



Labour Relations Agency

Annual Report and Accounts

2012-2013

Labour Relations Agency Annual Report and Accounts for the Year Ended 31 March 2013

Laid before the Northern Ireland Assembly
under Paragraph 15(5) and
Paragraph 16 (1) of Schedule 4 to the
Industrial Relations (Northern Ireland) Order 1992
by the Department for Employment and Learning

31 March 2013

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20 June 2013

Mr Derek Baker
Permanent Secretary
Department for Employment and Learning
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Dear Mr Baker,

Annual Report and Accounts of the Labour Relations Agency : 2012-2013

In accordance with Article 16(1) of Schedule 4 to the Industrial Relations (Northern Ireland) Order 1992, I have pleasure in submitting the Annual Report and Accounts of the Labour Relations Agency on its activities during the twelve month period ending 31 March 2013.

Yours sincerely,

A handwritten signature in blue ink that reads 'Jim McCusker'. The signature is written in a cursive style with a large initial 'J'.

JIM McCUSKER
Chairman

Enc

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Chapter 1

Mission Statement,
Equality Statement,
Core Values

Mission Statement, Equality Statement, Core Values

Mission Statement

- The Agency aims to be the leading organisation in Northern Ireland for improving employment relations. We will contribute to organisational effectiveness by providing, on a quality basis, impartial and independent services for promoting good employment practices and preventing and resolving disputes.

Equality Statement

- The Agency is fully committed to supporting the elimination of all forms of discrimination in employment and to using its services to help secure the objectives of fair employment, equality of opportunity and good relations. As a provider of services, the Agency includes equality of treatments as a fundamental principle of good employment relations and best employment practice. As an employer, the Agency seeks to ensure that its employment policies, procedures and practices conform to good practice as outlined in the relevant Codes of Practice. The Agency is required, under Section 75 of the Northern Ireland Act 1998, to produce an Equality Scheme. A revised Agency Equality Scheme was approved by the Equality Commission for Northern Ireland on 23 May 2012.

Core Values

- In delivering services the Agency will:
 - be accessible;
 - respond to customer needs;
 - be open and accountable;
 - act promptly;
 - be professional;
 - behave with integrity;
 - maintain confidentiality;
 - respect opinions

Background Information

The Labour Relations Agency is an executive Non-Departmental Public Body sponsored by the Department for Employment and Learning. It was established in 1976 under the Industrial Relations (Northern Ireland) Order 1976 and continued by the Industrial Relations Order (Northern Ireland) 1992.

Principal Activities

The Agency's principal activities are to assist employers, employees and their representatives to improve the conduct of their employment relations.

The Labour Relations Agency provides effective, impartial and confidential services to those engaged in industry, commerce and the public sector in Northern Ireland, those services including:

- advice and assistance on all aspects of employment relations and employment practices
- comprehensive conciliation, mediation and arbitration facilities for resolving both individual and collective employment matters.

This service is available to employers, employers' associations, individual employees, trade unions and other organisations or to individuals who require assistance with any question relating to employment relations or employment matters.

The Headquarters of the Agency are located at 2-16 Gordon Street, Belfast BT1 2LG. The Agency also has a Regional Office located at 1-3 Guildhall Street, Londonderry BT48 6BB. Both offices are equipped to provide the full range of advisory and dispute resolution services to employers and employees throughout the whole of the Province.



Chapter 2

The LRA Board

The LRA Board

1. Mr Jim McCusker (Chairman)

Mr McCusker was appointed Chairman of the LRA with effect from 1 March 2008. He was formerly General Secretary of NIPSA (the Northern Ireland Public Service Alliance) and was a member of the Executive Council and the NI Committee of the Irish Congress of Trade Unions (NIC-ICTU). He is currently a Member of the European Economic and Social Committee and formerly of Council for Healthcare Regulatory Excellence, Economic Development Forum and Concordia.



2. Mr Lyn Fawcett

Mr Fawcett is a Senior Lecturer at the University of Ulster (UU) in Hotel and Tourism Management, and a Member of the Council of the UU Governing Body. He is currently President of the University and Colleges Union in the University of Ulster. He is a current Member of the Board of the Health & Safety Executive and a former Board Member of the Northern Ireland Tourist Board.



3. Mrs Brenda Maitland (to 1 Jan 2013)

Mrs Maitland formerly worked for British Telecom Northern Ireland as Senior Human Resources Business Partner. She is currently a Board Member of the Health & Safety Executive NI and Ulster Supported Employment, a Member of the Board of Governors of a local primary and secondary school, and a Committee Member of Saintfield Regeneration Committee.



4. Mrs Sally McKee

Mrs McKee is currently Honorary Secretary of the Disability Committee of NIC-ICTU, is on the Board of Governors of Lakewood Special School and is Vice-Chairperson of Glenlola Collegiate School. She is a Board Member of the General Teaching Council NI (GTCNI) and was its Chairperson from 2006 to 2010. She is a past President of the Ulster Teachers' Union and a former Board Member of the South Eastern Education and Library Board.

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5. Mr Gary McMichael

Mr McMichael has been the Director and Chief Officer of the Northern Ireland charity ASCERT (Action on Substances through Community Education and Related Training) for more than 10 years. Prior to that he served on Lisburn City Council, as a Board Member of SALTA Services, Chair of the Lisburn Community Network, a Trustee of the NI Fund for Reconciliation, and a member of the NI Civic Forum.

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6. Mrs Alison Millar

Mrs Millar is the Deputy General Secretary of the Northern Ireland Public Service Alliance (NIPSA). She has overall responsibility for the Public Officers' Group and for major policy issues including the Review of Public Administration and matters relevant to the Health Service and Housing. Mrs Millar has held previous appointments as NIPSA's Assistant Secretary with negotiating responsibility for the Education and Library Boards, Further Education Colleges and District Councils.

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7. Mr Albert Mills

(from 1 Nov 2012)

Mr Mills is a trade unionist. From 2006, he was Chairman of the Amalgamated Transport and General Workers Union (ATGWU) Officers Negotiating Committee for Great Britain and Ireland, and played a major role during merger talks between ATGWU and Amicus to create Unite the Union. He was a board member with the Civil Service Appeal Board from 1996 to 2010, and with the NI Local Government Superannuation Committee from 2000 to 2010.

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8. Dr Trevor Morrow

Dr Morrow is Programme Director of the MSc International Business, and subject co-ordinator for HRM at the University of Ulster's Department of International Business. He is co-author of Strategic Human Resource Management: Contemporary Issues and has published widely in business and personnel journals. He has served as an employee representative with the Association of University Teachers and is currently a director of the Ulster Cancer Foundation.

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9. Mr Gordon Parkes

Mr Parkes is HR Director of Northern Ireland Electricity Limited, a member of the Employment and Skills Committee CBI (NI) and a member of the Careers, Education, Information, Advice and Guidance Steering group. Previously he held the position of Director or Head of Human Resources in a number of companies in the pharmaceutical, textile and engineering sectors and prior to his current role was General Manager Group Human Resources of the Viridian Group Ltd.

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10. Ms Pauline Shepherd (from 1 Jan 2013)

Ms Shepherd is currently the interim Chief Executive with Extern, a large all-Ireland charity working directly with people affected by social exclusion. From 2005 to 2011, Ms Shepherd was the Human Resource Director for NI Water with responsibility for developing and implementing the company HR strategy. Her previous employment includes over 30 years work in the public sector. Ms Shepherd is currently an employer member of the Industrial Court.

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11. Mr Peter Williamson (to 1 Oct 2012)

Mr Williamson is the former Irish Regional Secretary of Amicus/Unite Trade Union and Secretary to two Committees of the Northern Ireland District Confederation of Shipbuilding and Engineering Unions (CSEU). He was also an Executive Member of the Irish Congress of Trade Unions and of the NIC-ICTU. He is currently a panel member of the NI Industrial Court, a Board Member of the Engineering Training Council and a Board Member of the Electrical Training Trust.

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12. Mr Neal Willis

Mr Willis is a member of the NI Industrial Court. He has recently retired as Director of Corporate Services at Newtownabbey Borough Council. Prior to this he worked as a Senior Consultant, advising employers on employment law and fair recruitment practices, was Regional Manpower Services Manager with the NI Housing Executive and a Conciliation Officer with the LRA. He now works as an independent consultant in the areas of HR and strategic and business planning.

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Full details of Board Member profiles are provided in the Agency's website: www.lra.org.uk



Chapter 3

Chairman's Foreword

Chairman's Foreword

The debate on the future of employment relations in Northern Ireland was heightened by the Minister for Employment and Learning, Dr. Stephen Farry, in a discussion paper issued in May. Having considered the response of the Agency and others, the Minister made a landmark statement to the NI Assembly in November. The Minister listed those issues to be the subject of formal consultation. Among them were proposals to route claims through the Agency in the first instance and to introduce early neutral evaluation. As requested by the Minister the Agency submitted papers on these proposals and on other matters. At the end of the year we awaited the Minister's consultative document.

To take forward the debate in a constructive spirit the Agency was instrumental in setting up in August a Roundtable on Employment Relations. Composed of equal representatives of employers and trade unionists, along with a representative of the Employment Lawyers Group, the aim of the Roundtable is to give advice to the Minister on matters on which there is consensus between employers and trade unions.

The most notable development in the Agency's services was the launch in September of a new scheme for statutory arbitration covering most employment rights. The early signs were that the Agency's intensive promotion was bearing fruit.

Evaluation of the Agency's services focused on collective conciliation and mediation. Independent assessments reported high levels of success and satisfaction. For collective conciliation for every pound invested there was an economic return of £6.70. To advance our evaluation process we commissioned research on the Social Return on Investment. The indication is that it will be consistent with the evaluation on collective conciliation.

The Agency's achievements are brought about by the dedication and skills of our staff. We are therefore most grateful to them for the

enthusiasm that they bring to the continuous improvement in the Agency's services.

The continual enhancement of the Agency's schemes intensified our budgetary pressures to the extent that we signalled to the Department for Employment and Learning (DEL) those areas which were at risk as a result of the 5% cut in the Agency's funds initiated in 2011.

For its success the Agency is dependent on our productive relationships with DEL, the Office of the Industrial Tribunals, the Equality Commission, the Industrial Court and the Certification Officer. In evolving our strategy we derive considerable benefits from our contacts with the Advisory Conciliation and Arbitration Service, the Labour Relations Commission, Eurofound and our counterparts in other countries.

The terms of office of two Board members came to an end: those of Peter Williamson and Brenda Maitland. The wealth of experience that they brought to the Agency was invaluable. In their place we welcome Albert Mills and Pauline Shepherd.

The Board and the staff look forward to addressing the formidable agenda facing the Agency in the year ahead.



Chapter 4

Chief Executive's Overview

Chief Executive's Overview

The strategic work of the Agency during 2012-13 was focused on the DEL review of Northern Ireland employment law. In particular the potential for developing our capacity in delivering effective alternative dispute resolution services was considerably enhanced with our submission of proposals for a neutral assessment service and for the re-routing of tribunal claims to the Agency. Given general support the implementation of these proposals will see the further aligning of the Northern Ireland employment relations system with local economic and social conditions.

