

Labour Relations agency

improving employment relations

Annual Report & Accounts 2023-24



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Labour Relations Agency Annual Report and Accounts
For the year ended 31 March 2024

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under Schedule 4 to the Industrial Relations (Northern Ireland) Order 1992
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on

5 July 2024

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Foreword

As Chair of the Labour Relations Agency's Board, I believe that 2023-24 was both a very productive and successful year and I would like to take this opportunity to recognise the hard work, dedication and expertise of our staff and members of the Board.

This year witnessed our longstanding vision, *"to be widely recognised as Northern Ireland's leading authority in promoting productive working relationships for the benefit of individuals and organisations and to support the creation of a thriving and inclusive economy,"* really begin to come to fruition. We are now well established as the 'go-to' organisation for Government, stakeholders, and the media for commentary and insights on key aspects of labour market and employment policy and legislation. A particular example has been the thought-leadership we have provided, underpinned by research, on the importance to our economy of 'good jobs' and how these are underpinned.

The Board has played a vital role in the Agency's success by both setting the strategic direction and ensuring strong and effective governance. I welcomed this being recognised in an external review of the Agency, conducted by the Department of Finance's Business Consultancy Service, which concluded in late 2023.

During the year, I was pleased to welcome four new members to the Board – **Elizabeth Armstrong, Sarah Havlin, Orla Sheils, and Mark Spence** – following their appointments in September 2023. Thanks to their enthusiasm and commitment to the work of the Agency, along with the support of our pre-existing members, they have successfully integrated which has helped ensure that the Board remains a highly effective team, providing leadership and support to the work of the Agency during a challenging period for employment relations in Northern Ireland.

I would also like to take this opportunity to thank the staff of the Agency for their incredible contribution in 2023-24. They are passionate and committed, and the expertise of our staff continues to have a positive impact in supporting employers, employees and their representatives in building better workplaces and ultimately the growth of our economy.

I commend our Annual Report and Accounts for 2023-24 to you.



Gordon Milligan OBE
Chair

Chapter 1

Performance Report

Overview

The year in perspective

Our Annual Report and Accounts documents the successful delivery of the Labour Relations Agency's Business Plan for 2023-24. This Business Plan implemented the penultimate year of the four-year Corporate Plan, which sets our strategic direction until 2025.

2023-24 very much built on the previous year's success as the Agency further established itself as a key partner in the delivery of economic growth.

In particular, a key focus has been to develop a Good Employment Charter for Northern Ireland. Support for this was established at the Agency's employment relations conference in February 2023.¹ This was in line with the inclusive growth strand of the Department for the Economy's (DfE) then 10x Economic Vision. The impetus for this work grew significantly with the return of devolved government in early 2024 when the new Minister for Economy set out a new Economic Mission with 'good jobs' at its heart.²

Given the level of interest in the Charter, the development timeframe has extended into 2024-25. This is to allow for deeper consultation with key stakeholders regarding how support for, and attainment of, the Charter by employers might be assessed and incentivised to help increase the proportion of employees in 'good jobs' in NI.

Research commissioned by the Agency to underpin the value that the Good Employment Charter could add to the economy was completed in 2023. This establishes the correlation between good work and increased productivity, innovation, and employee health and wellbeing. The research report was launched in June 2024.

This complements earlier research commissioned by the Agency and published in September 2023 on the cost of workplace conflict.³ This research estimates the cost to employers of toxic workplace cultures and poor management practice as being as much as £1 billion per year through staff turnover and litigation. It is the intention that the Good Employment Charter will help tackle the causes and preponderance of workplace conflict and thereby reducing costs and increasing productivity.

In partnership with DfE and Timely Careers,⁴ the Agency organised a successful conference in March 2024 to showcase to employers the economic benefits of flexible working practices. This was with a view to increasing flexible working opportunities to help recruitment and retention to foster inclusive growth and reduce economic inactivity. The material and case studies generated by this event will inform guidance and further awareness raising activity in 2024-25.

1 See: <https://www.lra.org.uk/10x-reasons-and-more-good-employment-relations-conference>.

2 See: <https://www.economy-ni.gov.uk/news/statement-minister-murphy-economic-vision>.

3 Available at: <https://www.lra.org.uk/Latest-News/estimating-costs-workplace-conflict-northern-ireland>.

4 Timely Careers is a social enterprise created by the Women in Business Group established to help women overcome barriers to employment. Further information is available at: <https://timelycareers.com/#>.

We continued to develop our thought-leadership work during the year. This included our podcast series, 'Challenging Workplaces', which together with frequent media engagement and articles, provides platforms for the Agency to help lead and shape the debate on contemporary employment issues, with a view to ensuring effective responses by employers and employee representatives in workplaces. We have been ably supported in this work through partnerships with, among others, CIPD NI, Diversity Mark, Timely Careers, the Irish Congress of Trade Unions (ICTU) and the Equality Commission for Northern Ireland (ECNI). An excellent example of partnership working was guidance the Agency developed in partnership with ICTU, and endorsed by Women in Business, on 'Eliminating Sexual Harassment from the Modern Workplace', which was published in March 2024.⁵

Unfortunately, the levels of industrial unrest caused by the cost of living crisis experienced in the previous year continued throughout much of 2023-24. The Agency was active in resolving many of these disputes. However, there were many in the public sector beyond the reach of the Agency where resolution was contingent on intervention by Government Ministers to make funding available for pay awards; consequently, the return of the NI Executive in early 2024 resulted in settlement of a number of these.

Using learning from earlier disputes, the Agency decided to make two strategic interventions to help employers and trade unions better manage their disputes. Using its power, for the first time, under Article 86 of The Industrial Relations (Northern Ireland) Order 1992,⁶ to review and make recommendations for the improvement of collective bargaining arrangements in local government. The report and recommendations from this review are being considered by stakeholders. The Agency also began development work of a code of practice to provide guidance to improve the conduct and efficacy of collective bargaining in all sectors. Together with associated training, this will be rolled-out during 2024-25.

The Agency's core services of advice provision through the Workplace Information Service, and Early Conciliation, experienced increased demand in 2023-24. Feedback from customers and mystery shoppers continue to attest to the professionalism with which these services are provided.

Regrettably, our conciliation work and resources continue to be stretched by the volume of group litigation in respect of holiday pay and pensions disputes. The case law position on the holiday pay dispute was clarified following publication of the Supreme Court's judgement in the matter of the Police Service of Northern Ireland v Agnew and others in October 2023.⁷ Following this, the Agency commenced detailed planning to deal with an expected surge in demand for conciliation in 2024-25.

Internally, the transformation of the Agency continued. Head Office staff settled into their new accommodation in James House in Belfast, with hybrid working arrangements proving successful. New Employment Relations Managers were appointed and commenced training during the year to lead multi-disciplinary teams, which will be created through restructuring in 2024-25.

5 Available at: <https://www.lra.org.uk/resources/advisory-guide/sexual-harassment-guidance-march-2024>.

6 Available at: <https://www.legislation.gov.uk/nisi/1992/807/article/86>.

7 Available at: <https://www.supremecourt.uk/cases/uksc-2019-0204.html>.

Given the above, and the detail set out in this annual report, I am pleased to confirm that 2023-24 was another very successful year for the Agency, with nearly all objectives delivered despite an extremely challenging external environment. Despite increased demand, our standards have remained high. We retained and improved on our Customer Service Excellence accreditation and the Diversity Mark Bronze Award; we were also the only public sector finalist in the Women in Business Awards for advancing diversity in the workplace.

Lastly, I would like to pay tribute to all my colleagues, and the Agency's Board, for their tremendous work throughout 2023-24. In particular, I would highlight the achievements of those involved in working tirelessly and skilfully to resolve disputes and prevent industrial action, where they could. Thank you – your work makes a real difference to our economy and community and is very much appreciated.

A handwritten signature in black ink, appearing to read 'D Leeson', with a long horizontal flourish extending to the right.

Don Leeson
Chief Executive

The Purpose and Activities of the Labour Relations Agency

Purpose

The Labour Relations Agency is a non-departmental public body established under the Industrial Relations (Northern Ireland) Order 1976⁸ and continued by the Industrial Relations (Northern Ireland) Order 1992.⁹ The Agency is independent of Government, but accountable to and funded by the Department for the Economy (DfE).

