

LABOUR RELATIONS AGENCY

CORPORATE PLAN

2007-2010

Submitted to LRA Board 10 May 2007

FOR INFORMATION

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.

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.

Equality Statement

The Labour Relations Agency, in line with our Equality Scheme approved by the Equality Commission in July 2001, 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, equal opportunity and good relations. As a provider of services the Agency includes equality of treatment 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's Equality Scheme is available on the Agency's website.

Leading Employment Relations

The Board of the Labour Relations Agency is pleased to present our Corporate Plan for the three-year period from April 2007 to March 2010. This plan rolls on from the Corporate Plan 2006-2009 previously approved by DEL. The plan sets out how we intend to lead employment relations in sharing experiences and working in partnership with the social partners, agencies and Government for the next three years and in so doing being driven by our contribution to social cohesion and economic success for all in Northern Ireland.

Managing Change

Workplaces in Northern Ireland have never faced such changes and challenges as they will meet in the next 2-3 years. This applies particularly to our public services, where we anticipate major changes will affect over 150,000 employees during the lifetime of this plan. We anticipate even greater challenges arising from international economic pressures and labour market changes in an increasingly uncertain world. However, one thing is certain. Job security and business survival is enhanced by better employment relations within the workplace. No business can expect to survive by ignoring workers, nor is any job secure if the employee withholds commitment. The task of the employer and manager is to win and continuously maintain the wholehearted engagement of the employee. The overarching priority of the LRA is therefore to provide and improve our services and their relevance to modern workplaces.

Sharing Experiences

Above all, the LRA recognises that achieving our targets and goals is dependent on how well we build and conduct our relationships with employers, employers' associations, trade unions, workers, other organisations or individuals, as well as Government agencies, departments and regional political interests. We recognise that our strategy and policies are not created in a vacuum, but are driven by our contribution to economic performance and social inclusion and the business and social/political environment within Northern Ireland, within the UK, the European Union and internationally. That is why, having reviewed Northern Ireland's employment relations in detail at Board level, we consulted widely with other organisations including the CBI, the NIC-ICTU, the Federation of Small Businesses, agencies such as Invest Northern Ireland and the Equality Commission for Northern Ireland, the universities and with the Department for Employment and Learning (DEL). In addition, we drew heavily on the results of the Review of the LRA commissioned by DEL during 2005. Also, arising from our initiative in 2003, we regularly exchange information with our sister organisations, the Federal Mediation and Conciliation Service, Washington DC, the Labour Relations Commission in the Republic of Ireland and ACAS in Great Britain. In addition, we now share our experience with our equivalent organisations in Canada, Australia, New Zealand and South Africa. Most importantly, we involved our staff and Board members, drawing extensively on their practical experience and relying on them to track the influences and trends that relate to employment relations today. It is from all these processes that the Board of the LRA has distilled this, our fourth published Corporate Plan.

Adding Value

We must add value, competitiveness, fairness, survivability to business organisations and trade unions, and employability and fairness to employees. We try to do this through a widening range of access methods, providing a range of services on individual and collective employment matters and by offering alternative conflict management and resolutions. Increasingly, these services are preventive, being delivered to avoid conflict, to build mutual trust at the workplace and thereby enhance productivity, quality and

competitiveness. Recent research and evaluation shows that positive employment relations and workplace attitudes are central to being able to manage change successfully and enhance performance, yet are so often overlooked or taken for granted.

Engaging Employees and Employers

Such change in workplace practices is necessitated by employees acquiring more “voice”, and increasingly by the implementation of new employment regulations originating in Europe. During the lifetime of this plan, regulations will require every place of employment having more than 50 employees to introduce measures for employee consultation and involvement in decision making. The demands on the LRA to assist in the drafting and introduction of new workplace practices are expected to be considerable. When implemented, these practices have the potential to transform employment relations as well as business performance. They require, for some, significant change in both employee and employer attitudes. In such circumstances the LRA members of staff are ideally placed to facilitate the mutual development of best practice within organisations.

Partners

The LRA has developed close working relationships with other relevant agencies, Invest Northern Ireland, the Equality Commission, and the Department for Employment and Learning, as well as the social partners, the CBI and NIC-ICTU, to ensure Northern Ireland implements the EU Directive on consultation and employee involvement as an asset.