The operational work of the Agency continues to be well received by stakeholders. Our regular update on, what is, a highly complicated agenda of changes to employment law has been applauded across the board. In addition I have received a number of commendations from service users in respect of the highly professional and empathetic performance of staff in dealing sensitively with parties in dispute and in supporting managers, trades union representatives and individual employees with the ever growing information available on employment good practice. It is particularly satisfying to receive positive feedback from the SME sector for whom the journey in creating jobs and expanding employment opportunities can be challenging.

As an organisation the Agency continues to develop internal systems. We achieved ISO 27001 Security Accreditation, reviewed our performance management arrangements, and put in place a plan to achieve Investors in People silver status by 2015. We also commenced a programme of revising and updating our corporate governance arrangements. Work on demonstrating value for money continued. Given the Agency's budget constraints it becomes all the more important that the Agency demonstrates its accountability to the public through being not only effective in improving employment relations, but in being efficient. Our corporate services staff made commendable contributions to the running of the Agency particularly in ensuring that visitors

to the Agency were welcomed and had a good experience of the organisation.

Our budget constraint was and will remain for the foreseeable future, a risk to our overall performance. We managed well during the 2012-13 financial year but only by cutting spend on what are normal organisational requirements. Disposable income was considerably reduced and will be further reduced in the coming year. So far we have avoided any significant negative impact on our staffing budget and establishment. It is the policy of the Agency to maintain, in so far as is practical, our staffing complement.

Sustainable job creation coupled with good employment practice remains critical for employers, large, medium and small. The current economic climate is difficult. Social cohesion, in certain areas, is strained. The development of the economy remains one of the core elements in securing the well-being of all. Focusing on good work and fair conditions will be a critical contribution to creating a secure future in which the Agency will play its role in improving employment relations.



Chapter 5

Management Commentary

Management Commentary

SENIOR MANAGEMENT TEAM



Bill Patterson
Chief Executive/
Accounting Officer



Penny Holloway
Director
(Conciliation &
Arbitration)



David McGrath
Director
(Advisory Services)



Gerry O'Neill
Director
(Corporate Services)

Individual Conciliation
Collective Conciliation
Arbitration
Independent Appeal Hearings
Mediation
Regional Office

Advisory Assistance
Advisory Workshops
Helpline
Good Employment Practice
Good Practice Seminars
Research
Agency Website

Human Resources
Certification Office
Finance & Corporate Compliance
Business Support & Premises
Information & Communication
Technology

5.1 CORPORATE OBJECTIVES

1. **By 31 March 2013 to have contributed to improving employment relations by influencing the future employment landscape of Northern Ireland.**

During the year the Agency successfully established and facilitated a NI Employment Relations Roundtable through which stakeholder debate has been ongoing. Strategic issues were taken forward relating to the DEL Review of NI Employment Law with the views of the Roundtable being communicated to the DEL Minister. The Agency formally responded to the DEL consultation on the Review of NI Employment Law.

2. **By 31 March 2013 to have evaluated the effectiveness of the generic statutory arbitration scheme.**

A new LRA Statutory Arbitration Scheme was launched 27 September 2012 and was promoted throughout the year. An evaluation of the first six months operation of the scheme is to be submitted to the Agency Board early in the new financial year. Arbitrator training and staff training were successfully undertaken in support of the scheme.

3. **By 31 December 2012 to have assessed the viability of providing an early neutral evaluation service.**

A model neutral assessment scheme was submitted to DEL 26 March 2013. In addition a model for the re-routing of tribunal claims to the Agency was submitted to DEL 27 March 2013.

4. **By 31 December 2012 to have demonstrated enhanced customer experience.**

Customer satisfaction was demonstrated through (1) the ongoing and positive assessment of Advisory Services, (2) very positive assessment reports on the Collective Conciliation and Mediation services and (3) the implementation of an evaluation process for the pre-claim conciliation service. An evaluation process for individual conciliation had been prepared and was pending issue at 31 March 2013.

5. **To meet the 2012-13 objectives of the public relations strategy by 31 March 2013.**

A NISRA survey June 2012 reported 50% public awareness of LRA services. The LRA annual seminar was held 25 October 2012 and arrangements were significantly progressed in respect of the LRA International Employment Relations Conference 2013.

6. **To have in place a stakeholder engagement strategy by Sept 2012 and to have met the objectives to be achieved by 31 March 2013.**

A stakeholder framework was agreed in April 2012. The Chairman and CEO had met with stakeholders by the end of May 2012. However, owing to the very positive development of the NI Employment Relations Roundtable it was agreed to focus attention on the Roundtable agenda. Wider stakeholder engagement will be undertaken as part of the Corporate Planning process commencing September 2013. International

presentations were secured for the LRA Conference 2013.

7. To have reviewed and revised the performance management system by September 2012.

A revised performance management system was submitted to NIPSA for consultation in January 2013. By year end a modified performance management system was in place.

8. To meet objectives of employee engagement and recognition strategy set for 2012-13.

Employee engagement, by year end, was embedded in the Agency HR Strategy. Progress is in close alignment with targets set in the HR Strategy; a staff survey was completed in December 2012; recognition methods were revised for the Chairman's presentations to members of staff; a new style half day staff conference was trialed in February 2013. Work in progress includes JNCC self assessment, engagement training for managers and absence policy development.

9. To have in place by 31 March 2013 an action plan to achieve liP silver accreditation by November 2014.

A plan designed to achieve liP "Silver" status by 2014/15 was in place by year end.

10. Develop Agency corporate governance capability by 31 March 2013.

The MSFM was reviewed and was with DEL at year end. A Gifts and Hospitality Policy, a Code of Conduct for Board Members, a Whistleblowing Policy, an Antifraud Policy and Standing Orders were revised and approved by the Board. A revised Grievance

Procedure and a revised Redundancy Procedure were with NIPSA for consultation at year end. Aspects of the Bribery Act were incorporated in other relevant policies and procedures.

11. Demonstrate Agency value for money by 31 March 2014.

A Report of the Cross Directorate Group on Service Improvement was accepted by the SMT for implementation in December 2012. A Social Return On Investment report had been received and was being assessed at year end.

12. Enhance Agency performance and efficiency through the implementation of the IS strategy.

A post implementation review of the IS strategy and Planning Programme (2008 – 2013) was completed by the year end. ISO 27001 Security Accreditation was awarded in November 2012. The hardware infrastructure required for a replacement Case Management System was addressed in the IS Managed Services procurement which had a tender deadline of 3 April 2013. A capital bid to support system configuration was completed in March 2013.

5.2 ADVISORY SERVICES

Reflecting the tough economic and commercial environment and current levels of unemployment and economic inactivity, demand for information and advice from our Helpline has reduced with 23,214 calls handled this year. Although call volume has decreased the number of enquiries has increased with our advisors noticing an increase in queries regarding short-time working and variation of contracts. The change in how information and guidance is provided is part reflected in the number of visits and resultant downloads to the Agency's website and the constant attention given to updating and adding to the range of information provided on our website. New to the website this year is a small business section aimed at providing employers with practical guidance on handling common employment relations issues. The Agency also launched a revised Code of Practice on Time off for Trade Union Duties and Activities in April 2012.

Developing employment relations skills and knowledge in the micro firm environment of Northern Ireland continues to be a feature of advisory work. In addition to the planned programme of events which are advertised in the Agency's Events Programmes, we also responded to numerous requests from a variety of organisations to provide tailored training in employment relations skills. Topics such as conducting employment investigations, the employment implications of social media, the handling of disciplinary and grievance matters and bullying at work are the areas in most demand. New this year to our planned programme of events were a series of one hour briefing sessions on a number of topics designed to provide attendees with an insight into key topical employment relations issues such as the handling of difficult workplace conversations.

Advisory Workshops continue to provide participants with the skills and knowledge to develop and maintain basic employment

relations documentation. A notable trend at the 12 workshops held this year by the Agency is the number of requests for information on casual contracts and variation of contract matters from those attending the workshops.

Demand for reviewing employment documentation remains a feature of the Agency's work with organisations asking the Agency to review and comment on their policies and procedures. This year we have placed emphasis on completing this work within 3 months from the date of receipt and have managed to do so in the majority of cases. Notable this year is the increase in the number of company handbooks that the Agency has been asked to review and the associated number of procedures contained within each of these handbooks. Policies covering whistleblowing and family friendly working arrangements are an increasing feature of most of the handbooks reviewed and on which the Agency is being asked to comment.

Good practice employment projects during the year were predominantly within the public sector with a focus on longer term collaborative based facilitations relating to industrial relations structures, machinery, protocols and policies.

As part of our drive to promote good employment practice throughout the whole of Northern Ireland we have made great efforts to expand the customer base of the Agency. This year has seen the continuance of the publication of the joint employment and equality E-zine with the Equality Commission and the reviewing of the employment and skills section of nibusbusinessinfo.co.uk maintained by Invest Northern Ireland. The Agency has been represented at numerous conferences, seminars, advice clinics and exhibitions throughout the province. The success of this work is reflected in the large percentage of first time customers to our services thereby spreading good employment practice to ever more workplaces.

5.2.1 PERFORMANCE INDICATORS

Performance Indicators 2012-2013	Performance at 31 March 2013
1) The average Helpline waiting time is to be less than 1 minute 25 seconds for 2012/13	The average waiting time for answering a Helpline call was 50 seconds.
2) The helpline lost call rate is to be less than 13% for 2012/13	The lost call rate was 8.4%.
3) The level of Helpline customer satisfaction is to be no less than 75%	Customer satisfaction was 90.3%.
4) 70% of callers are to indicate that they took clear action following a call to the Helpline	94.3% of callers indicated that they took action following a call.
5) At least 75% of Advisory cases received are to be completed within 3 months of receipt	61% cases received were completed within 3 months of receipt.
6) The level of customer satisfaction with the Agency's Vetting Service is to be no less than 75%	100% were satisfied with the vetting of their documents.
7) At least 60% of users of the Advisory Vetting Service report that they amended documentation following Agency assistance	67% discussed the amended documentation with staff and/or issued it.
8) The level of customer satisfaction for good practice seminars is to be no less than 75%	96.7% customer satisfaction in good practice seminars.
9) At least 80% of delegates at good practice seminars are to report that their learning requirements had been met	99.3% of delegates reported their learning requirements had been met.
10) At least 70% of delegates at good practice seminars report that attendance resulted in them gaining the knowledge to review or change a policy, procedure or practice	94.6% indicated a review or change in policy or procedure.
11) At least 10% of delegates to good practice seminars are to be from organisations who have not previously attended an Agency good practice seminar	42% of delegates had not previously attended a seminar.
12) The level of customer satisfaction for advisory workshops is to be no less than 75%	100% satisfaction.
13) At least 50% of attendees report that attendance at advisory workshops resulted in employment documents being introduced or amended	98% customers agreed they will introduce/ amend documentation following Agency Assistance.
14) A two percentage points rise in the utilisation of Agency Advisory Services	Participants at good employment practice seminars increased by 9% but calls handled by the Helpline decreased by 15%.
15) A two percentage points growth in our Advisory Services customer base Performance Target	42% of new customers at Seminars/ Workshops and users of Vetting Services.