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

The Agency is overseen by a Board, appointed by the Minister for the Economy. Staff are structured into two Directorates – Employment Relations Services and Corporate Services – with the Directors reporting to the Chief Executive. The Agency also provides staff and support services to the Certification Officer for Northern Ireland.

The Agency operates out of its Head Office in Belfast and a Regional Office in Derry/Londonderry. The Belfast Head Office relocated to James House within the Gasworks site in December 2022.

Further information regarding how the Agency is organised and governed is set out in the Accountability Report.

Vision and Values

The Agency's **vision** is:

To be widely recognised as Northern Ireland's leading authority in promoting productive working relationships for the benefit of individuals and organisations and to support the creation of a thriving and inclusive economy.

To achieve our vision and purpose, our **values** are to be:

Progressive – forward thinking, outward looking, and creative, harnessing all insights to find better ways to support the economy and society;

Ethical – always acting with integrity, impartiality, equity and utmost professionalism, and demonstrating openness and accountability;

Exemplary – challenging ourselves to be the best we can be and a role model in employment relations and equality, diversity and inclusion; and,

Responsive – listening to all our customers and colleagues and adapting to ensure our services meet their needs.

⁸ Available at: www.legislation.gov.uk/nisi/1976/1043/made.

⁹ Available at: www.legislation.gov.uk/nisi/1992/807/contents.

Services

The Agency provides a range of **advisory services** to promote good employment practice and advise employers and employees on their rights and responsibilities. These services include:

- **Workplace Information Service (WIS)** – this is a confidential information and advice line (telephone number: 03300 555 300) for employers and individuals, and their representatives;
- **Briefings, seminars, and workshops** – these are increasingly delivered via the Agency’s digital platforms and are aimed at disseminating information and good practice on a range of employment issues and enhancing the employment relations skills of line managers; and,
- **Document Service** – this online service allows employers to compile workplace documentation – from written statements of employment particulars through to employee handbooks – with guidance on compliance and good practice.

The Agency also provides a range of confidential **dispute resolution services** designed to deal with problems that arise in the workplace, providing that the parties to a dispute are agreeable. These include:

- **Conciliation** – this service seeks to find a mutually agreeable solution to a problem or disagreement where an individual could make a claim to an Industrial and/or Fair Employment Tribunal. There are three aspects to this:
 - **Early Conciliation** – potential tribunal claimants are required to notify the Agency of a dispute and consider conciliation before submitting a tribunal claim;
 - **Post-claim conciliation** – once a tribunal claim has been submitted, the Agency continues to be available to the parties to settle their dispute through conciliation; and,
 - **Employer-led conciliation** – the Agency provides a service to employers who wish to avoid the risk of a tribunal claim by using conciliation to resolve an employment matter.
- **Arbitration** – where a solution to a problem or disagreement to an individual dispute cannot be found, and the parties wish to avoid a tribunal, our arbitration service provides a quick, confidential, non-legalistic process to resolve the matter. Arbitration decisions, and remedies that flow from these, are legally enforceable in the same way as tribunal decisions. Arbitration is also available to resolve collective disputes.

An adjunct to Arbitration is the **Independent Appeals Service**, which facilitates second stage appeals for a number of public bodies, mainly in the education sector;

- **Mediation** – this is an effective tool for restoring positive working relationships using a mediator to work with those in conflict or dispute to find a mutually agreed resolution to overcome their differences; and,
- **Collective Conciliation** – this service aims to help employers and trade unions resolve collective disputes.

Influencing Employment Relations Policy and Agenda

As well as being a service provider, the Agency has a key role in working collaboratively with, and providing platforms for, representative bodies of employers and employees to facilitate discussion and seek to influence employment relations issues at a strategic level. These bodies include the Confederation of British Industry (CBI), Federation of Small Businesses (FSB), Chambers of Commerce, Institute of Directors (IoD), and the Northern Ireland Committee of the Irish Congress of Trade Unions (NIC-ICTU). We also work across all sectors, including the public, private, education and research, and voluntary and community sectors.

The Agency previously chaired and facilitated two key fora of stakeholders:

- **The NI Employment Relations Roundtable** – this promotes the strategic importance of strong and equitable employment relationships and industrial relations to economic competitiveness and social wellbeing; and,
- **The NI Engagement Forum on Covid-19** – established in March 2020 at the request of the NI Executive, the Forum has provided advice on Covid-19 matters as they apply to workplaces and the labour market.

These fora were merged in spring 2024. A name and terms of reference for this new forum are being agreed with key stakeholders.

Key issues and risks in 2023-24

Holiday Pay

The Agency's work is impacted by what is happening across the wider labour market and emerging case law. The Agency continues to process thousands of grouped cases linked to a surge in tribunal claims regarding incorrectly calculated holiday pay.

With the case law position on this matter clarified by the Supreme Court in October 2023, affected employers and employees, and their representatives, are now working through the implications of the judgement. This is with a view to either resolution through a Tribunal-directed remedy or a conciliated settlement; the vast majority are expected to use the latter.

Since this judgement was published, the Agency has embarked on detailed planning to identify the resources and logistics required to respond to what is expected to be unprecedented and substantial demand for the Agency's conciliation services over a number of years. This work is being overseen by a dedicated project manager.

A business case for additional staffing was approved by the Agency's Board in January 2024 and submitted to DfE. Additional funding of £200k has been provided by DfE for 2024-25, which should be sufficient to enable an effective response to expected demand for this year; the amount for subsequent years is yet to be decided. In the event that the additional funding made available to the Agency is insufficient to meet demand for conciliation, staff may need to be diverted from other services.

Another key risk is that, given the scale of anticipated demand, claimants may face lengthy delays before the Agency can conciliate their cases leading to frustration and reputational damage. A communications strategy is being developed to help mitigate this risk.

Accommodation Matters

Following a number of delays in the readiness of the new office accommodation the Agency successfully relocated our Head Office to James House on the Government estate in December 2022. This allowed for termination of the lease on the previous Head Office premises in Gordon Street following final clear-out at the end of February 2023.

Negotiations with the Landlord of the former Head Office premises to resolve the Agency's liability for dilapidations concluded during 2023-24. Unfortunately, the technical advice on the extent of this liability, which the Agency relied upon for financial provisions made in previous years' Financial Statements, significantly underestimated it. Following a review of the circumstances behind the surveyor's underestimate, DfE and the Department of Finance (DoF) approved payment of the dilapidations liability and provided the Agency with additional funding to settle this matter. This was not a prior period error as new information came to light in 2023-24, which substantiated the view that the provision had been under-estimated.

EU Exit

The Agency continues to work closely with DfE colleagues regarding the economic impact of the UK's exit from the European Union (EU). Additional funding is provided to the Agency for this work.

In addition, the Agency works in partnership with the Equality Commission and NI Human Rights Commission's Dedicated Mechanism Unit (DMU) regarding employment matters impacted upon by EU exit. The DMU was established to monitor compliance with Article 2 of the NI Protocol.

Article 2 safeguards current protections for the rights, safeguards and equality of opportunity provisions. The Agency's role is to provide information and expertise to the DMU on general employment law matters such as gender pay gap reporting and other areas covered and impinged upon by Article 2.

Risks

The Agency's arrangements for managing risk are set out in the Governance Statement.

The key corporate risks managed by the Agency in 2023-24 were:

- **Budget** – if adequate funding is not secured through the sponsor Department (DfE) then the Agency will not be able to deliver on its objectives.
- **Staffing** – if the Agency does not maintain adequate capacity and capability within its staffing structures then it will not be able to deliver on its objectives.
- **Organisational Transformation** – if the co-design and implementation of organisational transformation is not managed effectively, then this will impact negatively on employment relations, staff morale and, ultimately, effective service delivery.
- **IS Managed Services** – if the migration to new IS Managed Services is not effectively managed then it will impact negatively on business operations and service delivery.
- **Core Business System** – if the Agency's core business system (CMRS) does not meet defined long-term business needs then it will impact negatively on business operations and service delivery.
- **Cyber Security** – if the Agency's business systems are subject to cyber security threats it will impact negatively on business continuity and service delivery.
- **Independent Appeals Service** – if the Agency does not maintain effective control in the delivery of the Independent Appeals service it will impact negatively on customer service delivery and reputation.
- **Information, Advice and Guidance** – if the Agency does not maintain effective control in the provision of information, advice and guidance it will impact negatively on customer service delivery and reputation
- **Holiday Pay Conciliation** – demand for holiday pay conciliation disrupts other key services.
- **Data Protection** – data breach undermines the Agency's reputation for maintaining confidentiality.

