 in accordance with FRS 17 and Financial Reporting Manual (FRM) and the results of the valuation are detailed in note 10.

The Charge (Credit) to the income and expenditure account consists of the Current Service Cost (a) (included within staff costs) and interest credit on net return (b) (shown on the Income and Expenditure Statement). Actuarial gains and losses (c) are taken to reserves and shown in the Statement of Total Recognised Gains and Losses.

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

The principal financial assumptions for valuing the liabilities were:

	31 March 2009	31 March 2008
	% per annum	% per annum
Inflation/Pension Increase rate	3.10	3.60
Rate of increase in salaries	4.60	5.10
Expected Return on Assets	6.50	7.30
Rate for discounting scheme liabilities	6.90	6.90

Note 1: Statement of Accounting Policies (continued)

The total net pension deficit as at 31 March 2009 is £449,000, representing the sum of the liabilities as that date. The Current Service Cost for 2008/2009 has been calculated as 13.6% of pensionable salaries.

- (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:** is 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 the actuarial assumptions have changed.

TAXATION

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

CAPITAL CHARGE

The Income and Expenditure account bears a notional non-cash charge for interest relating to the use of capital by the Commission. The basis of the charge is 3.5% of the average capital employed by the Commission during the year, defined as total assets less all liabilities.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 2: Staff Costs

(a) The average weekly number of employees (full time equivalent) was:

2008/09 Nos	2007/08 Nos
11	11

(b) The costs incurred in respect of these employees were:

Salaries and Wages	379	333
Social Security Costs	32	30
Pension Costs — NILGOSC	55	43
	<hr/>	<hr/>
Service Costs	466	406
Superannuation — Re: charge to provision	50	66
	(55)	(43)
	<hr/>	<hr/>
TOTAL	461	429
	<hr/>	<hr/>

Note 3: Other Operating Costs

These comprise:

Commission Chairman and Members' Allowances	27	19
Research, Marketing and Development	21	74
“Women in Local Councils” expenditure	11	8
Conferences, Courses and Training	25	11
Rates	18	17
Other General Administration Expenses	91	81
External Auditor's Remuneration	6	6
Travel and Subsistence — Staff	16	18
Travel and Subsistence — Commission Members	7	3
	<hr/>	<hr/>
TOTAL	222	237
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 4: Tangible Fixed Assets

	Land and Buildings £000s	Computer Equipment £000s	Fixtures & Fittings £000s	Total £000s
COST OR VALUATION				
At 1 April 2008	1,000	45	39	1,084
Additions	—	3	—	3
Disposals	—	—	—	—
Adjustment arising on revaluation	(80)	—	—	—
At 31 March 2009	920	48	39	1,007
DEPRECIATION				
At 1 April 2008	—	43	34	77
Charge for year	20	1	1	22
Disposals	—	—	—	—
Adjustment arising on revaluation	—	—	—	—
At 31 March 2009	20	44	35	99
NET BOOK VALUE				
At 31 March 2009	900	4	4	908
At 1 April 2008	1,000	2	5	1,007

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

The land and buildings were revalued on 31 March 2007 on the basis of open market value by a professional valuer from the Valuation and Lands Agency. At 31 March 2009 the buildings were revalued to £900,000 by reference to property indices.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 5: Debtors

	2008/09 £000s	2007/08 £000s
Trade Debtors	1	42
Other Debtors	—	—
Prepayments	11	11
TOTAL	<u>12</u>	<u>53</u>
Amounts falling due after more than one year included above are:		
Other Debtors	<u>—</u>	<u>—</u>

Note 6: Creditors Amounts falling due within one year

	2008/09 £000s	2007/08 £000s
Current instalments due on loans	18	8
Trade Creditors	—	47
Other Creditors	—	11
Accruals and deferred income	23	18
Total	<u>41</u>	<u>84</u>

Note 7: Creditors Amounts falling due after more than one year

	2008/09 £000s	2007/08 £000s
Loans	<u>233</u>	<u>255</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 8: Loans

	2008/09 £000s	2007/08 £000s
Amounts falling due:		
In one year or less	18	8
Between one and two years	18	8
Between two and five years	59	26
In five years or more	156	221
	<u>233</u>	<u>255</u>
TOTAL	<u>251</u>	<u>263</u>

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

All amounts relate to a 25 year bank loan bearing interest at 0.75% 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 9: Reconciliation of Movement in Reserves

	General Fund £000s	Revaluation Reserve £000s	UK Government Grant Reserve £000s	2008/09 Total £000s	2007/08 Total £000s
At 1 April 2008	6	533	190	729	383
Movements on reserve:					
Surplus/(Deficit) for year	(48)	—	—	(48)	(29)
Credit for Notional Cost	17	—	—	17	13
Release to Income and Expenditure	—	—	(4)	(4)	(5)
Revaluation of fixed assets	—	(80)	—	(80)	25
Actuarial Gain/(Loss) on Pension (see note 10)	(348)	—	—	(348)	342
Transfer of realised elements	11	(11)	—	—	—
At 31 March 2009	<u>(362)</u>	<u>442</u>	<u>186</u>	<u>266</u>	<u>729</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 10: Pensions relating to Officers