5.2.2 FACTS AND FIGURES

Table 1: General Enquiries

	2012-13	2011-12
Telephone Calls Handled	23,175	27,208
Callers	39	49
Total	23,214	27,257
No. of Enquiries	56,727	55,811

Table 2: General Enquiries by Type

	2012-13	2011-12
Dismissal	4,578	4,185
Discipline	7,660	7,393
Bullying/Harassment	1,003	904
Wages	3,911	3,417
Holidays	4,188	4,259
Other Contractual Rights	6,126	6,191
Discrimination	3,330	3,070
Redundancy	4,188	4,681
Family Friendly	1,748	2,171
Other Statutory Rights	6,540	6,342
Statutory Sick Pay	949	826
Absence	2,066	1,896
Other Agency Services	5,027	6,636
Other	4,390	2,900
Recruitment & Selection	1,023	940
TOTAL	56,727	55,811

Table 3: Advisory Cases Received

	2012-13	2011-12
Micro Business (0 – 9 employees)	110	115
Small Business (10 – 49 employees)	74	102
Small/Med Enterprises (50 – 249 employees)	17	26
Large Enterprises 250+ (employees)	5	4
TOTAL	206	247

Table 4: No. of Good Practice Seminars on Employment Law & Practice Held

	2012-13	2011-12
Belfast	36	126
Regional Office	14	37
In-Company	106	n/a
Joint	16	n/a
Total to Date	172	163
Number of Attendees	2592	2386

Table 5: Advisory Workshops on Employment Documentation

	2012-13	2011-12
Number of workshops held	12	18
Total Number of Organisations Represented	50	75

Table 6: Web Trends

	2012-13	2011-12
Page Views	606,494	712,344
Downloads	44,009	49,440

Table 7: Top 10 Downloads

Top 10 Downloads (account for 46% of all downloads)	2012-13	2011-12
1. Code of Practice – Disciplinary and grievance procedures (2011)	11.9%	11.9%
2. Sample Letters – Discipline and grievance	9.0%	9.5%
3. Advisory Guide - Advice on handling redundancy	3.8%	5.7%
4. Advisory Guide – Advice on handling discipline & grievance at work	3.1%	n/a
5. Statutory Redundancy Payments Table	3.1%	3.8%
6. Self Help Guide – Sample written statement	3.0%	n/a
7. Joint LRA/ECNI Guide – Harassment and Bullying in the workplace	2.8%	n/a
8. Advisory Guide – Advice on agreeing and changing contracts of employment	2.1%	3.5%
9. Advisory Guide – Advice on recruitment, selection and induction	1.6%	n/a
10. Information Note 5 – Layoff and Guarantee Payments	1.4%	n/a

5.3 CONCILIATION & ARBITRATION

Through our Conciliation and Arbitration Section the Agency offers effective and confidential services that can help resolve workplace disputes. **Conciliation** deals with both individual rights claims and collective disputes whilst **mediation** focuses on interpersonal workplace issues between individuals or groups. **Arbitration** involves an independent person being appointed by the Agency to make a decision on a dispute.

The year 2012/2013 has been very busy for the section. All performance indicators have been met and in some cases exceeded.

During the reporting year demand for the Agency's individual conciliation service increased as did the percentage of cases settled following our involvement. This was the second year of our enhanced pre-claim conciliation service and referrals from our Helpline have increased. It was also encouraging to note that more parties engaged in this service and half of those who did engage reached an agreement and avoided having to proceed to tribunal with their complaint. Cases received for collective conciliation assistance decreased this year but a number of the disputes referred to the Agency involved complex issues which, if they had not been resolved, could have escalated to industrial action.

Mediation was another popular service and requests for assistance rose from 59 in 2011/2012 to 85 in 2012/2013. Even with the increased demand the settlement rate for those engaging in the process remained high at 78%

Cases received for arbitration/independent appeal decreased slightly from last year with no significant changes in the source of referrals, or the type of dispute.

From September 2012 the Agency has been able to offer an enhanced Statutory Arbitration Scheme. Prior to September the scheme was limited to claims relating to unfair dismissal or flexible working but has now been extended to cover the majority of employment jurisdictions. The scheme offers an alternative to having a case heard by a tribunal. Early signs are very encouraging with five cases received and three cases heard during this reporting year.

During 2012 the section conducted two customer surveys – one for collective conciliation and one for mediation. The results of these surveys were very encouraging with respondents reporting high levels of satisfaction with both services. The surveys focused on outputs as well as satisfaction levels.

Improved working relationships and an improved working atmosphere featured strongly as outcomes following resolution of disputes via mediation. High proportions of respondents to the collective survey suggested that they would have been unlikely to reach a similar settlement through normal bargaining procedures and that the conciliation service helped bring disputes to a settlement more quickly. This earlier resolution helped save 184 hours of management and employee time per dispute.

The section will continue to monitor and report on the impact of their services in the coming year. Customer surveys have recently been distributed to users of the pre-claim conciliation service and users of the statutory arbitration scheme are surveyed six weeks after their case has been heard. Further surveys are planned for the individual conciliation and arbitration services during the next reporting year.

5.3.1 PERFORMANCE INDICATORS

Performance Indicators 2012-2013	Performance at 31 March 2013
1) Days saved deriving from no more than 20% of individual rights claims, excluding strike outs/ insolvency ¹ , being heard at Tribunal	7% of cases dealt with during the year (excluding strike out and insolvency cases) were determined by the Tribunal. With strike out and insolvency cases included the percentage is 15%.
2) No less than 60% of pre claim referrals from the Helpline agree to conciliation within 3 months of receipt	71% of pre-claim conciliation referrals from the Helpline agreed to participate in conciliation.
3) Involvement of Agency in 70% of reported collective disputes	The Agency has made contact with the parties in all known disputes.
4) Promotion of a settlement in 70% of disputes in which the LRA is involved	Promotion of a settlement was achieved in 87% of cases concluded during the reporting year.
5) Promotion of a settlement in 70% of mediation referrals to the LRA and where mediation takes place	Promotion of a settlement was achieved in 78% of the referrals where mediation took place.
6) 80% of Arbitrations/ Independent Appeal hearings undertaken within agreed timescales agreed in operational guidelines	Parties have been contacted within the timescales outlined in operational guidelines. 100% of cases referred under the Statutory Arbitration Scheme have had hearings arranged within the two month target period.

¹ These cases are excluded as the Agency is not able to influence the outcome via conciliation

5.3.2 FACTS AND FIGURES

Table 8: Individual Conciliation Claims Received and Dealt With Other than Fair Employment²

Jurisdiction	Claims Received		Claims Dealt With	
	2012-13	2011-12	2012-13	2011-12
Unfair Dismissal	2,973	2,237	2,909	2,269
Wages Order	591	934	636	624
Breach of Contract	1,084	1,026	1,002	1,029
Other Employment Rights	1,693	1,557	1,387	1,978
Equal Pay	453	196	494	1,281
Age Discrimination	199	189	158	119
Sex Discrimination	734	452	736	1,527
Disability Discrimination	219	212	219	204
Race Discrimination	113	122	127	138
Sexual Orientation Discrimination	27	27	33	26
Flexible Working	16	9	12	7
TOTAL	8,102	6,961	7,713	9,202

² Note: Figures for previous year have been amended in line with practice following revision by ICMS

Table 9: Individual Conciliation Claims Dealt with and their Outcome other than Fair Employment³

Jurisdiction	Settled by Conciliation		Withdrawn During Conciliation		Referred to a Tribunal		Total Claims Dealt With	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Unfair Dismissal	2,349	1,726	363	334	197	209	2,909	2,269
Wages Order	221	216	242	242	173	166	636	624
Breach of Contract	362	432	249	291	391	306	1,002	1,029
Other Employment Rights	315	1,173	523	393	549	412	1,387	1,978
Equal Pay	387	83	73	976	34	222	494	1,281
Age Discrimination	48	51	95	50	15	18	158	119
Sex Discrimination	493	199	185	1,078	58	250	736	1,527
Disability Discrimination	81	74	94	102	44	28	219	204
Race Discrimination	57	59	48	51	22	28	127	138
Sexual Orientation Discrimination	15	10	14	13	4	3	33	26
Flexible Working	5	4	6	2	1	1	12	7
TOTAL	4,333	4,027	1,892	3,532	1,488	1,643	7,713	9,202

Table 10: Fair Employment Claims Received and Dealt With

	2012-13	2011-12
Received for Conciliation	143	141
Dealt With	170	193

³ Note: Figures for previous year have been amended in line with practice following revision by ICMS

Table 11: Analysis of Fair Employment Claims Dealt With

	2012-13	2011-12
Withdrawn	86	125
To Tribunal	21	28
Settled by Conciliation	63	40
Total Dealt With	170	193

Table 12: All Individual Rights and Fair Employment Claims Received and Dealt With

Category	Carried Over	Cases Received 2012-13	Cases Dealt With 2012-13	Carried Over to 2013-14
Employment Claims	4,306	6,341	5,934	4,713
Equality Claims	1,924	1,904	1,949	1,879

Table 13: Pre Claim Conciliation (PCC) Referrals

	2012-13	2011-12
(a) Total number of PCC referrals from the Helpline	150	124
b) Total converted to IC cases	93	57
(c) Unprogressed – employee unwilling	2	10
(d) Unprogressed – employer unwilling	35	28
(e) Unprogressed – Resolved in initial discussions, referral inappropriate for conciliation or parties uncontactable	13	24
(f) Conciliation discussions ongoing at year end	7	5

Table 14: Independent Appeals/Arbitration Cases Received and Dealt With

	2012-13	2011-12
Cases brought forward from previous year	19	15
Cases received in year	36	48
Total cases in hand	55	63
Cases dealt with	20	25
Cases withdrawn	17	19
Cases carried forward into next year	18	19

Table 15: Source of Requests for Independent Appeals/Arbitration

	No. Received 2012-13
Teaching Sector of Education Service	14
Non-Teaching Sector of Education Service	11
Board Officers of Education Service	5
Procedures agreed within local Government	2
Further Education Sector	1
Public Bodies/Voluntary	3
PSNI	0
TOTAL	36

Table 16: Subject of Requests for Independent Appeals/Arbitration

	No. Received 2012-13
Grievance	13
Grading/Job Evaluation	1
Harassment	4
Interpretation of Agreement	0
Redundancy	11
Discipline/Dismissal	5
RPA	2
TOTAL	36

Table 17: Cases received under the Statutory Arbitration Scheme

	2012-13
Arbitration Agreements Accepted	5
Hearings concluded	3

Table 18: Mediation Cases

	2012-13	2011-12
Brought Forward from previous year	7	5
Received in period	85	59
TOTAL	92	64
Mediations Completed in period	59	45
Of these, issues resolved	46	36
Issues unresolved	13	9
Referrals Withdrawn in period	22	10
Pre Claim Conciliation Settlements	2	2
Carried forward to following period	9	7

Table 19: Collective Conciliation Cases Received and Dealt With

	2012-13	2011-12
Brought forward from previous year	5	3
Received for conciliation	13	27
TOTAL	18	30
Dealt with during the year	15	25
Carried forward to following year	3	5

Table 20: Sources of Requests for Collective Conciliation

	2012-13	2011-12
Trade Union Approach	6	7
Employer Approach	2	9
Joint Approach	2	7
LRA	3	4
Industrial Court	0	0
TOTAL	13	27

Table 21: Collective Conciliation Cases Received by Industry Classification

	2012-13	2011-12
Retail	0	3
Transport	3	3
Education	1	0
Miscellaneous Manufacturing	6	8
Other	3	13
TOTAL	13	27

Table 22: Nature of Disputes

	2012-13	2011-12
Conditions of Employment	2	7
General Pay Claim	3	9
Other	6	8
Trade Union Recognition	2	3
TOTAL	13	27

5.4 CORPORATE MANAGEMENT

Corporate Management provides a comprehensive set of financial, procurement, statutory compliance, personnel, information technology and facilities services. It incorporates responsibility for LRA Board and Committee support; asset administration; equality and diversity; health and safety; corporate social responsibility; public relations and outsourced services (legal, security, property management etc.).