None of the risks materialised during the reporting period.

Performance Summary

Employment Relations Services

Delivery of the Agency's employment relations services in 2023-24 were to a degree overshadowed by the volume of pay disputes, continuing the trend of the previous year. The Agency received 19 collective conciliation cases during 2023-24 covering the entire employment relations gamut from trade union recognition disputes through to sectoral-wide pay disputes. Unfortunately, other disputes involved public sector pay and became intertwined with the political vacuum caused by the suspension of devolved government. This meant that the parties were unable to engage in conciliation to resolve these. Fortunately, the return of the NI Executive during the final quarter of the year meant that the sometimes febrile industrial relations climate, which culminated in a public sector-wide day of industrial action in January 2024, eased.

Against this background, the Agency continued to be actively engaged in both raising awareness of our services and addressing contemporaneous employment relations matters.

The Agency has insight into labour market and employment relations issues that are 'trending' at any given time. This largely comes from intelligence drawn from the Agency's Workplace Information Service (WIS), which handled over 16,000 calls from employers, employees and their representatives in 2023-24. The top trending areas included Early Conciliation, redundancy, grievance, discipline, and contractual matters.

While call volumes increased by almost 10% in 2023-24, this data does not convey the complexity, emotion, and time involved with each caller. Each call can span many jurisdictions and fact sensitivities, which means that the role can be very challenging for our staff, with pastoral support needed to help them 'decompress'.

Advisory services in the form of sectoral assistance and partnership continued during the reporting year with joint projects continuing from the previous year with Hospitality Ulster and Independent Health Care Providers on sectoral charters. The team also assisted in the development and updating of key advisory documents published through Invest Northern Ireland on NI Business Info and NI Direct.

Well-established partnership work on publications and podcasts continued with ECNI (bullying and harassment) and ICTU (menopause and the workplace, and eliminating sexual harassment). New partnerships were formed with bodies such as Diversity Mark and Timely Careers resulting in joint events on matters ranging from inclusion through to flexible working.

Careful balancing of in-person seminars and digital content through live/pre-recorded webinars continues, depending on content and customer demand/resource availability. The volume of podcasts and short specialist information sessions called 'knowledge nuggets' increased during the year.

The Agency's focus on skills and capability development continued apace during the year with two programmes proving particularly successful. The Line Managers Certificate is now well-established and is proving to be popular with first line supervisors who need to hone their people skills. A newly developed employee representatives' programme, aimed at a non-union context, was piloted in 2023-24 and proved effective in terms of developing the skills needed to perform this vital role.

Capacity building is also the focus of the Agency's employment document toolkit whereupon businesses can take full ownership of the process of document construction and tailor them to suit the individual needs of the person and the organisation. With 1,400 registered users, this service has proved particularly popular, but requires a great deal of maintenance and review by the Agency.

In terms of sector-based good employment projects (GEP), the Agency has constrained by the need to pivot experienced staff towards collective conciliation due to the volume of industrial action. To this extent, GEP work focused in the health sector with a policy review project; the construction sector with a joint council facilitation project; and a good employment charter project with the Belfast Business Promise.

After over three years of operation, Early Conciliation is now well-established as a core service. Our case volume for the reporting year in terms of employee and employer-led notifications was over 5,700, with a total of cases received in excess of 10,000. The volume of work in this area is currently skewed by multiple claims that have emanated from the ongoing holiday pay miscalculation cases.

The Supreme Court decision on holiday pay prompted speculation regarding imminent settlement of the many thousand cases that have been listed for Tribunal hearing. It was thought that the Supreme Court decision would provide clarity on remedying the matter in terms of calculation, duration of backdating and associated methodology, particularly in the public sector. However, this matter is now subject to further legal challenge and consequential delay in settlement of many cases.

The Agency worked closely with the Tribunal to support piloting of Judicial Mediation, to the satisfaction of the judiciary. The Agency also continued delivery of mediation services to resolve interpersonal employee disputes, albeit resource constraints meant that only eight could be undertaken. During the year, the Board agreed in outline a new Mediation Strategy. This will be developed and implemented in 2024-25; a number of staff are undergoing training to increase the Agency's cohort of mediators.

The Independent Appeals Service continued to make in-roads into a pandemic-related backlog, with 14 cases heard in 2023-24. Importantly, work with key stakeholders to develop a new governance framework progressed during the year with a view to increasing the efficacy of the scheduling and conduct of independent appeal hearings. This work is expected to conclude in early 2024-25.

Unfortunately, some objectives were unable to be completed during the year and carry forward into the Business Plan for 2024-25. Specifically, these relate to strategic interventions to improve the conduct of collective bargaining arrangements.

Corporate Services

The Agency settled into our new Head Office accommodation in James House in Belfast, with 2023-24 being the first full year in the premises. The Agency continued to pilot hybrid working, with an evaluation supporting the continued application of the policy. The infrastructure, which supports remote working, was sustained by the replacement towards the year-end of laptops to ensure that our business systems are fully compliant with software upgrades and protected against potential cyber security attacks.

Significant progress has been made with the improvement of functionality of our case management and records system (CMRS). Preparation started for the upgrade in 2024-25 to a cloud-based system, which will result in a much-improved web portal providing a more user-friendly interface for our clients.

The Agency enjoyed a number of nominations and successes for our Equity, Diversity and Inclusion (EDI) initiatives and for the EDI Manager individually. The Agency retained Diversity Mark Bronze Standard and is seeking Silver accreditation in early 2024-25.

Customer Service Excellence remains a priority and the Agency invests heavily in the training and improvement of our people and systems to provide efficient and effective services, while remaining person-centred in the delivery of advice and guidance. This is borne out by our continued accreditation of the Customer Service Excellence Standard and our attainment of the Gold Investors in People standard.

To further improve our services, the Agency has embarked on a Transformation Programme which seeks to upskill staff in all aspects of alternative dispute resolution and restructure into multidisciplinary teams. This is with a view to increasing the Agency's versatility to respond to variable demands for services at any point in time. The completion of the Programme will be in 2024-25, but already the benefits of this approach in service delivery are being realised.

The Agency recognises the importance of providing clear, current and well-informed advice and guidance via our website (www.lra.org.uk).

The Agency has further developed the website to make advice available in different formats and easily accessed by our clients. Social media capabilities have enabled us to expand our online service offerings and reach more customers. In line with our Communications Strategy, we have continued to grow our social media traffic and increased our media profile in 2023-24.

Promoting equality of delivery of services to different groups

As a public authority, the Agency has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in Section 75 of the Northern Ireland Act 1998¹⁰ in carrying out its functions. Further information on the Agency's equality scheme is available on our website.¹¹

In terms of service delivery, the Agency holds the Customer Service Excellence standard. The annual reassessment demonstrated that the Agency had improved its compliance level against the standard. This was principally because of the work carried out to improve the equality of delivery to, and better understand the needs of, different customer groups. Our work with regard to EDI supports this and has significantly improved our understanding of the needs of our wide-ranging clients and equips us better to provide appropriate responses.

¹⁰ Further information on the Section 75 statutory equality duties are available at: <https://www.equalityni.org/S75duties>.

¹¹ Available at: <https://www.lra.org.uk/resources/other/equality-scheme-2011>.

The Agency endeavours to provide services which are accessible, including use of fully accessible premises and website, offering a range of communication channels, translation services, and adopting the JAM (Just a Minute)¹² initiative for people with autism and other hidden disabilities. We are also a founding member of Neurodiversity in Business¹³, which demonstrates our commitment to building a more neuro-inclusive organisation in delivering accessible services.

The EDI Manager has developed a wide network of support across the Section 75 groups and beyond. We continue to support the LGBT+ community and participate in Belfast Pride and Foyle Pride. We are committed to ensuring that our services are inclusive to ethnic minority groups and are a signatory to the Business in the Community Race at Work Charter¹⁴. In addition, the Agency enjoys a relationship with the Chinese Welfare Association¹⁵ to raise awareness of employment rights among people within the Chinese community. We attended, for the first time in August 2023, the Belfast Mela in partnership with ArtSekta¹⁶ to promote awareness of the Agency and will continue this in 2024.