New Rights and Responsibilities

Also, we anticipate further close working on age discrimination and on migrant workers with our partners, and on developing more accessibility and user friendly ways of dealing with workplace conflicts. The increasing demands for resolving bullying and harassment issues are typical of our need to improve conflict management within workplaces, but the increasing financial and emotional risk to employers and employees in asserting employment rights is of concern. The risk to small businesses (10-49 employees) and to micro-businesses (1-9 employees), is regarded as particularly acute and has heightened public interest in reviewing employment tribunal procedures. It has also focused attention on alternative methods of resolving employment rights issues in Northern Ireland, since we have a proportionately higher dependence for employment on small and micro-businesses. We have addressed these crucial issues over recent years, but the take-up of the Arbitration Scheme for the Resolution of Unfair Dismissal cases has been limited. This alternative to the industrial tribunal for determining unfair dismissal cases is quick, easily accessed and less confrontational. There is no cost to the parties, and full entitlements are accessed. The LRA now expects the poor response to lead to a full review of the legislation, so Northern Ireland can develop more efficient and effective methods for alternative dispute resolution, and to lay emphasis on developing in-house practices aimed at avoiding the necessity to assert employment rights through tribunals and courts. The trend at national and international level is to prioritise the use of third party mediation and facilitation roles and to ensure the parties to an individual or collective dispute bear the primary responsibility for resolving it. This trend is not sufficiently being reflected in Northern Ireland. It brings new challenges to us all, including LRA staff.

Delivering and Modernising

Last but not least is the need to meet the ambitious programme of work set out in this Corporate Plan, to provide our services to Charter Mark quality standards and to gain full Investors in People accreditation for our employee and organisational development. This arises directly from the Review of the Labour Relations Agency carried out by Business

Development Services for the Department of Employment and Learning which was completed in March 2006. Our staff and financial resources have been increased arising from the DEL Review, and this plan sets out how the Board of the Agency intends to provide the modern services demanded by our labour market and workplaces for the future.

Whilst we have made a good start with our web-based services (www.lra.org.uk), much remains to be done to market and exploit the potential of the website and other electronic means in providing the 24-hour information and advisory services demanded by clients in a cost-effective and user-friendly way.

The Board, management and staff of the Labour Relations Agency look forward to meeting those challenges, to developing good relationships with our partners and to contributing to social cohesion and economic success through leading employment relations.

We commend the LRA Corporate Plan 2007-2010 to all.

Patrick McCartan

William Patterson

Chairman

Chief Executive

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1. The Labour Relations Agency

1.1 The Nature and Function of the Agency

The Labour Relations Agency (the Agency) is a non departmental public body. It has a Board comprising a Chairman and 9 members. Members of the Board are public appointees appointed on the basis of their expertise in employment relations. Board members are drawn from business, the trades unions, management, the legal profession and academia. The Agency is independent of Government and is responsible for promoting the improvement of employment relations in Northern Ireland (NI). Employing 63 members of staff the Agency is sponsored by the Department for Employment and Learning.

1.2 Corporate Governance

The Board of the Agency meets monthly and has appointed two committees, an Audit Committee and a Finance and Personnel Sub-Committee which normally meet three times per annum. The establishment of the two committees assists the Board in meeting its corporate governance commitments in overseeing the probity and regularity of funding as well as ensuring that appropriate resources are made available to allow for the for effective management and delivery of Agency services.

The Agency Board takes a particular interest in the following areas:

- The setting of public policy in respect of employment relations in NI.
- The impact of employment relations on NI economic and business success.
- The public profile of work and workplace issues.
- The policies and strategic direction of the Agency.
- The corporate and overall impact of Agency performance.
- The development of evidence based research in support of NI employment relations policy and good practice.
- The public profile of the Agency.

The Board of the Agency is also committed to ensuring that the Agency fulfils its role as part of the NI economic and social infrastructure by partnering with other stakeholders such as the NIC ICTU, CBI, FSB, INI, DEL and the ECNI.

2. Employment Relations - The Economic Context

2.1 The NI Labour Force

Recent statistics relating to Northern Ireland employment relations reflect positive and negative aspects. For example, the NI ILO unemployment rate of 4.1% is second lowest in the UK. The UK average is 5.1%. However the NI economic activity rate at 72.8% was the lowest of the UK regions, with the UK average standing at 78.7%.

Government continues to argue for sustainable economic development on the basis of fairly shared benefits, real partnership and social cohesion. Emphasis is put on the need for collaborative working at enterprise level, the creation of employment opportunity, the enhancement of individual employment rights, and the use of good employment practice with disputes being resolved without going to law or taking industrial action.