In the 2012/13 Financial year, the key issue impacting on corporate management was the ongoing constraint on funding requiring very tight cost management policies which none-the-less delivered a series of new facilities, services and procedures. This risk requires ongoing attention with focus on:

- Modifications in procurement procedures to ensure that goods and services received are the cheapest fit for purpose;
- Better management accounting analysis at service cost level;
- Improvements in information systems (concentrating on a client / case management system now at the specification stage).

Finance & Governance: From the Statement of Cash Flows, the Agency / Certification Office received £3,545,000 grant-in-aid. However, its cash outflows (from operating and investing activities) were £3,577,483 resulting in a net decrease in cash and cash equivalents of £32,483. This led to a reduced bank balance at the end of the year of £14,624.

Payments to suppliers in 10 days were 62% (PY 52%) and in 30 days, 93% (PY 95%).

An up-to-date Register of Board Members' Interests is maintained by the Chief Executive and is available from the Agency's Head Office.

Chairman's salary and other Board members' fees amounted to £69,548 excluding social security and pension costs. Current ordinary Board Member salary rates are £5,100 per annum. In 2012/13, this rate followed a pay increase of 1% backdated to April 2012.

Premises & Facilities: An upgrade of headquarters was completed which allowed improved public hosting that included closed loop systems in two large rooms used for seminars and workshops. To support the further move of Agency seminars from hotels and external business centres into headquarters, new standards and procedures were introduced which improved the efficiency with which staff addressed the subsequent increased volumes of visitors.

Technology: Considerable improvements were achieved in the provision of ICT⁴. A reconfiguration of hardware and software enabled a significant improvement in performance of the Agency's core client management system. The ISO27001 Information Security Management Standard was obtained. A new IS Managed Services contract for central computer support was procured covering the coming five to seven years.

Personnel: A revised Human Resources Strategy was accepted by the Board and has been progressed on target. Two staff surveys have enabled a root and branch review of the Agency's Performance Management⁵ system.

Sickness absence was 15.6 days per member of staff (PY 12.2). Long term absence accounted for 7days. Remedial action now places strong emphasis on procedural development / application and wellbeing initiatives.

Employee Involvement: Formal arrangements exist for trade union consultation. Employees have regular section briefings and are surveyed on a regular basis.

⁴ Information and Communication Technology

⁵ Staff appraisal

Equality: The Agency is committed to equality of opportunity and generates continuous improvement through an Equality Scheme. Equality action plans are established on a risk basis through the Audit Committee, progress is reported to the Board bi-monthly and annually to the Equality Commission.

Compliance: A fundamental achievement was the implementation of a new Equality Scheme, development of a revised Disability Action Plan and establishment of a Health & Safety Committee.

Public Relations: Events were held to launch Codes and Guides in relation to Time Off for Trade Union Activities, the new statutory arbitration scheme and the Agency's Annual Report (2012). During the year, some 80 to 100 public relations initiatives took place with an emphasis on dispute resolution (20%), the new arbitration scheme (50%), Mediation (10%), Independent Appeals (5%) and LRA services in general (15%). This involved the taking of stands or making presentations at trades union, public sector and community events / locations. Also, radio, website and commercial publications were utilised to enhance awareness on employment relations matters. Partnerships were strengthened with organisations such as the Equality Commission and Invest NI where the Agency made a significant and recognised contribution to their events and publications.

Sustainability: Staff initiatives raised £715 for charity. 6,690 kg of waste was recycled.

5.4.1 PERFORMANCE INDICATORS

Performance Indicators 2012-2013	Performance at 31 March 2013
1) Percentage of staff reporting satisfaction in staff attitude surveys improves 10% on prior year results	There was a 4% reduction in satisfaction coupled with a reduced return.
2) Percentage of staff reporting satisfaction in stress risk assessments improves 10% on prior results	This was not measured as the previous stress risk assessment was undertaken in 2010. The next is due to commence November 2013.
3) At least “satisfactory” ratings in internal and external audit assurances	The overall internal audit assurance was “satisfactory” and external audit opinion cleared the 2011/12 accounts.
4) Full compliance recorded in stewardship statements (e.g. Permanent Secretary)	The CEO provided positive assurances to the DEL Permanent Secretary twice in the accounting period.
5) 95% uptime within computer infrastructure	Partial server failures spanned at most 5 days out of approximately 250 days giving a min uptime of 98%.
6) Successful annual test of IS Continuity Plan	Tests provided confidence that backup files were restorable but a full disaster test awaits an infrastructure upgrade due September 2013.
7) Full compliance with standards/targets in IS Managed Services contract (ISMS)	Standards were monitored on an ongoing basis. However, the process is due a comprehensive upgrade at September 2013.
8) Percentage of staff reporting satisfaction in staff attitude surveys with regard to accommodation and facilities improves 10% on prior year results	Members of staff were 1% less satisfied with office premises and 6% less satisfied with outsourced facilities services.
9) No reportable accidents arise for inclusion in the Health and Safety Accident Book per annum	No reportable accidents occurred ie accidents resulting in death, major injuries or injuries lasting over seven days.
10) 75% of surveyed clients/stakeholders reporting a greater degree of awareness of the Agency, its services and publications	Measurements indicate the awareness levels are around 50% as reported through the Northern Ireland Omnibus Survey.
11) At least 75% of conference/seminar delegates reporting that their thinking on employment relations had been influenced	Feedback indicates that 91% of delegates were influenced at least a little and 25% were significantly influenced.

5.4.2 FACTS AND FIGURES

Table 23: Headquarters⁶ Waste and Recycling Breakdown 2012-2013

Non-recycled waste (landfill)	8,400 kg (PY 8,040 kg)
Recycled waste materials	6,834 kg (PY 8,145kg)
Total Waste	15,234 kg (PY 16,185)
Percentage recycled	45% (PY 50%)

Table 24: Recycling Breakdown by Category

Mixed Paper	4,890 (PY 5,923) kg
Cardboard	1,300 (PY 1,690) kg
Plastics	180 (PY152) kg
Aluminium Cans	80 (PY 12) kg
Glass	240 (PY n/a) kg
Ink Cartridges	57 (PY 58) kg
IT Hardware	87 (PY 310) kg
TOTAL RECYCLED	6,834 (PY 8,145) kg

⁶ Figures for Londonderry Regional Office not available.



Chapter 6

Remuneration Report

Remuneration Report for the Year Ended 31 March 2013

Remuneration Policy

As an NDPB, members of staff of the Labour Relations Agency are not civil servants. However, staff of the Agency, whether on permanent or temporary contract, are subject to levels of remuneration and terms and conditions of service (including superannuation) within the general NICS pay structure as approved by the Department and DFP.

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a freeze on senior pay in respect of 2010-11 and 2011-12 pay awards, in line with the Executive's decision in Budget 2011-2015 to mirror the UK Coalition Government's commitment to impose pay restraint.

The Northern Ireland Permanent Secretary Remuneration Committee helps determine pay on entry and the annual review of NICS Permanent Secretaries' pay in line with the annual pay strategy as approved by the Minister of Finance and Personnel. The freeze imposed on pay in 2010-11 and 2011-12 also applies to Permanent Secretaries. However in respect of 2012-13 and 2013-14 Pay Awards, the Minister approved a 1% increase in pay for staff salaries. The Senior Civil Service pay conditions were reviewed in 2012 and implemented in the Civil Service Pay Strategy 2012 and 2013. They significantly departed from the current SCS pay arrangements. The new arrangements are based on a system of shorter pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Only one member of staff, the Chief Executive, works in alignment with Senior Civil Service pay and conditions.

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials of the Agency.

Remuneration (Audited information)

Board members	2012/2013 Salary £000	Benefits in Kind (to nearest £100)	Bonus Payments	2011/2012 Salary £000	Benefits in Kind (to nearest £100)	Bonus Payments
Mr J McCusker	20-25	Nil	Nil	20-25	Nil	Nil
Mr P Williamson (term of office ended 31/10/12)	0-5	Nil	Nil	5-10	Nil	Nil
Mrs B Maitland (term of office ended 03/12/12)	0-5	Nil	Nil	5-10	Nil	Nil
Mr T Morrow	5-10	Nil	Nil	5-10	Nil	Nil
Mr S L Fawcett	5-10	Nil	Nil	5-10	Nil	Nil
Mr N Willis	5-10	Nil	Nil	5-10	Nil	Nil
Mr G Parkes	5-10	Nil	Nil	5-10	Nil	Nil
Mrs S McKee	5-10	Nil	Nil	5-10	Nil	Nil
Mrs A Millar	5-10	Nil	Nil	0-5	Nil	Nil
Mr G McMichael	5-10	Nil	Nil	0-5	Nil	Nil
Mr A Mills (from 01/12/12)	0-5	Nil	Nil	0	Nil	Nil
Ms P Shepherd (from 01/01/13)	0-5	Nil	Nil	0	Nil	Nil
Management						
W Patterson Chief Executive & highest paid employee	80-85	Nil	Nil	80-85	Nil	Nil
P Holloway	50-55	Nil	Nil	50-55	Nil	Nil
D McGrath	50-55	Nil	Nil	50-55	Nil	Nil
G O'Neill (part-time from 01/01/13)	45-50	Nil	Nil	50-55	Nil	Nil

Salary

'Salary' includes gross salary; performance pay and overtime. The Agency makes no other payments to Board members or staff other than expenses, travel and subsistence.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

There were no benefits in kind paid to any member of staff or to members of the Board of the Agency.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. Any bonuses reported in 2011-12 or 2012-13 relate to performance in 2010-11 and 2011-12 respectively. No bonuses were paid in 2012-13.

Pension Benefits (Audited information)

Chairman/Officials	J McCusker (i) £	W Patterson £	P Holloway £	D McGrath £	G O'Neill (ii) £
Pension increase at 31/03/12 – 31/03/13	0-2,500	0-2,500	0-2,500	0-2,500	0-2,500
Lump sum increase at 31/03/12 – 31/03/13	-	2,500 -5,000	0-2,500	0-2,500	0-2,500
Accrued pension at 31/03/13 or date of leaving	0-5,000	30,000 -35,000	20,000 -25,000	20,000 -25,000	15,000 -20,000
Accrued lump sum at 31/03/13 or date of leaving	-	100,000 -105,000	70,000 -75,000	70,000 -75,000	55,000 -60,000
CETV at 31/03/12 or at date of leaving (to nearest £k)	37	713	510	522	420
CETV at 31/03/13 or at date of leaving (to nearest £k)	47	780	549	530	428
Employee Contributions and transfers-in (£)	1,304	3,516	1,784	1,790	1,700
Real increase in CETV as funded by employer (nearest £k)	7	26	11	4	4

(i) The CETV calculator used for 2012/13 financial year included new actuarial factors which had not been deployed in the 2011/12 calculator. In the case of the CETV calculated for J McCusker, this has resulted in a change of CETV from 32 (closing figure for 2011/12) to 37 (opening figure for 2012/13).