12 Further information is available at: <https://www.jamcard.org/>.

13 More information available at: <https://neurodiversityinbusiness.org/>.

14 More information at: <https://www.bitcni.org.uk/programmes/race-at-work/>.

15 More information at: <https://www.cwa-ni.org/>.

16 More information at: <https://artsekta.org.uk/>.

Performance Analysis

This section sets out how the Agency has monitored delivery of the Business Plan for 2023-24 and a detailed view of performance against objectives.

Performance Monitoring

The Agency's Business Plan for 2023-24 implemented the third year of the Corporate Plan for 2021-25. The Corporate Plan is closely aligned to the broader societal outcomes promulgated in the NI Executive's draft Programme for Government (PfG) and developed along three high level themes:

- Improving organisational performance and responding to the needs of individuals through expert employment relations advice and support;
- Working with stakeholders and delivery partners to evidence and promote the economic and social return from good employment relations and shape public policy; and,
- Optimising the contribution of staff and resources to deliver our statutory functions through effective leadership and governance practices.

We align the delivery of our objectives under each of these strategic themes. Each year of the Corporate Plan has an annual Business Plan, which ensures delivery of all objectives across the life of the Corporate Plan. Personal objectives for each member of staff align with the Business Plan to provide clarity of roles, responsibilities and purpose, and ensure delivery of corporate objectives.

The Business Plan for 2023-24 contained 46 actions designed to deliver on the strategic objectives set out in the Corporate Plan. The Senior Leadership Team monitors progress against the objectives at monthly meetings and reports performance to the Board; progress against objectives is also discussed at Partnership meetings with DfE. Monthly performance management reports highlight actions that are complete, on track, behind schedule, not yet started, or not delivered during the year.

Principal risks to the Agency in delivering on the Business Plan in 2023-24 are carefully monitored in the context of a Risk Management Framework. The key risks identified for 2023-24 are described above and in the Accountability Report.

Performance against Objectives

Overall, the Agency delivered, or delivered in large part, 42 of 46 (over 90%) of planned outcomes/outputs contained in our Business Plan for 2023-24. Where appropriate, actions only partially or not delivered in 2023-24 have been carried forward into 2024-25.

The outcomes not delivered related to:

- Training on collective bargaining (Objective 1.2h) – this action is dependent on completion of a code of practice on collective bargaining, which was only partially developed at the year-end;
- Migration of IT managed services to IT Assist (Objective 3.1g) is contingent on the CMRS upgrade, which – after detailed review – will not be concluded until the end of 2024-25;
- Implementation of the staff Intranet (Objective 3.1j), which will be progressed when staff resources allow; and,
- Development of a scheme of delegation (Objective 3.2c), which has similarly been constrained by resource availability.

Strategic Theme 1: Improving organisational performance and responding to the needs of individuals through expert employment relations advice and support.

1.1 Provide effective guidance on employment relations issues to individuals and organisations.

<p>a. Respond effectively to callers to the Workplace Information Service.</p>	<p>Outcome delivered Number of enquiries received/handled: 16,108 calls offered (2022-23: 14,826; +9%) 15,368 calls handled (2022-23: 14,182; +9%) 32,344 jurisdictional enquiries (2022-23: 29,509; +10%) Average waiting time 47 seconds (target: <60 seconds) Lost call rate: 5% (target <10%)</p>
<p>b. Focus advisory services to support implementation of the 10x Economic Strategy, and those employers and employees hit hardest by the current cost of living crisis, through the development of delivery partnerships with statutory, employer and industry bodies, and trade unions.</p>	<p>Outcome delivered The Agency continued delivery partnerships in this reporting year with: Hospitality Ulster (HU), Local Councils, Invest NI, CIPD NI, Diversity Mark, Timely Careers, IHCP (Independent Health and Care Providers), Equality Commission (ECNI) and the Irish Congress of Trade Unions (ICTU).</p> <p>Number of joint events delivered: 10 (2022-23: 7).</p> <ul style="list-style-type: none"> • Managing Harassment and Bullying at Work – ECNI/LRA (7) • Belfast City Council – Business Promise Pledge Learning Day – LRA/Diversity Mark (1) • Menopause and Reproductive Health – Diversity Mark/TLT/LRA/QUB (1) • Menopause – A Workplace Issue? ECNI/LRA/ICTU (1) <p>Stakeholder and customer satisfaction with the quality of joint events: 100% (2022-23: 97%), with 76%* (2022-23: 82%) of customers reporting greater confidence in dealing with employment relations matters as a result of attendance at events (target: at least 80%).</p> <p>*Note: a number of attendees report confidence levels as not applicable, because they are not involved in employment relations.</p> <p>The Agency played a pivotal role in supporting IHCP launch a new Employer Charter to members in October 2023.</p> <p>Guidance developed by the Agency in partnership with ICTU, and endorsed by Women in Business, on preventing sexual harassment in the workplace was launched by the Minister for the Economy in March 2024.</p>

<p>c. Increase digital content through the development and delivery of a programme of good practice seminars/webinars, videos and podcasts to give employers, employees, and their representatives, greater confidence in dealing with employment relations matters.</p>	<p>Outcome delivered During 2023-24, our programme of seminars was delivered through a combination of in-person events and online webinars. New pre-recorded webinars and short, focused 'knowledge nuggets' on popular subject areas were added to the website and continue to evolve.</p> <p>Number of in-company events delivered: 20 (2022-23: 16). Customer satisfaction with the quality of in-company events: 97% (2022-23: 94%), with 92% (2022-23: 73%) reporting greater confidence in dealing with employment relations matters as a result of attendance at events (<i>target: at least 80%</i>).</p> <p>Demand for face-to-face work has increased and will be more targeted to make better use of staff time and effort.</p> <p>Number of public events delivered in reporting year: 16. Customer satisfaction with the quality of public events: 98% (2022-23: 94%), with 99% (2022-23: 80%) reporting greater confidence in dealing with employment relations matters as a result of attendance at events (<i>target: at least 80%</i>).</p>
<p>d. Provide managers with practical skills and confidence to create positive and productive working environments through the LRA Certificate in Line Management Practice to encourage employers to adopt good practice in managing employment relations.</p>	<p>Outcome delivered One programme of the Agency's Certificate in Effective Line Management Practice was successfully delivered in 2023-24.</p> <p>The programme has been adapted in line with customer feedback and staff experience for delivery in 2024-25.</p>
<p>e. Deliver a programme for employee representatives to provide them with the practical skills and confidence to support the creation of positive and productive working environments by encouraging employers to adopt good practice in managing employment relations.</p>	<p>Outcome delivered Since the launch of the pilot programme in October 2023, over 60 employee representatives have benefitted from the training across four participating organisations with positive feedback received to help inform design and delivery going forward.</p>
<p>f. Continue to promote the Agency's online Employment Document Toolkit to support legislative compliance by employers and encourage good practice in employment relations matters.</p>	<p>Outcome delivered The uptake of the Employment Document Toolkit has grown year on year with over 1,400 customers now registered to use the service.</p>

<p>g. Deliver sectoral-based good practice facilitation services.</p>	<p>Outcome delivered The Agency provides an independent member to a panel reviewing the NHS' Maintaining High Professional Standards conduct and discipline procedure for doctors and dentists. This work spans this and the next reporting years.</p> <p>The Agency is a key partner of the Belfast Business Promise Charter. The Agency is a full Member, Supporter participant, and technical panel adviser for the 40+ organisations involved.</p> <p>The Agency facilitates quarterly joint council meetings of the Construction Employers Federation (NI) as part of a good work project; the joint council met four times during the year.</p>
<p>h. Continue to provide thought-leadership on contemporary employment issues through the development and promotion of best practice policies and publications and podcasts.</p>	<p>Outcome delivered The Agency's work in this area continued to grow significantly throughout the reporting year via a range of different media, with numerous television and radio interviews, and bespoke articles written for various newspaper outlets and journals. The Agency also produced five podcasts during the year in the 'Challenging Workplaces' series.</p>