The structure of the Northern Ireland economy reinforces the need to pay attention to the impact of employment policy and legislative developments on small firms, an expanding service sector and on a highly unionised public sector. The Employment Relations Survey NI 2005 fills a gap by reporting on employment relations policies and practices at enterprise level. It would appear from the survey findings that a number of businesses are operating without basic employment procedures in place.

2.2 Diverging Patterns of Employment Relations

Some years ago employment relations in the United Kingdom and Ireland was considered to be reasonably uniform. Collective bargaining was at its core. However current opinion takes the view that over recent years we have witnessed the fragmentation of employment relations. In broad terms collective bargaining and Trade Union density has declined in the private sector. In the public sector Trade Union density remains relatively high with comprehensive collective bargaining arrangements holding firm.

However some commentators go so far as to suggest that different patterns of employment relations can be identified across the economy, a human resource approach in the new knowledge industries, a partnership approach in commercial industries with strong trades unions, a modified adversarial approach in the public sector and a unilateral approach in highly competitive cost driven companies. Small firms would constitute a further sector where inter-personal relations would require particular attention.

2.3 Continuing Trends

It remains that the individualisation of the employment relationship continues to be a key feature in employment relations. With the continued increase in individual employment rights the demand for accurate information and reliable advice about employment legislation, employment policies and good practice results in the Agency enquiry service dealing with approximately 50,000 enquiries each year. The Agency employment workshops and direct company support is also in high demand. The Agency website is in constant daily use.

The fragmentation of work, with an increase in atypical patterns of working, temporary and agency working continues to be a prominent aspect of change. In line with this trend the

number of part-time women workers in the NI workforce is increasing. Pressure on pensions is evident with a number of key private sector employers having declared the withdrawal of final salary pension arrangements.

Over recent years the NI migrant workforce has significantly increased. It is estimated that at least 30,000 migrants are currently working in Northern Ireland. However migrant workers are closely associated with contract labour sourced from outside NI and within the migrant workforce questions of exploitation and high labour turnover have been raised. Language and cross cultural issues have begun to be addressed however providing information and advice to the migrant workforce and dealing with disputes related to the migrant workforce could well become a key challenge for the Agency.

2.4 Economic Issues

The Agency recognises that good employment and employment relations policies can make a significant contribution to meeting Northern Ireland's economic challenges. The DETI Economic Vision for Northern Ireland (2005) highlights two high level aims on which good employment relations have a direct bearing namely, closing the productivity gap between NI and GB and increasing the percentage of the economically active in NI. In taking forward the DETI vision the DFP NI Regional Economic Strategy (2006) highlights amongst other priorities (1) the development of best management practice in the Private Sector (2) raising the awareness of the benefits of flexible working (3) the need to determine priority skills (4) the provision of effective vocational training and (5) the reduction of barriers to employment. The success of the Regional Economic Strategy will depend on the creation of decent work and the full utilisation of the available labour including the successful integration of migrant workers. Good employment relations particularly at regional level can make a significant contribution to these aims in making NI a more successful and better place to work.

In response to these changing patterns, continuing trends and economic priorities the Agency has identified a number of key areas to be addressed namely;

- working in line with the NI Regional Economic Strategy;
- the need for a strategic approach to supporting small firms;
- facilitating public sector organisational change such as the RPA;
- addressing problems facing migrant workers;
- identifying areas for innovation in dispute resolution;
- identifying and meeting employment relations training needs;
- maximising the effective use of new technology;
- developing a research agenda and
- further organisation development to enhance Agency capacity to deal with an increasingly complex employment relations environment:

2.5 Employment Legislation

Employment legislation continues to develop. The Agency will maintain its support of employers, trades unions and employees in dealing with the implications of legislation

recently introduced. For the foreseeable future the Agency will be required to deal with the following further developments such as;

- the introduction of Work and Families legislation over the 2006-09 period;
- the implementation of the Information and Consultation Regulations (Phase 2) for employers with 100 plus employees from April 2007;
- the review of the Working Time Regulations 2007;
- the implementation of ICE Regulations (Phase 3) for employers with 50 plus employees from April 2008;
- there is also the possibility of widening the scope of the statutory provisions on collective bargaining to cover pensions and training.
- the phased implementation of the increase in paid holiday entitlement (October 2007-October 2008);
- the amendment to the employer's duty to notify Government in collective redundancies;
- the extension of the right for employed carers to enjoy the right to request flexible working, April 2007;
- the extension of jurisdictions in relation to statutory dispute resolution procedure (certain types of employee representatives);
- the review of the effectiveness of statutory dispute resolution regulations during 2007:

2.6 Public Policy

The Agency recognises the need to have informed opinion on the development of public policy and on legislative decision making that addresses the particular needs of employment relations in NI. In coming years it is likely that the determination of public policy for NI employment relations will become significant for the achievement of the Region's economic and social goals. The Agency will seek to contribute through the relevant Minister/Government Committee and stakeholder arrangements to the formulation, adoption and/or adaptation of appropriate employment relations legislation and employment relations machinery.