	2008/09	2007/08
	£000s	£000s
Scheme Liability at Beginning of the Year	(106)	(430)
Current Service Cost	(50)	(66)
Employer Contributions	55	43
Net Return on Assets	—	5
Actuarial Gains/(Losses)	<u>(348)</u>	<u>342</u>
Scheme Surplus/(Deficit) at 31 March 2009	<u>(449)</u>	<u>(106)</u>

Note 10(a): Assets (Employer)

	Expected Long term Return at 31 Mar 2009 % p.a.	Assets at 31 Mar 2009 £(000)	Expected Long Term Return at 31 Mar 2008 % p.a.	Assets at 31 Mar 2008 £(000)
Equities	7.0	996	7.7	1,356
Bonds	5.4	191	5.7	199
Property	4.9	95	5.7	140
Cash	4.0	82	4.8	27
Total		<u>1,364</u>		<u>1,722</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 10(b): Net Pension Liability

	31 Mar 2009 £(000)	31 Mar 2008 £(000)
Estimated Employer Assets (A)		
Present Value of Scheme Liabilities	1,364	1,722
Present Value of Unfunded Liabilities	1,813	1,828
	—	—
Total Value of Liabilities (B)	1,813	1,828
Net Pension Asset (A-B)	(449)	(106)

Note 10(c): Reconciliation of defined benefit obligation

	Year to 31 Mar 2009 £(000)	Year to 31 Mar 2008 £(000)
Opening Defined Benefit Obligation	1,828	2,150
Current Service Cost	50	66
Interest Cost	128	117
Contributions by Members	22	20
Actuarial Losses/(Gains)	(191)	(459)
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	(24)	(66)
Closing Defined Benefit Obligation	1,813	1,828

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 10(d): Reconciliation of fair value of employer assets

	Year to 31 Mar 2009	Year to 31 Mar 2008
	£(000)	£(000)
Opening Fair Value of Employer Assets	1,722	1,720
Expected Return on Assets	128	123
Contributions by Members	22	20
Contributions by the Employer	55	43
Contributions in respect of Unfunded Benefits	—	—
Actuarial Gains/(Losses)	(539)	(118)
Assets Distributed on Settlements	—	—
Assets Acquired in a Business Combination	—	—
Exchange Differences	—	—
Unfunded Benefits Paid	—	—
Benefits Paid	(24)	(66)
Closing Fair Value of Employer Assets	1,364	1,722

Note 10(e): Net Return on Assets

	Year to 31 Mar 2009	Year to 31 Mar 2008
	£(000)	£(000)
Expected Return on Employer Assets	128	122
Interest on Pension Scheme Liabilities	(128)	(117)
Net Return	0	5

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 11(a): Notes to the Statement of Cash Flows

Reconciliation of Surplus/(Deficit) for year to net cash inflow from continuing operating activities.

	2008/09 £000s	2007/08 £000s
(Deficit) for year	(48)	(29)
Adjustments for non-cash transactions		
Depreciation and other amounts written off tangible fixed assets	22	31
Release from Government Grant Reserve	(4)	(5)
Notional Cost of Capital	17	13
Return on Net Assets in Pension Fund	—	(5)
Current Service Cost	50	66
Adjustment for net-operating expenditure	(55)	(43)
Adjustment from Er's Superannuation	(7)	(10)
Adjustment for Interest Paid on Loan	12	17
Adjustments for movements in working capital		
(Increase)/Decrease in Debtors	41	(47)
Increase/(Decrease) in Creditors	(53)	58
	<u>(25)</u>	<u>46</u>
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES		

Note 11(b): Notes to the Statement of Cash Flows

Reconciliation of Net Cash Flow to movement in Net Debt

Increase/(Decrease) in cash	(45)	33
Repayment of long term loan	12	6
	<u>(33)</u>	<u>39</u>
Movement in Net Debt	(149)	(188)
Net Debt at 1 April 2008	<u>(182)</u>	<u>(149)</u>
Net Debt 31 March 2009		

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 11(c): Notes to the Statement of Cash Flows (continued)

	At 1 April 2008 £'000	Cash Flows £'000	At 31 March 2009 £'000
Analysis for changes in net debt			
Cash at bank and in hand	114	(45)	69
Loans	<u>(263)</u>	<u>12</u>	<u>(251)</u>
TOTAL	<u>(149)</u>	<u>(33)</u>	<u>(182)</u>

Note 12: Contingent Liabilities

There are a number of ongoing Industrial Tribunal cases which could result in legal liability/compensation being determined by the Tribunal against the Commission. Such liability is not likely to be significant. The Commission estimates the maximum contingent liability to these cases to be in the region of £20,000 at 31 March 2009 (2008: £20,000). Additionally an entity has commenced legal action against the Commission as a protection step whilst awaiting the outcome of a High Court decision. The Commission is currently unable to make a reliable estimate of the liability if any, that might arise from this action.