1.2 Help prevent and resolve individual and collective workplace disputes.

<p>a. Deliver an Early Conciliation service that reduces the number of claims heard by an employment tribunal.</p>	<p>Outcome delivered Number of employee and employer-led notifications received: 5,714 (2022-23: 5,407). Of these, 2,363 were associated with multiple notifications.</p> <p>Number and % of EC notifications settled: 1,410; 25% (2022-23: 801; 15%).</p> <p>Number and % of settlements for all case types (including tribunal cases): 1,870; 28% (2022-23: n\a).</p> <p>Number and % of cases proceeding to Tribunal hearing (<i>target: no more than 20%</i>): 220 out of 1,245 cases 'cleared' by the Tribunal (18%) (2022-23: 109; 13%).</p>
<p>b. Contribute effectively to DfE's Year 3 review of Early Conciliation – timetable to be determined by DfE.</p>	<p>Outcome delivered The review is being led by DfE. The Agency has been involved in discussing the format and methodology for the Year 3 review. Material from an internal stakeholder focus group has been prepared as part of the review.</p>

<p>c. Respond effectively to demand for conciliation to resolve holiday pay disputes.</p>	<p><u>Outcome delivered</u> Much of the focus of holiday pay conciliation work in 2023-24 has been in preparation for a surge in demand for this service following the Supreme Court decision in the ‘Agnew’ case.</p> <p>A dedicated project manager has been assigned to plan the Agency’s approach to conciliation of an estimated 30,000 cases involving over 40 employers. The Business Case to secure additional resources for this work was submitted to DfE in January 2024. The outcome of this is awaited.</p> <p>These are awaiting the outcome of negotiations between employers and employee representatives and/or further Tribunal proceedings, which are expected to conclude in 2024-25.</p> <p>In the meantime, the Agency has conciliated a modest number of individual holiday pay Tribunal claims (circa 25).</p>
<p>d. Support, from April 2023, implementation of Judicial Mediation by the Tribunal Service.</p>	<p><u>Outcome delivered</u> 79 cases were listed for Judicial Mediation in 2023-24.</p> <p>Of these: 21 settled through Agency conciliation; 16 did not reach an agreement; 5 settled prior to mediation commencing; 20 were withdrawn by the parties; and, 17 postponed to a date in 2024-25.</p> <p>The Tribunal Service has confirmed its satisfaction with the Agency’s support for this new service.</p>
<p>e. Deliver an effective collective conciliation service to facilitate the resolution of collective workplace disputes.</p>	<p><u>Outcome delivered</u> 18 collective conciliation cases in 2023-24 (2022-23: 15), with five carried forward from the previous year. Of these, 19 were concluded (2022-23: 15).</p> <p>% resulting in a settlement to resolve the dispute (target: 70%): 14 (74%) resulted in a settlement during or following the conciliation process (2022-23: 9; 60%).</p>

<p>f. Publish recommendations emanating from the Agency's Article 86 review of collective bargaining arrangements in the local government sector by September 2023.</p>	<p><u>Outcome partially delivered</u> The Agency Board endorsed the review's recommendation in June 2023. The report and recommendations have been shared with key stakeholders. A series of bilateral meetings with Management Side stakeholders took place during the reporting year to assess their appetite for adoption of the recommendations. Formal responses are awaited.</p>
<p>g. Develop and publish a code of practice on collective bargaining by December 2023.</p>	<p><u>Outcome partially delivered</u> Initial discussions around the concept and content of a code were held with key stakeholders during the reporting year. More detailed discussions are awaiting further information in respect of the Minister for the Economy's intentions regarding trade union representation in 2024-25.</p>
<p>h. Develop, by March 2024, a training workshop for employers and trade unionists on effective collective bargaining.</p>	<p><u>Outcome not delivered</u> This work is awaiting completion on the above code of practice.</p>
<p>i. Deliver an effective mediation service to facilitate the resolution of interpersonal workplace disputes within the context of devising a future mediation strategy for the Agency based on available resources.</p>	<p><u>Outcome delivered</u> The Agency facilitated eight mediations in 2023-24 (2022-23: 15). There was reduced capacity to support mediation requests during the reporting year as a result of resourcing pressures. Further staff are being trained to increase capacity in 2024-25. % of mediations taking place in the period that reached agreement (target: 70%): 87% (2022-23: 73%).</p>
<p>j. Review, by November 2023, the Mediation Service and make proposals to ensure the most effective use of Agency resources, in line with customer needs.</p>	<p><u>Outcome delivered</u> Proposals for a new strategic direction for this service were agreed at the November 2023 Board meeting. These will be progressed in the context of the Business Plan for 2024-25.</p>
<p>k. Deliver an Arbitration and Independent Appeals Service that meets agreed performance standards.</p>	<p><u>Outcome delivered</u> Number of arbitration and independent appeals cases received: 23 (2022-23: 22). Number of arbitration and independent appeals cases heard: 14 (2022-23: 18). Number of arbitration and independent appeals cases carried forward to 2022-23: 53.</p>

<p>l. Commence implementation, from April 2023, the outcome of the Independent Appeals Service review to ensure the most effective use of Agency resources, in line with customer needs.</p>	<p><u>Outcome partially delivered</u> A working group has been formed of education sector stakeholder (the largest customer group), to develop a new governance framework to improve the efficiency of the scheduling and conduct of hearings, which will in turn help reduce the backlog that developed during the Covid pandemic. This new approach will be piloted in 2024-25.</p>
<p>m. Work with key delivery partners in line with agreed Memoranda of Understanding (MoU).</p>	<p><u>Outcome delivered</u> MoUs are in place with the Office of Industrial Tribunals and Fair Employment Tribunal (OITFET), the Certification Officer and the Industrial Court. Work with all these progressed well and in line with the expectations of the partners.</p> <p>During the year, the MoU with the Certification Officer was updated to reflect new arrangements put in place to support the Industrial Court with effect from April 2024. The Industrial Court is similarly being updated.</p> <p>The MoU with OITFET was updated in 2023-24 to reflect arrangements for the conduct of Judicial Mediations.</p> <p>An MoU is being developed between the Agency and the Equality Commission.</p>

Strategic Theme 2: Working with stakeholders and delivery partners to evidence and promote the economic and social return from good employment relations and shape public policy.

2.1 Work with strategic partners to facilitate discussion and collaboration on matters relating to employment relations public policy, skills and research.

<p>a. Implement, by June 2023, the review of the terms of reference for the NI Employment Relations Roundtable.</p>	<p><u>Outcome delivered</u> Following a review of the NI Employment Relations Roundtable and NI Engagement Forum on Covid-19, which was conducted in 2022-23, the two groups have been merged to form a new high-level engagement forum of business and trade union leaders.</p> <p>Draft terms of reference for this new forum were agreed at the December 2023 Board meeting for consultation with key stakeholders.</p> <p>Membership of the new forum has been agreed and its first formal meeting was held in April 2024.</p> <p>Forum members met the Minister for the Economy in February 2024 for what is expected to be a regular quarterly engagement to discuss labour market issues and the development of new employment legislation.</p>
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<p>b. Support DfE with the development of an Employment Rights Bill, in line with timetable agreed with DfE.</p>	<p><u>Outcome delivered</u> The Agency is in regular contact with DfE on matters pertaining to statutory developments in GB and policy ramifications for the NI jurisdiction. The level of engagement increased towards the end of the reporting year as DfE commenced development work on new employment legislation for NI, following the return of devolved government.</p>
<p>c. Further develop partnership arrangements to progress collaborative projects with ACAS and the Workplace Relations Commission (WRC).</p>	<p><u>Outcome delivered</u> The Agency is in regular contact with senior level counterparts in both Acas and WRC to discuss issues of mutual interest and share learning.</p>
<p>d. Further develop partnership arrangements to progress collaborative projects with the Equality Commission and other stakeholders as appropriate.</p>	<p><u>Outcome delivered</u> The Agency delivered a number of joint events with the Equality Commission during the reporting year on areas of commonality, joint interest and overlap.</p> <p>In parallel, the Agency partnerships with Diversity Mark and CIPD NI are strengthening, and a number of joint events have taken place, with further ones planned for 2024-25.</p>