2.7 Aims

By working in partnership with key stakeholders the Agency will engage in policy formulation on the most appropriate employment relations system for Northern Ireland. The Agency will also facilitate developments in making Northern Ireland a recognised region of excellence in employment relations throughout the private, public and voluntary sectors. To this end the Agency will undertake the following:

- Work with the social partners in addressing the employment relations implications of the Economic Vision for Northern Ireland (DETI) and of the Investment (DETI) and Economic (DFP) strategies for Northern Ireland.
- Support public sector organisations and trades unions with the implementation of the Review of Public Administration and in particular will be available to provide impartial professional employment relations services in co-operation with the independent Public Service Commission.

- In partnership with local universities will commission conduct and publish research on employment relations practice in Northern Ireland.
- Promote and facilitate the development of an employment relations network in Northern Ireland.
- Engage with ACAS and other relevant national organisations to ensure that the thinking of international experts and opinion-formers in the employment relations field are made available in Northern Ireland and that good employment relations practice is recognised.
- Hold an employment relations conference supported by relevant seminars on topical employment relations issues.

3. Facilitating Change with World Class Services

3.1 Innovation and Good Practice

The provision of advisory services is customer driven. It is reported that diverse patterns of employment relations are emerging within the economy. The key to maintaining the relevance and improving the delivery of the Agency advisory services will be the provision of responsive, accessible and flexible packages of employment relations services.

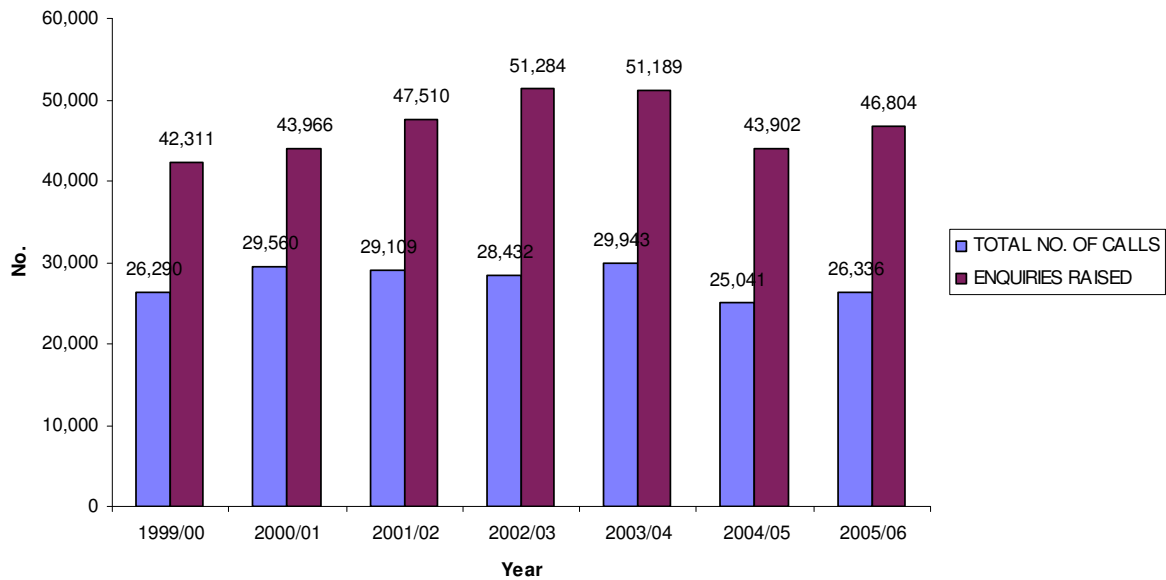
3.2 Aims

The demand for Agency advisory services remains high as indicated by Figures 1-3. The updating and revision of Agency enquiry and workshop/seminar materials including Agency Codes of Practice and general publications will be undertaken on an ongoing basis as will the updating of the Agency Website. To further improve our advisory services the Agency will undertake the following:

- Develop a strategic approach for supporting small and micro firms;
- Promote collaborative working particularly in respect of the management of change in the public sector;
- Evaluate and upgrade the telecoms provision of enquiry point services ;
- Review and enhance web based services to deal with the majority of enquiries;
- Regularly review workshops and seminar materials to ensure that a comprehensive set of employment relations topics are designed and delivered to meet customer requirements;
- Review the format of all Agency advisory publications to ensure that the content is updated in line with new employment legislation and developments in employment relations.