Note 13: Capital Commitments

	2008/09 £000s	2007/08 £000s
Contracted	—	—
Authorised but not contracted	—	—
TOTAL	<u>—</u>	<u>—</u>

Note 14: Related Party Transactions

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

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

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

Note 15: Key Financial Targets

There are no key financial targets which need to be included in the notes to these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

Note 16: 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:

	2008/09 £000s	2007/08 £000s
Less than three months	0	39,264
Three to six months	210	2,350
Six months to one year	997	0
More than one year	0	0

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

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

(c) Market Risk:

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

Foreign exchange risk — The Commission has no financial assets or liabilities denominated in foreign currencies and thus have no material exposure to loss arising from movements in exchange rates.

**LOCAL GOVERNMENT TRAINING GROUP
RECEIPTS AND PAYMENTS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	31 March 2009 £	Year Ended £	31 March 2008 £
Recurrent Transactions				
Contributions	2	250,000		225,000
Operating Receipts	3	<u>201,140</u>	451,140	<u>173,095</u>
Less Operating Costs	4		<u>500,408</u>	<u>373,834</u>
Surplus/(Deficit)			<u>-49,268</u>	<u>24,261</u>
 APPROPRIATION ACCOUNT				
Balance brought forward			49,271	25,010
Surplus/(Deficit) for the year			<u>-49,268</u>	<u>24,261</u>
Balance carried forward 31/03/08	5		<u>3</u>	<u>49,271</u>
 Represented by:-				
Business Reserve			<u>—</u>	<u>—</u>
Current Account			3	49,271
			<u>3</u>	<u>49,271</u>

Signed:



NORMAN DUNN
Chairman Local Government Training Group
9 June 2009



ADRIAN E KERR
Chief Executive and Accounting Officer

**LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

1. Basis of Accounts

These accounts have been prepared for presentation to the Local Government Staff Commission at its meeting on the 9 June 2009.

	31 March 2009	Year Ended	31 March 2008
	£	£	£
2. Contributions Received		<u>250,000</u>	
District Councils			
	2,358		4,505
	<u>198,782</u>		<u>168,590</u>
3. Operating Receipts			
Bank Interest			
Course Fees		<u>201,140</u>	<u>173,095</u>
4. Operating Costs			
Leadership and Management Development			
Leadership & Development	4,500		4,500
Chief Executive Development 2008/09	—		30,470
Chief Executive Development 2009/10	—		—
Chief Executive Dev. Courses	2,000		4,100
SOLACE	747		—
Development Centres	32,080		—
FEI Scholarship	46,258		37,134
Advanced Diploma (Univ of Ulster)	85,112		958
Middle Management Development	—		17,717
People Improve Performance Initiative	<u>4,750</u>	<u>175,447</u>	<u>15,450</u>
			<u>110,329</u>

**LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

	31 March 2009 £	Year Ended £	31 March 2008 £
Supervisory, Administrative, Operational and Frontline Development			
Supervisory Training Programme	39,987		24,317
Frontline Development	15,872		9,254
Administrative Training Programme	—		7,622
Operational Training Programme	<u>2,152</u>		<u>8,013</u>
		58,011	49,206
Women's Development		50,064	46,015
Elected Member Training		2,000	0
Skills Based Training		176,027	123,392
Miscellaneous Initiatives			
Local Gov. Reform/Modernisation Agenda	5,350		—
Quality Standards (includes IIP)	750		750
Equality and Diversity	8,320		7,131
Single Status	—		4,805
Professional Group Training (includes Fol)	<u>1,750</u>		<u>—</u>
		16,170	12,686
Conferences, Cross-Border Initiatives and Research		—	9,595

**LOCAL GOVERNMENT TRAINING GROUP
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

	31 March 2009	Year Ended	31 March 2008
	£	£	£
Administration			
Printing & Stationery	543		280
Travel & Subsistence	60		275
LGSC Administration	22,000		22,000
IT Development	86		—
Bank Charges	—		56
	<hr/>	22,689	<hr/>
Total Operating Costs		<u>500,408</u>	<u>373,834</u>

5. Balance carried forward at 31 March 2009.

While the cash balance resulted in an unusually low end of year balance of £3.00, on an accruals basis this would be approximately £5,013. (This includes estimated creditors of £12,530, debtors of £13,910 and debtor invoices raised after year end of £3,630).

LOCAL GOVERNMENT STAFF COMMISSION

ACCOUNTS AUTHORISED FOR ISSUE

In accordance with Financial Reporting Standard 21 (FRS 21), Events after the Balance Sheet date, this Statement of the Accounts which contains a number of minor amendments from the Accounts approved on the 8th June 2009 are at today's date hereby authorised for issue.

FRS 21 sets out: -

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

Signed:



ADRIAN E KERR
Chief Executive and Accounting Officer

Dated: **9 September 2009**

**The Local Government Staff Commission
for Northern Ireland**

**Commission House
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Belfast BT1 2LG**

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