2.2 Develop and promote an Employment Relations Model for Northern Ireland.	
<p>a. In partnership with DfE and stakeholders, develop a good employment charter and associated guidance – timetable to be agreed with DfE.</p>	<p><u>Outcome partially delivered</u> Development of the Charter took on added impetus in 2023-24, given the new Minister of the Economy’s Economic Vision and focus on ‘good jobs’.</p> <p>With the agreement of DfE, development of the Charter will be extended to March 2025, to allow time for full consultation with stakeholders and agreement of its use across government to support economic growth.</p> <p>An early draft version of the Charter was discussed with DfE officials and potential delivery partners in other arm’s length bodies at a consultation workshop in January 2024.</p> <p>In the meantime, sector-specific charters have been developed with the Independent Health Care Providers and Hospitality Ulster, and the Agency is providing technical support for the employment aspects of the Belfast Business Promise.</p>
2.3 Evidence the economic and social return from good employment and industrial relations practice.	
<p>a. Publish, by June 2023, research on the cost of workplace conflict in Northern Ireland.</p>	<p><u>Outcome delivered</u> The report, together with a summary report funded by ReWAGE, were published in September 2023 with considerable media engagement achieved.</p>
<p>b. Publish by September 2023, research on the extent to which good employment relations supports improved productivity.</p>	<p><u>Outcome partially delivered</u> The research report and associated policy brief were approved for publication at the December 2023 Board meeting.</p> <p>In order to maximise publicity for the research, it was subsequently agreed with DfE that the Minister of the Economy will launch the report at an event in June 2024.</p>

Strategic Theme 3: Optimising the contribution of staff and resources to deliver our statutory functions through effective leadership and governance practices.

3.1 Ensure the effective development of Agency staff and systems to deliver our statutory functions.

<p>a. Agree, by September 2023, proposals for an organisational transformation programme.</p>	<p><u>Outcome delivered</u> Proposals for the Agency's transformation programme were agreed at the June 2023 Board meeting. The programme is on track for implementation in autumn 2024.</p>
<p>b. Develop, by June 2023, an action plan to implement the 2023-24 elements of the Equity, Diversity and Inclusion Strategy for 2021-25.</p>	<p><u>Outcome delivered</u> Action plan agreed in May 2023 and implemented.</p>
<p>c. Develop, by June 2023, an action plan to implement the Year 3 elements of the People Strategy for 2021-25.</p>	<p><u>Outcome delivered</u> Action plan agreed in May 2023 and implemented.</p>
<p>d. Develop, by June 2023, an action plan to implement the Year 3 elements of the Communications Strategy for 2021-25.</p>	<p><u>Outcome delivered</u> Action plan agreed in May 2023 and implemented.</p>
<p>e. Develop, by June 2023, an action plan to implement the Year 3 elements of the Business Intelligence Strategy for 2021-25.</p>	<p><u>Outcome delivered</u> Action plan agreed in May 2023 and implemented.</p>
<p>f. Develop, by June 2023, an action plan to implement the Year 3 elements of the IS Strategy for 2021-25.</p>	<p><u>Outcome delivered</u> Action plan agreed in May 2023 and implemented.</p>
<p>g. Manage, by September 2023, the on-boarding of the Agency's IS Managed Services to IT Assist.</p>	<p><u>Outcome not delivered</u> Given the required upgrade for the CMRS to ensure compatibility with IT Assist, this action will be progressed in 2024-25.</p>
<p>h. Implement, by May 2023, planned enhancements to the web portal and CMRS.</p>	<p><u>Outcome partially delivered</u> While significant work has been undertaken during 2023-24, implementation of the enhancements will carry forward into 2024-25.</p>

<p>i. Evaluate, by September 2023, the case management and records system (CMRS).</p>	<p><u>Outcome delivered</u> The review was completed and the accompanying report, including a recommended option for future provision, provided to the Agency in June 2023. The Agency is currently exploring arrangements to progress the recommended option along with the availability of additional capital funding through DfE.</p>
<p>j. Implement, by August 2023, a new intranet.</p>	<p><u>Outcome not delivered</u> While some progress has been made on the intranet, implementation has been delayed until 2024-25 due to resourcing constraints.</p>
<p>k. Evaluate the current pilot of the Agency's hybrid working policy and implement the findings by September 2023.</p>	<p><u>Outcome partially delivered</u> The evaluation has taken place and consulted on across the Agency. The final policy will be implemented in early 2024-25.</p>
<p>l. Develop, by December 2023, proposals for the future accommodation arrangements of the Agency's Regional Office when current lease expires in June 2024.</p>	<p><u>Outcome partially delivered</u> The Department for Communities (DfC) in their capacity as Landlord for the Regional Office has confirmed that it will allow the Agency to enter a new five-year lease, with the rent unchanged. The new lease is expected to be signed in early 2024-25, following the necessary approvals by DfE and DoF.</p>
<p>m. Subject to agreement with the NI Certification Officer and appropriate funding, on-board secretariat support to the Industrial Court, in line with timetable agreed with DfE.</p>	<p><u>Outcome delivered</u> The secretariat function for the Industrial Court transferred to the Agency with effect from April 2024.</p>

3.2 Deliver excellent governance in the management of the Agency's resources in line with the requirements placed on public bodies.	
a. Ensure the effective quality management of the Agency's resources.	<p><u>Outcome delivered</u></p> <ul style="list-style-type: none"> • ISO 27001 annual surveillance audit successfully completed in November 2023; • Customer Service Excellence Award annual surveillance audit successfully completed in April 2024; • Diversity Mark Bronze Award annual surveillance audit successfully completed in March 2023 – application for Silver Award submitted in May 2024 • Investors in People Gold successfully achieved – reassessment scheduled for early 2024-25.
b. Achieve a budget outturn (resource and capital) of 99%.	<p><u>Outcome delivered</u></p> <p>The Agency's outturn was £4,993k against a revised budget of £5,056 (99%). Further information is contained in the Financial Performance section below.</p>
c. Develop, by March 2024 , a scheme of delegation in preparation for new legislation clarifying the roles of Board and staff members.	<p><u>Outcome not delivered</u></p> <p>To be progressed in 2024-25, when resources permit.</p>
d. Induct new Board members, in line with timetable agreed with DfE.	<p><u>Outcome delivered</u></p> <p>Induction completed, with Board member satisfaction with their on-boarding confirmed.</p>
e. Ensure Board effectiveness.	<p><u>Outcome delivered</u></p> <p>The outcome of the annual self-assessment exercise confirmed Board member satisfaction with Board effectiveness.</p> <p>The annual Board Strategy Day in October 2023 included a focus on good governance. A number of further improvement actions flowed from this and have been implemented.</p> <p>An external review of the Agency has confirmed that good governance is in place (see Governance Report below).</p>

Financial Performance

Statement of Financial Position

In terms of the Agency’s overall Statement of Financial Position as at 31 March 2024, taxpayer’s equity was £491k, an increase of £125k from the previous year. This was largely due to an increase in cash held for an accrued pay award, which was paid in April 2024.

Budget Outturn

The Agency’s opening resource funding allocation in April 2023 was £4,415k. Additional funding of £447k was obtained in-year from DfE to cover, among other requirements, the costs of delays in relocation to James House and the 2023-24 pay award. The Agency surrendered £37k to support the transfer of the secretariat of the Industrial Court, which did not occur until April 2024. Therefore, the Agency’s resource budget for 2023-24 was £4,877k (2022-23: £4,922k). However, as agreed with DfE, the budget was revised down to £4,862 to account for a reduction in the cost of the dilapidations.

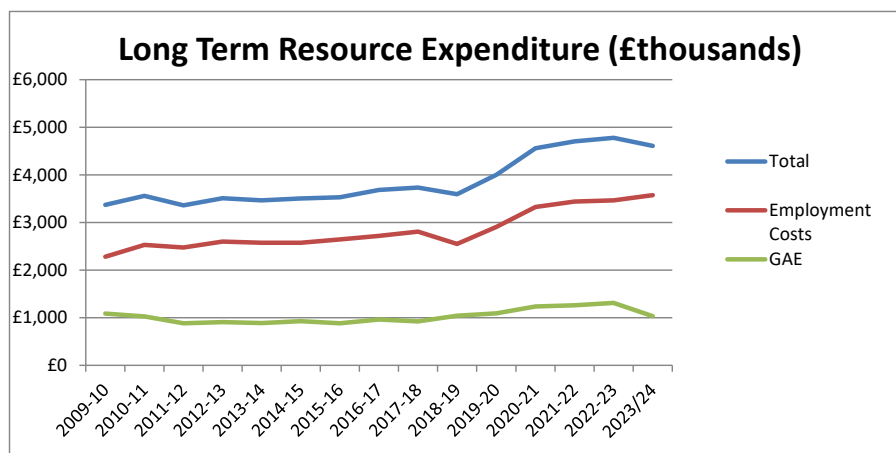
Excluding depreciation, the Statement of Net Expenditure for 2023-24 shows an outturn of £4,913k (2022-23: £4,986k) i.e. 99% of the revised budget.