(ii) Gerry O'Neill partially retired commencing 1 January 2013 drawing a partial pension of £10,159 and a partial lump sum of £30,477.

Northern Ireland Civil Service Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011, pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the CPI.

Until April 2012 the employee contribution rate had been set at the same level within each arrangement of the PCSPC (NI). These contributions changed from 1 April 2012 and will change again from 1 April 2013. This is in line with the intention of the Westminster Coalition Government that member contributions to the public service schemes should increase by 3.2% of pay on average (or savings of a similar size should be delivered) over 3 years from April 2012. This is to allow for the future funding of public service pensions, given that the cost of public

service pensions has risen steeply in recent decades. Employee contributions are set at the following rates for 2012-13:

Pension Type	Contribution % rate
Classic	1.5 to 3.9
Premium, Classic Plus and Nuvos	3.5 to 5.9

For 2012, public service pensions which began before 25 April 2011 will be increased by 5.2% with effect from 9 April 2012. This is based on the increase in the Consumer Price Index up to September 2011. Benefits in classic 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. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or

over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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 pension 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, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to update Civil Service pensions.

Real increase in CETV

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

Ill-health retirement

During the year 2012-13, the total additional pension costs payable by the Civil Service Pension Scheme arrangements in respect of staff members retiring due to ill-health amounted to £2,035.

Exit Packages

No exit packages were provided to staff in the 2012-13 year.

Compensation for loss of office

No members of staff leaving the Agency in 2012-13 received compensation for loss of office.

Pay Multiples

Remuneration Report	2012-13			2011-2012		
	Salary (exc non-consol perf pay) £'000	Non-Consolidated Performance Pay £'000	Benefits in Kind nearest £100	Salary (exc non-consol perf pay) £'000	Non-Consolidated Performance Pay £'000	Benefits in Kind nearest £100
Chief Executive	80-85	Nil	Nil	80-85	Nil	Nil
Band of Highest-Paid Director's Total Remuneration	80-85	Nil	Nil	80-85	Nil	Nil
Median Total Remuneration	27.835	Nil	Nil	23.336	Nil	Nil
Ratio	2.96			3.54		

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

To calculate the median salary all salaries (other than that of the highest paid "director") were listed in order of value and the median between the highest and lowest was taken.

In 2012-13, one employee, the Chief Executive was the highest-paid director. Remuneration was £80-85k. In 2011-12, the Chief Executive was also the highest-paid director with remuneration of £80-85k.

Therefore, the banded remuneration of the highest-paid director in the Labour Relations Agency in the financial year 2012-13 was

£80-85k. This was 2.96 times the median remuneration of the workforce, which was £27,835.

In 2011-12, the equivalent ratio was 3.54. The ratio for 2012-13 is lower due to the fact that the salaries of new staff appointed in 2012 -13 were at Staff Officer grade. This had the affect of raising the median salary for the LRA and consequently the year's ratio. The Chief Executive's salary in this period was in the range £80-85. This divided by £27,835 provided a ratio of 2.96.

Total remuneration includes salary, non consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.



William Patterson
Chief Executive / Accounting Officer

20 June 2013

Date



Financial Statements
of
The Labour Relations Agency
and
The Certification Officer
for Northern Ireland
31st March 2013

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Statement of the Agency's and Chief Executive's Responsibilities

Background information

The Labour Relations Agency is an executive Non-Departmental Public Body sponsored by the Department for Employment and Learning established in 1976 under the Industrial Relations (Northern Ireland) Order 1976 and continued by the Industrial Relations Order (Northern Ireland) 1992.

Under paragraph 15(2) of Schedule 4 to the Industrial Relations (Northern Ireland) Order 1992 the Agency is required to prepare a statement of accounts in the form and on the basis determined by the Department for Employment and Learning, with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year end and of its income and expenditure, statement of change in reserves and cash flows for the financial year.

In preparing the accounts the Agency is required to:

- observe the accounts direction issued by the Department for Employment and Learning, 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 IFRS accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Labour Relations Agency will continue in operation.

The Accounting Officer of the Department for Employment and Learning has designated the Chief Executive of the Agency as the Accounting Officer. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the non-departmental public bodies Accounting Officer's Memorandum (Chapter 3 – Managing Public Money Northern Ireland), issued by the Department of Finance and Personnel.

LRA Governance Statement 2012/13

1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of the LRA's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (NI). In delivering this role I am supported by the LRA's Senior Management Team and the Audit Committee which regularly monitors LRA risk management activities.

2. The Purpose of the System of Internal Control

This Governance Statement, for which I, as Accounting Officer, take responsibility, is designed to give a clear understanding of how the duties detailed above have been carried out during 2012-13.

The LRA is a non-departmental public body, governed by a Board. The Board is responsible for determining the LRA's strategic direction, policies and priorities, and ensuring its statutory duties are carried out effectively. The Board is supported by two sub-committees, namely the Audit Committee and the Finance & Personnel Committee. Day-to-day operations are managed by a Senior Management Team (SMT) comprising the Chief Executive (Chair) and three section heads namely, Director of Conciliation and Arbitration, Director of Advisory Services and Director of Corporate Services.

The LRA is sponsored by the Department for Employment and Learning (DEL), with whom it has regular meetings. In addition it provides DEL with a Strategic Risk Register, audit papers / reports, and regular financial management information. The respective roles of the LRA and the Permanent Secretary for DEL are set out in the DEL LRA Management Statement.

3. The LRA's Governance Structure

The governance structure 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 LRA'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 governance has been in place throughout the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts 2012-13, and accords with Corporate Governance Code 2005.

The LRA's governance structure provides clarity and accountability in managing the delivery of its objectives. It ensures that the LRA has the capacity to make decisions, monitor performance and assess and manage resources and risk.

LRA Governance Statement 2012/13 (contd)

The LRA Board

The LRA Board sets the LRA strategic direction, policies and priorities, and ensures that the LRA meets its agreed strategic objectives and targets. The Board also strives to observe the highest standards of corporate governance, in line with the provisions of the UK Corporate Governance Code of Good Practice. The LRA Board Code of Good Practice & Standing Orders coupled with the LRA Board Code of Conduct sets out the general responsibilities of Members of the Board.

The Board consists of the Chair and nine members from employer, employee and independent backgrounds, appointed by the Minister of the Department for Employment and Learning. Specific responsibilities of the Board include:

- establishing the LRA's overall strategic direction within the policy framework set out in statute and the resources framework agreed with the Permanent Secretary for DEL;
- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
- ensuring that the Board operates within the limits of its statutory authority, within the limits of the Board's financial authority agreed with DEL and in accordance with any other conditions relating to the use of public funds. Members of the Board have a duty to ensure that public funds are properly safeguarded and that the LRA conducts its operations as economically, efficiently and effectively as possible, with full regard to relevant statutory provisions;
- formulating a strategy for implementing the Freedom of Information Act, including prompt response to public requests for information;
- ensuring that the service operates sound environmental policies and practices in accordance with relevant Government guidance; and
- ensuring that high standards of corporate governance are observed at all times.

The Board's quorum is five. The Board and Members' attendance at Board meetings for 2012-13 is as follows:

- * Jim McCusker - 10/10
- * Neal Willis - 9/10
- * Gordon Parkes - 9/10
- * Trevor Morrow - 9/10
- * Alison Millar - 9/10
- * Lyn Fawcett - 4/10
- * Sally McKee - 7/10
- * Gary McMichael - 7/10
- * Albert Mills - 4/4 (from Nov 2012)

LRA Governance Statement 2012/13 (contd)

- * Pauline Shepherd - 2/2 (from Jan 2013)
- * Peter Williamson - 6/6 (until Oct 2012)
- * Brenda Maitland - 8/8 (until Dec 2012)

The Audit Committee

The Audit Committee is a sub-committee of the LRA Board and supports the Chief Executive in his responsibilities for issues of risk, control and governance, finance and associated assurance. The Audit Committee is an advisory body with no executive powers. The Committee's membership is constituted by members of the Board with members of the SMT, Internal and External Audit, and its sponsor team in DEL in attendance. The Chairman of the Board would not normally attend. In their recent report on Corporate Governance, Internal Audit found that *the LRA has developed clear governance structures, comprising a Board, Sub-Committees of the Board and a Senior Management Team.*

The specific duties of the Audit Committee are to:

- review corporate governance assurances including the LRA's systems for the assessment and management of risk, the Governance Statement and monitoring arrangements for maintaining standards of business conduct and probity;
- review the accounting policies and accounts including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors;
- consider the planned activity and results of both internal and external audit work;
- consider the adequacy of management's response to issues identified by audit activity, including external audit's Management Letter; and
- consider assurances relating to the corporate governance requirements for the LRA.

The Audit Committee's quorum is three. The Audit Committee met four times in 2012-13. Audit Committee members, and their attendance at the meetings held in 2012-13 were:

- * Gordon Parkes (Chair) - 2/2 (from October 2012)
- * Peter Williamson (Chair) - 2/2 (until June 2012)
- * Gordon Parkes - 2/2 (until Sept 2012)
- * Alison Millar - 2/4
- * Lyn Fawcett - 2/4
- * Gary McMichael - 2/3 (from June 2012)
- * Neal Willis - 1/1 (from March 2013)
- * Pauline Shepherd - 1/1 (from March 2013)
- * Trevor Morrow - 0/2 (until June 2012)

LRA Governance Statement 2012/13 (contd)

The Finance & Personnel (F&P) Committee

The purpose of the F&P sub-committee of the Board is, on behalf of the Board, to:

- receive current information on the strategic challenges that the organisation faces and to satisfy itself that the Financial systems and processes, IS/IT and HR Strategies and accompanying in-year action plans are aligned with the needs of the business. In debating these issues, Board members of the sub-committee are encouraged to bring to bear their particular expertise in helping the organisation deal with some of those challenges;
- review the performance appraisal of the Chief Executive as carried out by the Board Chair; and
- assure the Board that the organisation continues to make progress towards its commitments under Equality and Diversity.

The Finance and Personnel Committee's quorum is three. The F&P Committee's membership, and members' attendance at the three meetings held in 2012-13, is as follows:

- * Jim McCusker (Chair) - 3/3
- * Sally McKee - 2/3
- * Trevor Morrow - 1/1 (from January 2013)
- * Albert Mills - 1/1 (from January 2013)
- * Brenda Maitland - 1/2 (until December 2012)
- * Neal Willis - 2/2 (until December 2012)

The Senior Management Team (SMT)

Membership of the Senior Management Team consists of the Chief Executive and the three section heads / Directors. The SMT is responsible for the day-to-day management of the LRA. The SMT ensures that all major policies are implemented and significant operational issues are addressed. Meetings are held weekly with formal minuted meetings being held on a bi-monthly basis, i.e. 6 times per year and published on the LRA's website.