3.2.1 General Enquiries

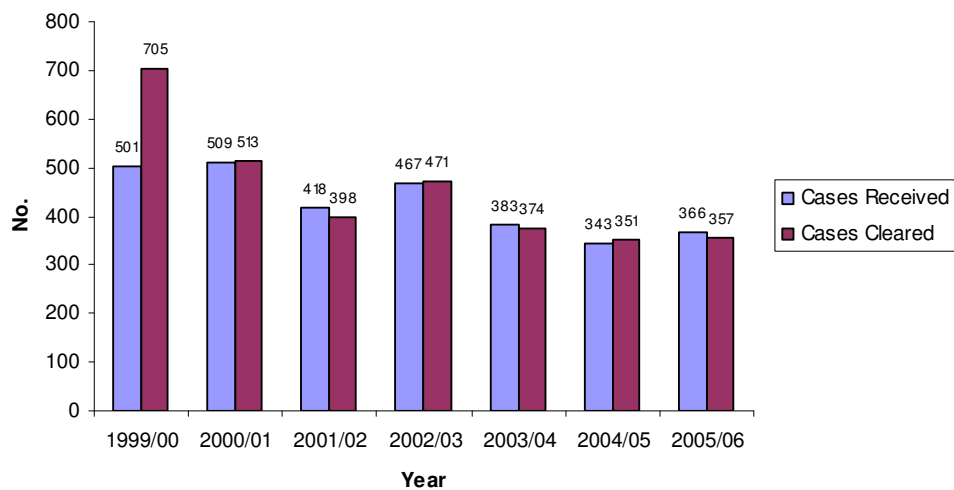
GENERAL ENQUIRIES 1999-2006



Demand levels are high. Additional resource will result in more calls and enquiries being dealt with.

3.2.2 In-Company Assistance

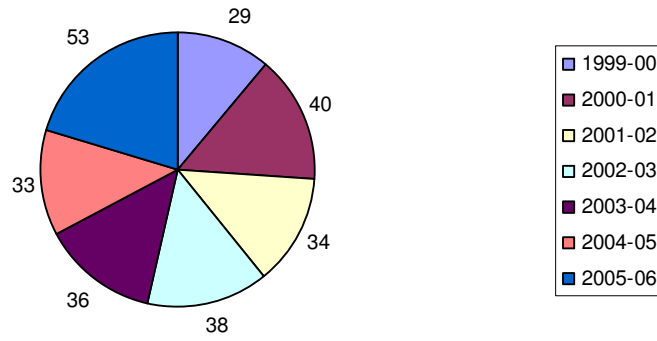
In-Company Assistance 1999-2006



Cases received and cleared are subject to the resource commitment.

3.2.3 Advisory Workshops

Number of Advisory Workshops Held 1999-2006



Workshops continue to be a growth area for the Agency.

4. Conflict Resolution for Northern Ireland Employment

4.1 Bespoke Arrangements

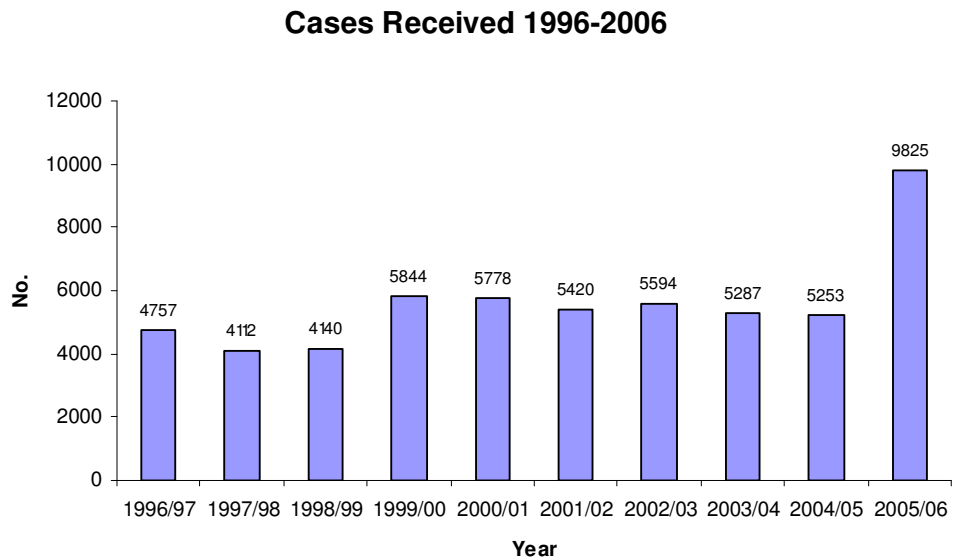
The key principle in resolving disputes is to seek to resolve matters as close to source and as informally as possible. With this in mind the Agency will be promoting a more flexible approach to dispute resolution by assisting organisations and trades unions develop systems of dispute management that relate more to the nature and pattern of disputes arising, a more bespoke approach to resolving conflicts.