The capital budget allocation for 2023-24k was £60k. Additional funding of £120k and £14k were received after January Monitoring Round and the budget was revised up to £194k. The capital outturn was £194k (2022-23: £124k) i.e. 100% of the budget.

The Agency’s combined resource and capital expenditure was £4,993k (2022-23: £4,901k) against a revised resource and capital budget of £5,056k, 99% of the revised budget.

Long Term Expenditure Trends

The chart below illustrates the Agency’s resource expenditure (employment and administrative costs) over the past 15 years.



The long term expenditure analysis continues to show how employment costs have increased in recent years as a result of the Agency being able to attract in-year funding for additional staff to meet service demands.

Simultaneously, we have sought to grow the proportion of our budget dedicated to staff costs, while keeping general administrative expenditure at the lowest possible levels. Head Office relocation to James House in 2022 has reduced rent and building-related costs.

Variance Analysis

Set out below is an analysis of significant changes in resource expenditure in 2023-24 compared to 2022-23.

- Employment costs (+£114k): the increase is largely because of an accrued pay award for 2023-24 and additional agency staff to cover increased workloads and long term absence.
- Premises costs (-£90k): this is as a result of Head Office relocation in 2022.
- IT and Managed Services (+£97k): this is due to increased expenditure in development of the Agency's IT infrastructure and core systems.
- Postage and Telephones (-£43k): this flowed from cost savings achieved through renewed contracts as part of Head Office relocation in 2022.

The Agency incurred capital costs of £194k in 2023-24 (2022-23: £124k) on IT and other equipment to support new working arrangements in James House.

Corporate Social Responsibility

The Agency takes its corporate social responsibility very seriously and staff were keen to build on previous years successes during 2023-24 on a range of charitable activities.

Each calendar year staff select a 'charity of the year' to provide a focus for fundraising. In 2023 our chosen charity was Women's Aid. Over £1k was raised by staff, family and friends through sponsored events.

In addition, old furniture from staff homes was recycled to schools and charities. Any donations received from this are included in the sum given to Women's Aid.

The Agency facilitates staff wishing to contribute to charitable causes on an individual or collective basis by participating in the Payroll Giving Scheme. This generated £1,435 for charities in 2023-24 (2022-23: £1,380).

Sustainability

The Agency takes very seriously its corporate commitment to comply with environmental best practice and to seek opportunities to reduce our carbon footprint. As a result:

- All (100%) of Dry Mixed Recycling (DMR) materials generated on the premises are fully recycled. DMR waste includes plastics, cardboard, paper and cans. All waste (dry and residual) collections are evidenced, weighed and traced from collection to final destination. Dry mixed office waste is processed for onward re-use in compliance with all waste and transport legislation including a duty of care that ensures that waste is taken to suitably authorised facilities minimising landfill; and,
- Of the General/Residual Waste collected from our offices, 65% is recycled with just 35% diverted to landfill.

With staff spending a proportion of their week working from home on a hybrid basis throughout 2023-24, the Agency's positive environmental impact was enhanced through substantial reductions in printing and staff travel. Hybrid working and service delivery, allowing staff to work from home or in the office according to service requirements and their preferences, has significantly reduced commuting and business travel.

A continuing focus on 'paperless' working will also keep printer cartridge and paper consumption low. Additionally, the Agency's Head Office accommodation is a modern electrical and thermo-efficient environment which will reduce the Agency's electricity and heating consumption over the longer term.

A handwritten signature in black ink, appearing to read 'Don Leeson', with a long horizontal flourish extending to the right.

Don Leeson
Chief Executive/Accounting Officer
2 July 2024

Chapter 2

Accountability Report

Corporate Governance Report

The Agency has in place a corporate governance structure that is consistent with best practice standards and fully compliant with the requirements of Managing Public Money (Northern Ireland).¹⁷ This section of the report provides a brief overview of the governance structures and practices that are described in more detail in the Governance Statement.

The Agency's Board comprises a Chair and nine members appointed under the Commissioner for Public Appointments Regulations administered through DfE, the sponsor Department.

The sponsor Department reviews the Chair's performance on an annual basis; similarly, the Chair completes an annual performance appraisal with each Board member. The Board also conducts an annual self-assessment exercise to determine whether the Board is operating effectively and to identify areas for improvement.

The Chair appraises the Chief Executive on an annual basis in consultation with the Board's Finance and Personnel Committee.

The Board is responsible for establishing the strategic direction of the Agency and for monitoring performance against agreed operational targets. The Board has two committees to ensure there is adequate oversight of the Agency's operations:

- The Audit and Risk Assurance Committee (ARAC) provides the Board and the Chief Executive as Accounting Officer with assurance about the effectiveness of the Agency's internal control framework; and,
- The Finance and Personnel (F&P) Committee fulfils a more detailed scrutiny function on corporate matters relating to finance, HR, information and communication technology (ICT), and premises. Its role is not just to challenge and support the work of the Senior Leadership and Senior Management Teams (SLT/SMT), but also to provide advice to inform the Board's decision-making.

Both committees meet at least four times per year.

After each meeting, the committee chairs provide written updates to the Board.

The Agency is required by statute to provide the Northern Ireland Certification Officer with the necessary staff and corporate support services to fulfil the requirements of its governing legislation.¹⁸

At DfE's request, the Agency provides secretariat support to the Industrial Court¹⁹ with effect from 1 April 2024.

17 Available at: <https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni>.

18 The Industrial Relations (Northern Ireland) Order 1992 (available at: <http://www.legislation.gov.uk/nisi/1992/807/contents/made>).

19 Further information on the role of the Industrial Court is available at: <https://www.industrialcourt.gov.uk/>.

Directors' Report

Chair and Chief Executive

The Chair of the Labour Relations Agency is **Gordon Milligan OBE**.

The Chief Executive and Accounting Officer is **Don Leeson**. The Chief Executive has given the Board and DfE notice of his intention to retire on 31 October 2024.

Following a recruitment exercise, **Mark McAllister** (currently the Agency's Director of Employment Relations Services) has been appointed Chief Executive Designate with a view to taking over the role on 1 September 2024.

Board

The Agency's overall strategic direction and governance arrangements, and the delivery of its functions as set out in legislation, are established and overseen by a Board.

Board members are normally appointed by the Minister for the Economy.

Schedule 4 to the Industrial Relations (Northern Ireland) Order 1992²⁰ specifies that the Board should comprise a Chair and nine members. Of the Board members:

- Three should be representative of employers;
- Three should be representative of employees; and,
- Three should be "other persons as appear to the Minister to be appropriate."

In the absence of a Minister for the Economy, because there was no functioning Executive, the Secretary of State for Northern Ireland appointed four new Board members with effect from 1 September 2023.²¹ These new Board members replaced those whose terms of office ended on 31 March 2023. Given the hiatus in these appointments being made, the Agency functioned with a Chair and five Board members during the five-month period from 1 April to 31 August 2023.

The Chair and four of the pre-existing Board members were reappointed for three years with effect from 1 May 2024 (the fifth pre-existing Board member's first term appointment is not due to end until 31 January 2025).

The Board members who served the Agency in 2023-24, and their dates of appointment, are set out in the tables below – biographical information is available on the Agency's website.²²

²⁰ Available at: www.legislation.gov.uk/nisi/1992/807/schedule/4.

²¹ See: <https://www.gov.uk/government/news/the-secretary-of-state-announces-four-new-appointments-to-the-labour-relations-agency>.

²² Available at: <https://www.lra.org.uk/about/agency-structure>.