The terms of reference for the SMT set out the specific objectives that support the delivery of the Board's priorities. These objectives are as follows:

- protect and enhance the LRA's reputation of improving employment relations and working life;
- develop and draft the LRA's' Corporate and Business Plans;
- monitor, improve and report on the LRA's performance against objectives set out in annual Business Plans;
- ensure the delivery of the LRA's statutory duties, powers and strategic objectives making certain that appropriate processes and reasonable controls are maintained;

LRA Governance Statement 2012/13 (contd)

- ensure that all public funds made available to the LRA, including any approved income or other receipts, are used in accordance with the statutory duties, and that these, together with the LRA's assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that the LRA maintains effective change management systems, enabling the organisation to continuously improve the delivery of its mission and services; and
- ensure that the LRA meets its statutory duties under the Section 75 of the Northern Ireland Act (1998), in respect of external service delivery and internal policies and procedures.

Assessment of Effectiveness

According to best corporate governance practice, all Boards and sub-committees should carry out an annual assessment of their effectiveness.

The Audit Committee self assesses itself on a cyclical basis using a tailored version of National Audit Office checklists specifically designed for audit committees.

The most recent Board self assessment was carried out in October 2011. The Board Chairman also undertakes Board member appraisals on an annual basis. The Board Chairman is appraised by the Department annually. In November 2012, the Board considered a self-assessment checklist and referred this to the Audit Committee for a decision as to how the responsibility for implementing corporate governance checklists might best be shared between sub-committees and the Board. This would apply also to the F&P Committee which to date has no checklist against which to assess performance.

At the May 2013 Board Meeting, the Board commented favourably on the quality of management reporting to the Board and has since affirmed the general acceptability of information received by the Board on the grounds that the information received during 2012-13 financial year has adequately allowed the Board to exercise its overall functions of (1) keeping in touch with current employment relations issues and stakeholders (2) determining the policy, strategy and business agenda of the Agency and (3) ensuring the effective performance of the Agency through acceptable general governance and management arrangements as delivered by the Chief Executive and the Senior Management Team.

LRA Governance Statement 2012/13 (contd)

4. The Risk and Internal Control Framework

It is the Board / Audit Committee on the advice of the Chief Executive which decides on the risk appetite of the Agency. In policy terms, the position of the Agency is as follows:

- a) For matters of statutory and legal compliance and for matters linked with public sector values such as fairness and openness, the Agency is risk averse. This means that it will maximise its controls in this area and avoid significant levels of residual risk wherever possible. Where not avoidable, the Agency will protect itself, for example through the provision of contingencies and insurance.
- b) For matters which are in the realm of developing good employment relations within the province and which have the potential to directly or indirectly stimulate the economy, the Agency will be willing to accept a degree of risk which is commensurate with that in the province's economic and business environment. However, within this context, the formality of its risk assessment and the management arrangements and controls put in place to mitigate risk will be scrutinised firstly by the Senior Management Team and thereafter by the Board through its Audit Committee.

The LRA Board retains overall responsibility for the management of risk in the organisation. At least annually, the Board will review and challenge the whole Strategic Risk Register including the appetite for risk. At each Audit Committee meeting, the risks are reviewed to ensure that risk management processes are in place and working. The Chair of the Audit Committee reports back to the Board after each meeting.

The SMT meets regularly to consider the plans and strategic direction of the LRA and assesses and monitors key strategic risks within the business planning cycle. The risk management policy defines how risk is managed and is explicit on the roles and responsibilities of all relevant staff.

The identification and assessment of risk is embedded within the LRA business planning cycle. The LRA Business Plan and programme/project plans are considered as part of the development and review of the risk register. All projects contain an explicit assessment of risk. The Agency's (Section 75) Equality Scheme is highly influenced by an "Audit of Inequalities", the output of which is a statement of Equality Risk which is incorporated in the Risk Register.

The level of risk is determined by assessing the impact and time weighted likelihood of particular scenarios arising. The LRA currently recognises seven high level risks arising from the specific challenges facing the organisation in the employment relations field including the political and economic environment we work in. In summary terms, the most significant risks are associated with:

- changes in the employment relations environment arising from factors such as the economic downturn which may damage the Agency's reputation or influence in the province;
- the capping of funding between 2010/11 to 2014/15 increasing the likelihood of poor quality services, lower staff morale or underperformance in the achievement of business objectives ;
- difficulties regarding the effectiveness of IS/IT systems and support as a result of obsolescent applications, inadequate funding and skilled resources required to enable change;
- measuring value for money in a way that is effective in influencing stakeholders; and
- ensuring that obligations associated with the Agency's Equality Scheme are adequately met.

LRA Governance Statement 2012/13 (contd)

5. Review of Effectiveness

As Accounting Officer, I have responsibility for conducting an annual review of the effectiveness of the system of the organisation's governance, risk management and internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the LRA 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 SMT and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. This Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Specifically, the system of control is kept under review by:

- The SMT meeting regularly to consider the strategic direction, plans and operational performance of the LRA;
- Full consideration of internal reports by the LRA's Audit Committee, and the Chairman of the Audit Committee's regular reports to Board;
- The SMT discussing progress made in implementing outstanding Internal Audit recommendations;
- Regular reports by Internal Audit, to standards defined in the Government Internal Audit Standards, which include the Head of Internal Audit's opinion on the adequacy and effectiveness of the LRA's system of internal control together with recommendations for improvement. Overall, Internal Audit gave a "satisfactory" opinion on the control and governance framework. Some control weaknesses were identified by Internal Audit during their reviews in the year. Appropriate action has been agreed and new procedures introduced to counter these weaknesses.
- Inclusion in the 2012-13 Internal Audit programme of an examination of the LRA's systems for Corporate Governance which found that "there are improvements which could be incorporated within the LRA's internal control system for Corporate Governance, particularly in relation to the finalisation of the MSFM. However, the existing controls in place in respect of the Corporate Governance are basically sound and provide **satisfactory** assurance regarding the effective and efficient achievement of LRA's objectives in relation to the Corporate Governance".
- The provision of an overall Audit Opinion - "satisfactory", indicating some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance. The recommendations of this report have been accepted fully by management and are being implemented.
- Maintenance of an organisation-wide Strategic Risk Register.
- The use of bi-monthly performance reports to the Board which detail progress against business plan objectives and the extent of achievement of key performance indicators. These reports allow the Board and the SMT to make detailed decisions in relation to priorities and resources.
- Data security procedures which are regularly reviewed and, where necessary, strengthened to ensure that personal information is safeguarded. There were no reported losses or breaches of data security during the year.

During this financial year, the LRA has continued to strive to achieve the optimum use of its resources in light of reducing budgets. The impact of the in-year budget cuts has not, as yet, had a negative impact on the delivery of the Agency's core services but has significantly reduced discretionary spend.

The LRA has been able to identify cost savings. The Comprehensive Spending Review represented a challenging reduction in funding, particularly on administration budgets. However, despite these restrictions, the Agency continues to introduce new initiatives, viz. increased jurisdictions within its Arbitration Scheme and a new Pre-Claim Conciliation service.

There have been no other significant control issues during the course of this financial year.

I have considered the evidence provided with regard to the production of the Governance Statement. My conclusion is that governance and control structures have been appropriate for the LRA and have been working satisfactorily throughout 2012-13.



20 June 2013

Accounting Officer LRA

Date

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

I certify that I have audited the financial statements of the Labour Relations Agency for the year ended 31 March 2013 under the Industrial Relations Order (Northern Ireland) 1992. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. 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 Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on Regularity

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

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (contd)

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Labour Relations Agency's affairs as at 31 March 2013 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial Relations Order (Northern Ireland) 1992 and Department for Employment and Learning directions issued thereunder.

Opinion on other matters

In my opinion

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department for Employment and Learning directions made under the Industrial Relations Order (Northern Ireland) 1992; and
- the information given in the Management Commentary within the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

28 June 2013

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

	Notes	Agency £	Certification Officer £	2012-13 Total £	2011-12 Total £
Expenditure					
Staff costs	3	2,444,828	157,693	2,602,521	2,474,504
Depreciation	4	97,885	763	98,618	108,474
Other expenditure	4	866,575	42,681	909,256	886,358
Totals		<u>3,409,258</u>	<u>201,137</u>	<u>3,610,395</u>	<u>3,469,336</u>
Net Expenditure		<u>3,409,258</u>	<u>201,137</u>	<u>3,610,395</u>	<u>3,469,336</u>

Other Comprehensive Expenditure

	Notes	2012-13 Total £	2011-12 Total £
Net gain/(loss) on revaluation of Property, Plant and Equipment	5	7,747	13,553
Net gain/(loss) on revaluation of Intangibles	6	5,222	(199)
Total Comprehensive Expenditure for the year ended 31 March 2012		<u>3,623,364</u>	<u>3,482,690</u>

All amounts above relate to continuing activities.

The notes on pages 67 - 84 form part of these financial statements

Statement of Financial Position

as at 31st March 2013

	Notes	2012-13 £	2011-12 £
Non-current assets:			
Property, plant and equipment	5	348,956	320,505
Intangible assets	6	35,122	43,016
Total non-current assets		384,078	363,521
Current assets:			
Trade and other receivables	7	69,234	59,005
Cash and cash equivalents	8	14,624	47,107
Total current assets		83,858	106,112
Total assets		467,936	469,633
Current Liabilities			
Trade and other payables	9	(171,753)	(121,024)
Assets less liabilities		296,183	348,609
Taxpayers' equity			
Revaluation reserve		44,985	80,252
General reserve		251,198	268,357
Total taxpayers' equity		296,183	348,609

The financial statements on pages 63 - 84 were approved by the Board on 20 June 2013 and were signed on its behalf by:



J Mc Cusker,
Chairman



William Patterson,
Chief Executive and Accounting Officer

The notes on pages 67 - 84 form part of these financial statements

Statement of Cash Flows

for the year ended 31st March 2013

	Notes	2012-13 £	2011-12 £
Cash flows from operating activities			
Net operating cost		(3,610,395)	(3,469,336)
Adjustments for non-cash transactions	4	98,618	112,785
Adjustment		-	9,472
(Increase)/Decrease in trade and other receivables		(10,229)	(6,547)
Increase/(Decrease) in trade payables exc. capital creditors		35,729	(216,672)
Net cash outflow from operating activities		(3,486,277)	(3,570,298)
Cash flows from investing activities			
Purchase of plant, property and equipment		(86,787)	(78,051)
Purchase of intangible assets		(4,419)	(41,020)
Net cash outflow from investing activities		(91,206)	(119,071)
Cash flows from financing activities			
Financing – grant drawn down from Department for Employment & Learning			
- Agency		3,350,000	3,497,000
- Certification Officer		195,000	203,000
Net financing		3,545,000	3,700,000
Net increase/(decrease) in cash and cash equivalents in the period	8	(32,483)	10,631
Cash and cash equivalents at the beginning of the period	8	47,107	36,476
Cash and cash equivalents at the end of the period	8	14,624	47,107

Notes:

1. The grant drawn down is intended to finance both revenue and capital expenditure, details of which are summarised in the Statement of Comprehensive Net Expenditure and Notes 3, 4, 5 & 6 to the accounts respectively.