4.2 Aims

The underlying trend in cases received and dealt with by the Agency remains unchanged insofar as collective disputes are at a relatively low level with the number of individual conciliation cases remaining high. The number of arbitration hearings remains steady. Figures 4-8 indicate the volumes of cases and hearings over recent years. To further develop our dispute resolution services the Agency will undertake the following;

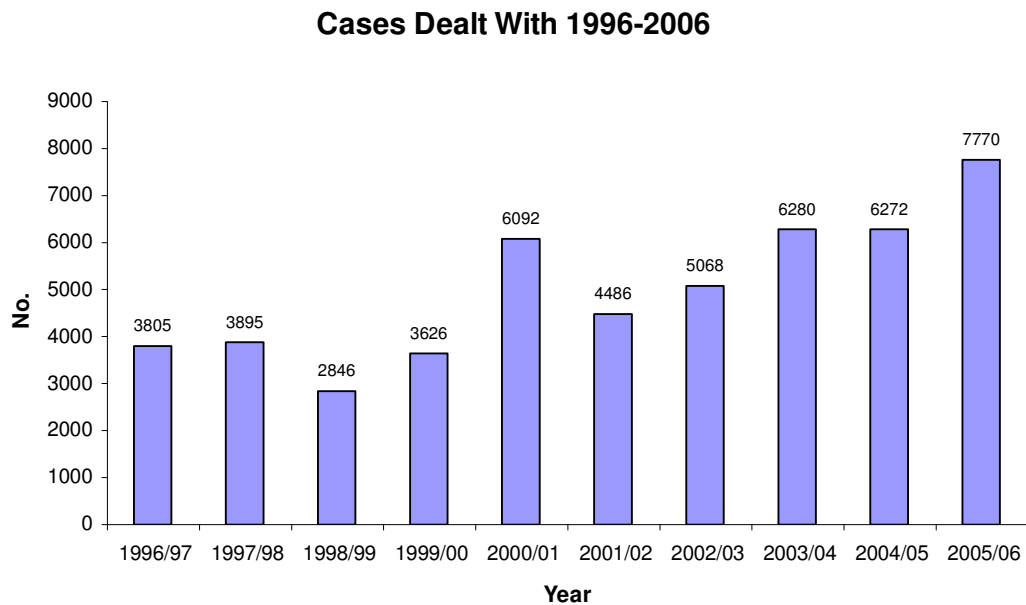
- Contribute to the significant reduction in the Tribunal backlog of cases.
- Submit to DEL a generic statutory arbitration scheme and promote the existence of statutory arbitration to all relevant jurisdictions.
- Evaluate the effectiveness of fixed periods for conciliation.
- Promote mediation in addition to arbitration and conciliation services.
- Develop the design of in-house dispute resolution systems.
- Review and enhance the Agency case management system.