Statement of Changes in Taxpayers' Equity

for the year ended 31st March 2013

	Capital Reserve £	Revaluation Reserve £	SoCNE Reserve £	Total Reserves £
Balance at 31st March 2011 Restated	7,209,144	62,586	(7,171,451)	100,279
Grant from Department for Employment & Learning – drawn down	3,700,000	-	-	3,700,000
Transfers between reserves:				
Comprehensive Expenditure for the year	-	-	(3,469,336)	(3,469,336)
Movements in Reserves:				
Net gain (loss) on revaluation of property, plant & equipment	-	45,214	-	45,214
Transfer of amount equivalent to additional depreciation on assets where revaluation is more than historical cost	-	(27,548)	-	(27,548)
Balance at 31st March 2012 Restated	<u>10,909,144</u>	<u>80,252</u>	<u>(10,640,787)</u>	<u>348,609</u>
Grant from Department for Employment & Learning-drawn down	3,545,000	-	-	3,545,000
Transfers between reserves:	-	(48,236)	48,236	-
Comprehensive expenditure for the year	-	-	(3,610,395)	(3,610,395)
Movements in Reserves Adjustment:				
Net gain/(loss) on revaluation of property, plant & equipment (Notes 5&6)	-	51,656	-	51,656
Transfer of amount equivalent to additional depreciation on assets where revaluation is more than historical cost (Notes 5&6)	-	(38,687)	-	(38,687)
Balance as at 31st March 2013	<u>14,454,144</u>	<u>44,985</u>	<u>(14,202,946)</u>	<u>296,183</u>

The general fund serves as the chief operating fund. The general fund is to be used to account for all financial resources except those required to be accounted for in another fund.

The revaluation reserve records the unrealised gain or loss on the revaluation of assets.

Notes to the Financial Statements

for the year ended 31st March 2013

1. Accounting Policies

Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Labour Relations Agency and The Certification Officer for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Labour Relations Agency and the Certification Officer for Northern Ireland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

The Agency has the responsibility under Article 69 of the Industrial Relations (Northern Ireland) Order 1992 to provide the Certification Officer for Northern Ireland with the requisite accommodation, equipment, facilities, remuneration, travelling and other expenses, together with such sums as he may require for the carrying out of his duties. The Agency also has the responsibility under paragraph 15(2) of Schedule 4 to the 1992 Order to show separately sums disbursed to or on behalf of the Certification Officer.

The financial statements incorporate the results for The Certification Officer for Northern Ireland, and have been prepared in accordance with the historical cost convention, modified by the revaluation of certain fixed assets, and with the Industrial Relations (Northern Ireland) Order 1992. These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Recognition of Income

The approved resource allocations from the Department for Employment & Learning are credited direct to the General Fund reserve on a cash draw-down basis.

The annual recurrent allocations from the Department for Employment & Learning are intended to meet recurrent costs.

Income from services rendered is included to the extent of the completion of the contract or service concerned.

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

1.3 Property, plant and equipment

The cost of property, plant and equipment comprises the purchase price and any installation charge.

A capitalisation threshold of £250 (2012:£250) is applied. On initial recognition assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition.

For all assets depreciation is calculated to write off their cost or valuation over their estimated useful lives. Additions in the year bear a due proportion of the annual charge.

The methods adopted and estimated useful lives used are:

- Adaptations to short leasehold buildings - 10 years straight line
- Office equipment, furniture and fittings - 5 & 7 years straight line
- Computer equipment - 3 years straight line

Property, plant and equipment are revalued by reference to appropriate “Price Index Numbers for Current Cost Accounting” published by the Central Statistical Office. Surpluses on revaluation of assets are credited to revaluation reserve pending their realisation.

To the extent that depreciation based on the revalued amount exceeds the corresponding depreciation on historical cost, the excess represents realisation of the surplus and is transferred annually from the revaluation reserve to the general fund.

During the year Property, Plant and Equipment assets to the value of £342,222 were written off. All of these assets were fully depreciated and between eight and twenty years old. A physical verification exercise was carried out to establish that all of the assets written off were no longer in use. The amounts written off in each category of asset was as follows:

Buildings £7,951. These were actually items of furniture included in the Buildings category.

Office Equipment and Furniture £245,457

Computer Hardware £88,814

1.4 Intangible assets

Intangible assets comprise capitalised operational software licenses and the costs involved in implementing the software. The cost of licences and implementation costs are amortised over their expected useful lives of three years. The minimum level for capitalisation of an intangible asset is £250 (2012:£250). These assets have been restated using valuation techniques produced by the Office for National Statistics.

During the year Intangible Assets to the value of £29,516 were written off. All of these assets were fully depreciated and between eight and twenty years old. A physical verification exercise was carried out to establish that all of the assets written off were no longer in use.

1.5 Treatment of pension liabilities

During the year the Agency participated in the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC). The Agency meets the cost of pension cover provided for staff they employ by payment of charges calculated on an accruing basis.

Notes to the Financial Statements

for the year ended 31st March 2012 (contd)

1.6 Value Added Tax

The Agency does not have any income which is subject to output VAT. Accordingly, the Agency cannot recover any input VAT.

1.7 Operating Leases

The total cost of operating leases is expensed in equal instalments over the life of the lease.

1.8 Operating Income

Operating income principally relates to bank interest receivable which is accounted for on an accruals basis.

1.9 Impending application of newly issued accounting standards not yet effective

The Agency has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the agency's financial statements.

1.10 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the Agency becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished.

The Agency has financial instruments in the form of trade receivables, trade payables and cash at the bank.

Cash and other receivables are classified as they are initially measured at fair value and are subsequently measured at amortised cost, if appropriate, using the effective interest method less any impairment.

Financial liabilities are initially measured at fair value, net of transaction costs, if applicable. They are subsequently measured at amortised cost using the effective interest method.

1.11 Staff Costs

Under IAS 19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using the Agency's annual leave records.

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

2. Statement of Operating Costs by Operating Segment

The two main segments operating in the Labour Relations Agency are Labour Relations and the Certified Office. The principal activities of the Labour Relations Agency are to assist employers, employees and their representatives to improve the conduct of their employment relations. The Agency provides a range of services to those engaged in industry, commerce and the public services. These services include advice and assistance on all aspects of employment relations and employment practices and also comprehensive conciliation and arbitration services for resolving both individual and collective matters. The Certification Office is responsible for ensuring that Trade Unions and Employer's Associations comply with statutory provisions relating to the regulation of Trade Unions and Employer's Associations.

	2012-13		2011-12	
	Agency £	Certification Officer £	Agency £	Certification Officer £
Gross Expenditure	3,409,258	201,137	3,277,997	191,339
Income	-	-	-	-
Net Expenditure	3,409,258	201,137	3,277,997	191,339

Note 2.1 Reconciliation between Operating Segments and SoCNE / SoFP

	2012-13		2011-12	
	Agency £	Certification Officer £	Agency £	Certification Officer £
Total net expenditure per statement of operating cost	3,409,258	201,137	3,277,997	191,339
by operating segment	-	-	-	-
Total net expenditure by Operating Cost Statement	3,409,258	201,137	3,277,997	191,339

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

3. Staff numbers and related costs

(a) Staff costs comprise:-	2012-13 £	2011-12 £
Agency (excluding Certification Office):-		
Permanently employed staff:		
Wages and salaries	1,847,430	1,800,800
Social security costs	138,926	132,445
Other pension costs – superannuation	369,717	355,617
	<u>2,356,073</u>	<u>2,288,862</u>
Others:		
Employment Agency Staff	88,755	36,227
Total (excluding Certification Office)	<u>2,444,828</u>	<u>2,325,089</u>
Certification Office:		
The Certification Officer and assistants		
Wages and salaries	157,693	149,415
	<u>157,693</u>	<u>149,415</u>
TOTAL STAFF COSTS	<u>2,602,521</u>	<u>2,474,504</u>

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

3. Staff numbers and related costs (cont'd)

(b)	2012-13 £	2011-12 £
The above staff costs are analysed as follows:		
Board members		
Chairman's salary and other Board members fees	69,548	64,301
Social security costs	2,242	2,391
Other pension costs – superannuation re Chairman	5,573	4,696
	77,363	71,388
Staff: Chief Executive and other management		
Salary	239,641	231,594
Social security costs	27,107	26,037
Other pension costs – superannuation	60,762	59,419
	327,510	317,050
Operational: Salaries	1,181,904	1,156,380
Social security costs	84,892	82,931
Other pension costs – superannuation	248,381	240,594
Employment agency staff	-	-
	1,515,177	1,479,905
Support: Salaries	356,337	348,525
Social security costs	24,685	21,086
Other pension costs – superannuation	55,001	50,908
Employment agency staff and miscellaneous	88,755	36,227
	524,778	456,746
Total staff costs (excluding Certification Officer)	2,444,828	2,325,089
Certification Officer: Salary	18,210	16,937
Social security costs	2,980	1,559
	21,190	18,496
Certification Office Support: Salaries	136,503	130,919
Total Certification Office staff costs	157,693	149,415
TOTAL STAFF COSTS	2,602,521	2,474,504

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

3. Staff numbers and related costs (cont'd)

(c) Pension Costs

The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] is an unfunded multi-employer defined benefit scheme but the Labour Relations Agency is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2012-13, employers' contributions of £369,717 were payable to the PCSPS(NI) (2011-12, £355,617) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation however HM Treasury has instructed the scheme to cease further work on the March 2010 valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employees of the Agency have opted to do this. Accordingly, these financial statements do not reflect any costs in this regard.

There were no prepaid pension costs at 31 March 2013.

(d) Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

The number of Board members serving at any one time during the year was:	2012-13 No	2011-12 No
Board Members (including Chairman)	<u>10</u>	<u>10</u>
The average number (full time equivalent) of:-		
Management (including Chief Executive)	4	4
Operational	44	44
Support	15	15
The Certification Officer (part-time)	1	1
Certification Office Support Staff	<u>4</u>	<u>4</u>
	68	68
Employment Agency staff	<u>3</u>	<u>1</u>
Total (including The Certification Officer)	<u>81</u>	<u>79</u>

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

4 Other Expenditure (including VAT, where relevant)

	Agency £	Certific. Officer £	2012-13 Total £	Agency £	Certific. Officer £	2011-12 Total £
Cash items						
Premises Costs:						
Rent, under operating leases, including car parks	205,792	18,058	223,850	205,183	19,089	224,272
Rates, including car parks	91,749	-	91,749	85,473	-	85,473
Service charges, maintenance, cleaning, heating, lighting and insurance	90,715	4,130	94,845	106,409	5,311	111,720
Security	-	-	-	-	-	-
Other Office Running Costs:						
Staff training	46,622	2,604	49,226	55,429	1,398	56,827
IT Managed Services, Maintenance and licenses	56,718	3,000	59,718	35,812	-	35,812
IT Development and implementation	19,893	-	19,893	-	-	-
Postage and telephones	51,523	712	52,235	43,047	903	43,950
Library services	38,834	3,069	41,903	40,159	2,382	42,541
Office, supplies, printing and stationery	36,990	1,160	38,150	42,654	209	42,863
Publications and advertising	20,073	1,157	21,230	17,219	4,202	21,421
Conference & Seminars	2,575	682	3,257	2,894	-	2,894
Travel and subsistence	32,344	560	32,904	27,824	-	27,824
Hospitality	5,227	142	5,369	5,770	48	5,818
Miscellaneous expenditure and venue hire	9,578	6,327	15,905	13,929	6,251	20,180
Professional subscriptions	8,177	-	8,177	6,115	-	6,115
Advertising (staff vacancies)	5,637	-	5,637	5,746	-	5,746
Bank charges	428	144	572	790	106	896

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

4 Other Expenditure (including VAT, where relevant) (contd)

	Agency £	Certific. Officer £	2012-13 Total £	Agency £	Certific. Officer £	2011-12 Total £
Fees and Expenses:						
Other professional fees	92,253	-	92,253	110,271	-	110,271
Advisors' fees and expenses	9,468	-	9,468	2,600	936	3,536
Arbitration fees and expenses	24,610	-	24,610	17,683	-	17,683
Legal fees	3,001	-	3,001	900	-	900
Internal auditors' remuneration	8,304	-	8,304	8,305	-	8,305
External auditors' remuneration	6,064	936	7,000	7,000	-	7,000
Total cash expenditure	866,575	42,681	909,256	841,212	40,835	882,047
Non-cash items						
Depreciation						
Depreciation of property, plant and equipment	80,320	763	81,083	106,394	1,028	107,422
Amounts written off intangible assets	-	-	-	4,250	61	4,311
Amortisation of non-current assets	17,535	-	17,535	1,052	-	1,052
	97,855	763	98,618	111,696	1,089	112,785
Total net non-cash expenses	97,855	763	98,618	111,696	1,089	112,785
Total	964,430	43,444	1,007,874	952,908	41,924	994,832

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

5. Property, plant and equipment

2012-2013

	Adaptations to Agency Short Leasehold Buildings £	Agency Office Equipment, Furniture & Fittings £	Agency Computer Equipment £	Certific. Officer Office Furniture Fittings £	Certific. Officer Computer Equipment £	Total £
Cost or valuation						
At 1 April 2012	498,204	469,216	282,041	29,682	14,096	1,293,239
Written off in year	(7,951)	(222,383)	(79,524)	(23,074)	(9,290)	(342,222)
Additions	92,219	7,750	1,818	-	-	101,787
Disposals	-	-	-	-	-	-
Adjustment arising on revaluation	6,225	4,224	24,852	133	590	36,024
At 31 March 2013	588,697	258,807	229,187	6,741	5,396	1,088,828
Depreciation						
At 1 April 2012	272,184	405,382	253,540	27,532	14,096	972,734
Written off in year	(7,951)	(222,383)	(79,524)	(23,074)	(9,290)	(342,222)
Provision for year	43,379	20,583	16,358	763	-	81,083
Disposal	-	-	-	-	-	-
Adjustment arising on revaluation	3,307	2,930	21,354	96	590	28,277
At 31 March 2013	310,919	206,512	211,728	5,317	5,396	739,872
Carrying amount At 31 March 2013	277,778	52,295	17,459	1,424	-	348,956
Carrying amount At 31 March 2012	226,020	63,834	28,501	2,150	-	320,505

All Assets were subject to revaluation using annual indices provided by the Office of National Statistics.

NB The depreciation charge per note 4 of £81,083 (2012: £107,422) for the year reflects the depreciation provision for Property, plant and equipment. A net revaluation upwards adjustment of £7,747 (2012 £13,553) has been posted to reserves.

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

5. Property, Plant and equipment (cont'd)

Leased Assets

The adaptations to Agency buildings on short leasehold land carried at a Net Book Value at 31 March 2013 of £277,778 and represent the Agency's only leased assets.

2011-2012

	Adaptations to Agency Short Leasehold Buildings £	Agency Office Equipment, Furniture & Fittings £	Agency Computer Equipment £	Certific. Officer Office Furniture Fittings £	Certific. Officer Computer Equipment £	Total £
Cost or valuation						
At 1 April 2011	444,309	443,249	275,657	29,250	14,946	1,207,411
Additions	23,982	22,541	22,056	-	-	68,579
Disposals	-	-	-	-	-	-
Adjustment arising on revaluation	29,913	3,426	(15,672)	432	(850)	17,249
At 31 March 2012	498,204	469,216	282,041	29,682	14,096	1,293,239
Depreciation						
At 1 April 2011	222,974	364,352	233,206	26,138	14,946	861,616
Provision for year	34,198	38,779	33,417	1,028	-	107,422
Disposal	-	-	-	-	-	-
Adjustment arising on revaluation	15,012	2,251	(13,083)	366	(850)	3,696
At 31 March 2012	272,184	405,382	253,540	27,532	14,096	972,734
Carrying value At 31 March 2012	226,020	63,834	28,501	2,150	-	320,505
Carrying value as Restated At 31 March 2011	221,335	78,897	42,451	3,112	-	345,795

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

6. Intangible Assets

Intangible assets comprise computer software and development costs.

2012-13

	Agency £	Cert' Office £	Total £
Cost or Valuation			
At 1st April 2012	147,507	9,847	157,354
Written off in year	(28,235)	(1,281)	(29,516)
Additions	4,419	-	4,419
Adjustment arising on revaluation	<u>14,581</u>	<u>1,051</u>	<u>15,632</u>
At 31st March 2013	<u>138,272</u>	<u>9,617</u>	<u>147,889</u>
Amortisation			
At 1st April 2011	104,491	9,847	114,338
Written off in year	(28,235)	(1,281)	(29,516)
Charged in year	17,535	-	17,535
Adjustment arising on revaluation	<u>9,359</u>	<u>1,051</u>	<u>10,410</u>
At 31st March 2013	<u>103,150</u>	<u>9,617</u>	<u>112,767</u>
Carrying value At 31st March 2013	<u>35,122</u>	<u>-</u>	<u>35,122</u>
At 31st March 2012	<u>43,016</u>	<u>-</u>	<u>43,016</u>

All Assets were subject to revaluation using annual indices provided by the Office of National Statistics

NB The depreciation charge per note 4 of £17,535 (2012: £1,052) for the year reflects the depreciation provision for intangible assets. Most additions were purchased in March 2012 resulting in a low depreciation charge for the year 2012 and an increased charge for 2013 of £17,535. A net revaluation upwards adjustment of £5,222 (2012 £199 downwards) has been posted to reserves.

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

6. Intangible Assets (cont'd)

Intangible assets comprise computer software and development costs.

2011-12

	Agency £	Cert' Office £	Total £
Cost or Valuation			
At 1st April 2011	112,879	10,441	123,320
Additions	41,020	-	41,020
Adjustment arising on revaluation	<u>(6,392)</u>	<u>(594)</u>	<u>(6,986)</u>
At 31st March 2012	<u>147,507</u>	<u>9,847</u>	<u>157,354</u>
Amortisation			
At 1st April 2011	109,632	10,441	120,073
Charged in year	1,052	-	1,052
Disposals	-	-	-
Adjustment arising on revaluation	<u>(6,193)</u>	<u>(594)</u>	<u>(6,787)</u>
At 31st March 2012	<u>104,491</u>	<u>9,847</u>	<u>114,338</u>
Carrying value At 31st March 2012	<u>43,016</u>	<u>-</u>	<u>43,016</u>
At 31st March 2011	<u>3,247</u>	<u>-</u>	<u>3,247</u>

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

7. Trade receivables and other current assets

	2013 £	2012 £
Amounts falling due within one year:		
Other receivables	1,187	2,455
Prepayments	67,381	56,438
Other taxation and social security	666	112
	<u>69,234</u>	<u>59,005</u>

7.1 Intra-Government Balances

	Amounts falling due within one year £		Amounts falling due after more than one year £	
	2012-13	2011-12	2012-13	2011-12
Balances with other central government bodies	-	-	-	-
Balances with local authorities	-	-	-	-
Balances with NHS Bodies	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-
Subtotal: intra-government balances	-	-	-	-
Balances with bodies external to government	69,234	59,005	-	-
Total receivables at 31 March	<u>69,234</u>	<u>59,005</u>	-	-

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

8. Cash and Cash Equivalents

	Agency £	Certification Officer £	2013 Total £	2012 Total £
Balance at 1 April	43,307	3,800	47,107	36,476
Net change in cash and cash equivalent balances	<u>(30,464)</u>	<u>(2,019)</u>	<u>(32,483)</u>	<u>10,631</u>
Balance at 31 March	<u>12,843</u>	<u>1,781</u>	<u>14,624</u>	<u>47,107</u>
The following balances at 31 March were held at: Commercial banks and cash in hand	<u>12,843</u>	<u>1,781</u>	<u>14,624</u>	<u>47,107</u>
Balance at 31 March	<u>12,843</u>	<u>1,781</u>	<u>14,624</u>	<u>47,107</u>

9. Trade payables and other current liabilities

	2013 £	2012 £
Amounts falling due within one year:		
Trade payables	12,081	13,457
Accruals	108,045	107,567
Accruals	<u>51,627</u>	<u>-</u>
Total	<u>171,753</u>	<u>121,024</u>

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

9.1 Intra-Government Balances

	Amounts falling due within one year £		Amounts falling due after more than one year £	
	2012-13	2011-12	2012-13	2011-12
Balances with other central government bodies	58,627	7,000	-	-
Balances with local authorities	-	-	-	-
Balances with NHS Bodies	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-
Subtotal: intra-government balances	58,627	7,000	-	-
Balances with bodies external to government	113,126	114,024	-	-
Total receivables at 31 March	171,753	121,024	-	-

10. Capital Commitments

	2013 £	2012 £
Capital commitments		
Authorised, but not contracted for at 31st March:		
Property, plant and equipment		
- Works, decorations and refurbishment	-	37,000
- Publication	-	1,730
Total	-	38,730

Notes to the Financial Statements

for the year ended 31st March 2013 (contd)

11. Contingent Liabilities disclosed under IAS 37

There are no contingent liabilities at the year-end 31 March 2013

12. Commitments under leases

Operating Leases:

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:-

	2013 £	2012 £
Buildings:		
Not later than one year	215,400	215,400
Later than one year and not later than five years	861,600	861,600
Later than five years	<u>215,400</u>	<u>430,800</u>
	<u><u>1,292,400</u></u>	<u><u>1,507,800</u></u>

In November 2009 the Agency leased additional adjacent premises in Belfast and at the same time negotiated a new longer lease for the expanded building.

No payments were made under finance leases.

13. Other Financial Commitments

The Labour Relations Agency has no other Financial Commitments and has not entered into non-cancellable contracts.

14. Related Party Transactions

The Labour Relations Agency is a Non-Departmental Public Body sponsored by the Department for Employment and Learning. The Department for Employment and Learning is regarded as a related party. During the year the only transactions which the Agency has had with the Department is the receipt of £3,545,000 grant, as disclosed in the statement of cash flows. None of the Board members, members of the key management staff or other related parties has undertaken any material transactions with the Agency during the year, other than the reimbursement of expenses necessarily incurred by staff in the course of their employment.

Notes to the Financial Statements

for the year ended 31st March 2012 (contd)

15. Financial Instruments

As the cash requirements of the Labour Relations Agency and the Certification Officer of Northern Ireland are met through Grant-In Aid provided by the Department for Employment and Learning, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Labour Relations Agency's expected purchase and usage requirements and the Labour Relations Agency is therefore exposed to little credit, liquidity or market risk.

16. Impairments

The total impairment charge for the year is nil.

17. Events after the reporting period

There are no events after the reporting period which need to be disclosed.

These accounts are authorised for issue on the same day that the Comptroller and Auditor General signs his audit report.

The Accounting Officer authorised these financial statements on 28 June 2013.

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