4.2.1 Individual Conciliation Cases Received



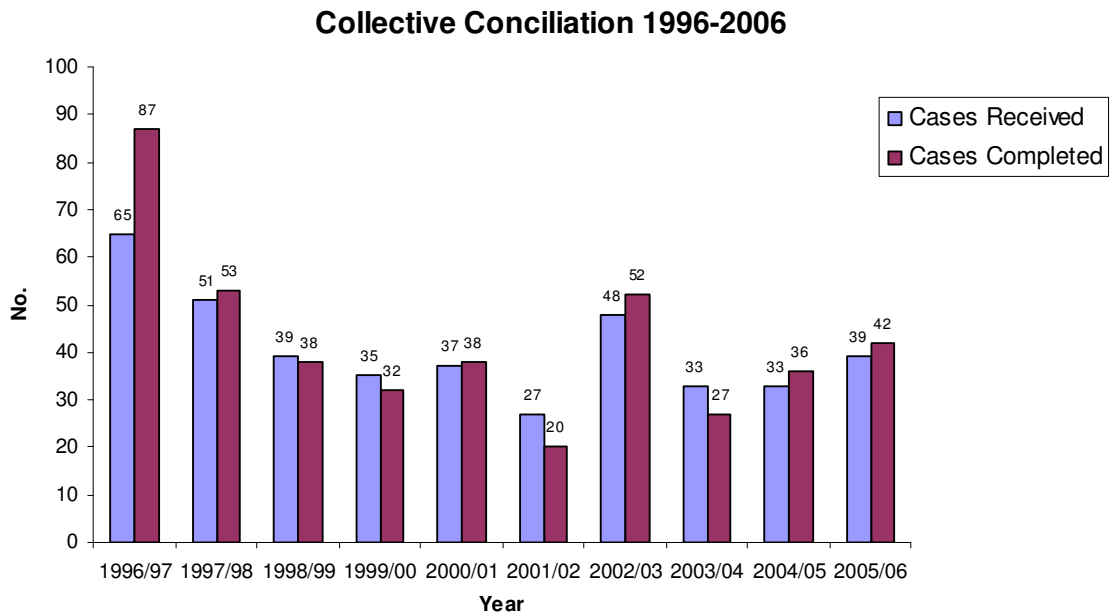
Claims received 2005/06 reduced to 3642. The 2005/06 figure of 9825 includes a bulk case of 6183 cases.

4.2.2 Individual Conciliation Cases Dealt With



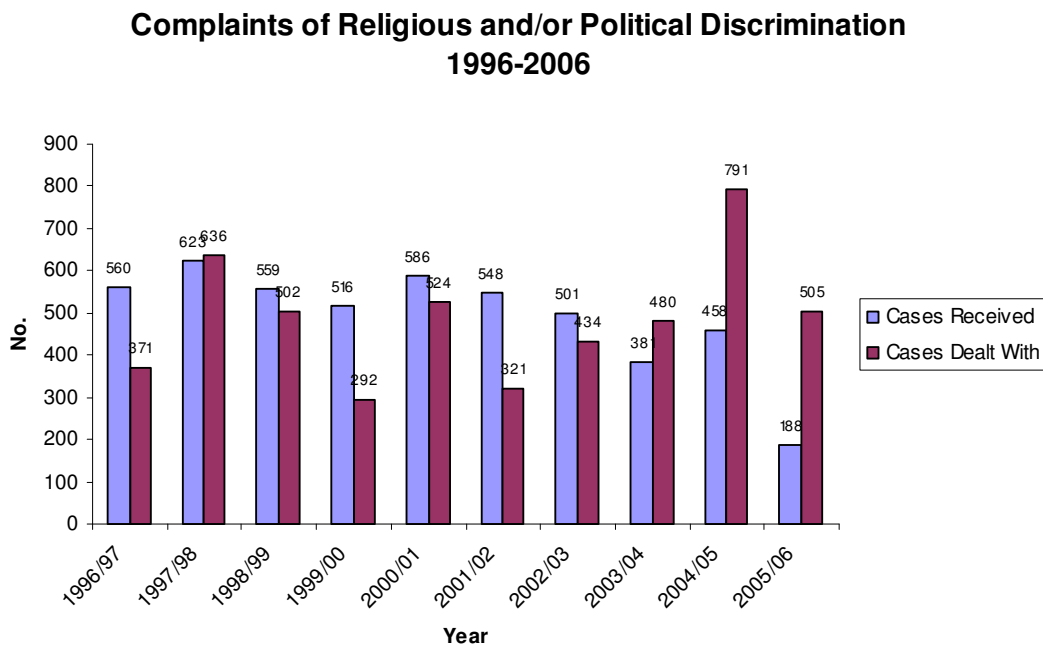
Cases dealt with remain consistently high.

4.2.3 Collective Conciliation



Collective conciliation cases remain at a manageable level subject to available resource.

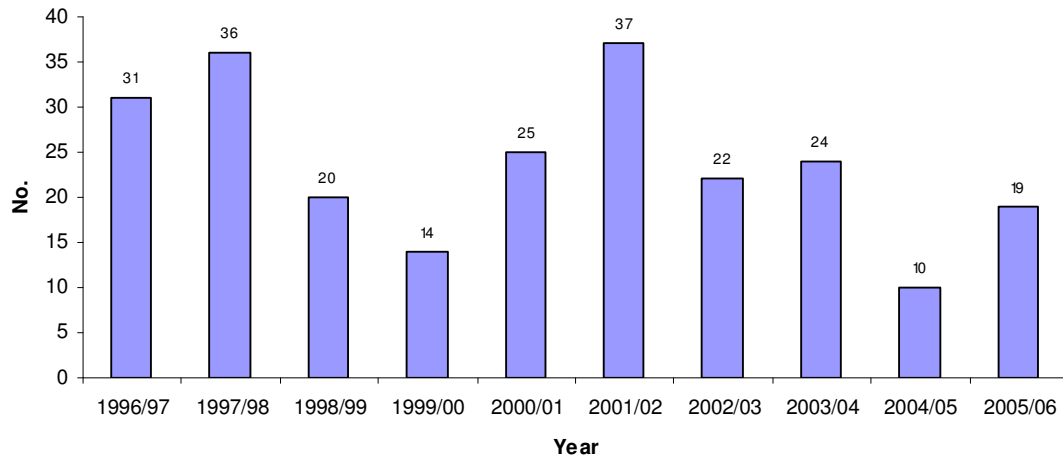
4.2.4 Complaints of Religious and/or Political Discrimination



Conciliation intervention is being targeted to times of maximum effectiveness.

4.2.5 Arbitration

Arbitration Cases Determined 1996-2006



Demand remains steady.

5 Enhancing Agency Performance

5.1 Customer Demands

A considerable amount of work has been undertaken in recent years to develop internal Agency policies, procedures and systems. The work brings the Agency to a baseline from which a more focused approach can be taken. It is intended to use customer satisfaction as the future focus for operational and systems development. The European Foundation Quality Model continues to be the basis for systematically improving the management of the Agency.

5.2 Aims

The Agency achieves recognition and maintains its credibility through the commitment and performance of staff. Staff development will be complemented by the Agency continuing to review the provision of quality services to employers, employees and their representatives on a value for money basis. To this end the Agency will undertake the following:

- Implement an organisation development and change programme based on customer focus.
- Enhance staff and management development through the review of Agency competencies and the attainment of the liP.
- Implement a revised performance appraisal system.
- Implement a revised IS/IT strategy to include the development of IT and information security, an integrated case management system and an intranet.
- Maintain good employment relations within the Agency through management and trades union representatives working together to enhance the effectiveness of the Agency, improve staff satisfaction and develop equality of opportunity and good relations.
- Develop service evaluation in line with the Agency evaluation policy.

6. Resources 2007-2010

6.1 Estimated Resource Requirement 2007-2010

The main areas where substantial additional funding will be required during the 2007-10 financial periods will be the subject of an Agency submission to DEL in support of the comprehensive spending review 2007. It is estimated that there will be significant programmes of work required in relation to information technology, organisation development, premises, accommodation, public relations, policy and research. Also to be taken into consideration will be the expansion and upgrading of service delivery as set out in the Agency submission to DEL under the comprehensive spending review 2007.

The DEL allocates the Agency's resources through the Public Expenditure Survey process. The Agency estimates that a budget of £3.900m is required for the 2007/08 financial year. It is noted that the 2007/08 financial year is not subject to the comprehensive spending review (CSR) 2007. However the grant-in aid funding for the Agency for the 3 year period commencing 2008/09 will be based on the outcome of the CSR 2007. As this corporate plan rolls forward to 2008/09 it will require comprehensive review taking into account the outcome of the CSR 2007. It is notable that for each of the past three years the Agency has performed within the overall funds allocated. However, substantial funding additional to baseline budgets was required in each year.

The Agency's performance priorities are as follows:

- To meet the Agency's statutory duty of improving employment relations.
- To promote good employment practice.
- To resolve individual and collective disputes.
- To meet the Agency's general statutory duties as an NDPB.

In the main these four performance priorities will be met within the allocated grant-in-aid subject to annual assessment.

The Agency estimates that to achieve the aims of this Corporate Plan resources greater than current estimates will continue to be required. The Agency will be examining the potential for obtaining resources from European sources, from joint funding arrangements in partnership with other organisations and from reviewing the Agency's grant-in-aid provision.

The Agency will revise the aims set out in this Corporate Plan and in its Business Plan 2007-08 in light of available resources.