Board members

Name	Date appointed to Board	End of Term of Office
Gordon Milligan OBE (Chair)	01-05-21	30-04-27
Geraldine Alexander	01-05-21	30-04-27
Elizabeth Armstrong	01-09-23	31-08-26
Clare Duffield	01-05-21	30-04-27
Sarah Havlin	01-09-23	31-08-26
Kevin McCabe	01-05-21	30-04-27
Orla Sheils	01-09-23	31-08-26
Mark Spence	01-09-23	31-08-26
John Taylor CBE	01-02-22	31-01-25
Lee Wilson	01-05-21	30-04-27

During 2023-24, the Agency hosted two apprentices under the Boardroom Apprenticeship programme, which is aimed at developing future board members.²³ Board apprenticeships are for a period of 12 months (from September to August). **Christine Magill** was the Board apprentice until 31 August 2023; **Virginia Aldana Torres** has been the apprentice since 1 September 2023.

Senior Leadership Team and Senior Management Team

Operational management of the Agency (day-to-day decisions on resource allocations, business plan and budget monitoring, risk management, etc) is undertaken by the Senior Leadership Team (SLT), which comprises the Chief Executive and two Directors. SLT members are Board level employees.

The wider Senior Management Team (SMT), which comprises the Chief Executive, Directors, and Employment Relations Managers, meets monthly to discuss issues of cross-cutting interest to improve service delivery or organisational development in furtherance of the Agency's vision, core purpose and values.

As part of a development programme, two SMT members attend SLT meetings on a three-month rota basis.

In order to foster partnership working, and effective employee engagement, the Chair of the trade union branch attends formal minuted SLT meetings, which are held monthly.

Register of Interests

The Register of Interests of Board and SLT members is published on the Agency's website.²⁴

Data security

There were no personal data related incidents, which required a report being made to the Information Commissioner's Office, in 2023-24 (2022-23: none).

Creditor payment, policy and performance

The Agency is committed to the Better Payments Practice Code and is subject to the Late Payment of Commercial Debts Regulations 2002. Payment is regarded as late if it is made outside the agreed terms, or 30 calendar days after receipt of a valid invoice where no terms are agreed.

²³ Further information about the programme is available at: <https://strictlyboardroom.com/>.

²⁴ Available at: <https://www.lra.org.uk/resources/register/boardslt-register-interests>.

To provide greater support to business, the Agency has supported a public sector-wide commitment to paying valid invoices within 10 working days. As part of this process, prompt payment performance for both 10 working days and 30 calendar days is monitored. In 2023-24, the Agency paid 1,383 (2022-23: 1,583) invoices as follows:

- **91%** of invoices within 10 working days (2022-23: 91%); and,
- **100%** of invoices within 30 calendar days (2022-23: 99%).

Charitable donations

No charitable donations were made in 2023-24 (2022-23: £nil).

Complaints Procedure

The Customer Complaints Procedure is published on the Agency's website.²⁵

The Agency achieved the Customer Service Excellence standard²⁶ in March 2021. The Agency demonstrated continuing and improved compliance with the standard at subsequent annual re-assessments; most recently in April 2024.

Five complaints were received in 2023-24 (2022-23: one). Of these:

- Three were from customers of the Agency's Conciliation Service. One of these, which related to the Agency's failure to provide a stamped addressed reply envelope, was upheld. Our procedure has been modified to ensure these are provided in future in line with the Agency's commitment to provide a 'free' service. The other two complaints were not upheld;
- One related to the Independent Appeals Service. While the complaint was not upheld as it related to a matter beyond the Agency's control, it is being taken into account in the current review of governance arrangements for the service, which is being undertaken in partnership with key stakeholders; and,
- One related to pension records for a former employee. The complaint was not upheld and the matter referred to Civil Service Pensions for resolution.

²⁵ Available at: <https://www.lra.org.uk/resources/policy/customer-complaints-policy-and-procedure>.

²⁶ Further information about the standard is available at: <https://www.customerserviceexcellence.uk.com/about-the-standard/>.

Statement of the Accounting Officer's Responsibilities

Under the Industrial Relations (Northern Ireland) Order 1992, the Department for the Economy (with the consent of the Department of Finance) has directed the Labour Relations Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Agency and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Department for the Economy (with the consent of the Department of Finance), including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis; and,
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department for the Economy's Accounting Officer has appointed the Chief Executive as Accounting Officer of the Labour Relations Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Agency's assets, are set out in Managing Public Money Northern Ireland (MPMNI).

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Labour Relations Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

Introduction

This Governance Statement sets out the governance structures, risk management, and internal control procedures that have operated within the Agency during the financial year 2023-24 and up to the date of approval of the Annual Report and Accounts. The Agency's governance structure provides clarity and accountability in managing the delivery of its strategic objectives. It ensures that the Agency has the capacity to make decisions, monitor performance, and assess and manage resources and risk.

Responsibilities of the Accounting Officer

As Accounting Officer, I have responsibility for maintaining an effective system of governance and internal control that supports the achievement of the Agency's aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

In delivering this role I provide regular updates to the Agency's Board on performance against the targets specified in the annual business plan. I am supported by an SLT/SMT who contribute to my mid and end-year assurance statements and the ARAC, which regularly monitors risk management activities.

The Agency's Board

As specified in Schedule 4 to the Industrial Relations (Northern Ireland) Order 1992, the Agency's Board comprises a Chair and nine members. All appointments to the Board are made in accordance with the Code of Practice published by the Commissioner for Public Appointments for Northern Ireland.²⁷

DfE is responsible for appointing Board members, with the final decision normally resting with the Minister for the Economy.

The Board comprises a Chair and nine Board members. However, when the terms of office of four Board members ended on 31 March 2023, they were not replaced until September 2023. The absence at that time of a functioning Executive meant there was no Minister for the Economy in place to take decisions regarding Board appointments. Given this, the Secretary of State for Northern Ireland had to seek legislative authority to appoint new Board members.

The Board reviewed its Standing Orders to ensure it could continue to operate effectively during the period from 1 April to 31 August 2023, pending the appointment of new Board members with effect from 1 September 2023.

Also during this period, agreement was reached with DfE to support the work of the ARAC with the co-option of a former Board member, whose appointment ended on 31 March 2023 and who was the previous Committee Chair.

²⁷ Available at: <https://www.publicappointmentsni.org/publications>.

The role of the Board is to:

- Set the Agency's overall strategic direction within the policy framework set out in statute and the resources framework agreed with the sponsor Department. This is set out in a Partnership Agreement, which was approved by the Board in November 2023 and has been in operation since 1 December 2023;
- Oversee the delivery of planned outcomes by monitoring performance against agreed strategic objectives and targets;
- Ensure that the Agency operates within the limits of its statutory and financial delegated authority agreed with its sponsor Department 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 Agency conducts its operations as economically, efficiently and effectively as possible, with full regard to relevant statutory provisions;
- Ensure that the Agency has policies and procedures in place to comply with Freedom of Information and Data Protection legislation, including prompt response to public requests for information and the appropriate treatment of personal data;
- Ensure that the Agency operates sound environmental policies and practices in accordance with relevant Government guidance; and,
- Ensure that high standards of corporate governance are observed at all times.

The discharge of some of the Board's responsibilities is delegated to sub-committees. There are two standing committees: the Audit and Risk Assurance Committee (ARAC) and the Finance and Personnel (F&P) Committee.

The Audit and Risk Assurance Committee

ARAC deals with a range of issues relating to governance, internal control, accountability, and risk management. It is an advisory committee with no executive powers other than those delegated by the Board. The Committee provides recommendations to the Board for approval.

The Committee advises the Accounting Officer and Board on:

- Strategic processes for risk, control and governance and the Governance Statement;
- Accounting policies, the accounts, and annual report of the organisation, 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 Auditor;
- Planned activity and results of both Internal and External Audit;
- Adequacy of management response to issues identified by audit activity, including External Audit's Report to Those Charged With Governance (RTTCWG);
- Assurances relating to the management of risk and corporate governance requirements for the organisation;
- Proposals for tendering Internal Audit services; and,
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

Finance and Personnel Committee

The F&P Committee deals with a range of corporate issues. It is an advisory committee with no executive powers other than those delegated by the Board. The Committee provides recommendations to the Board for approval.

The Committee advises the Accounting Officer and Board on

- Planning for and the management of Agency resources, for example financial, ICT, staffing and accommodation;
- Policy and strategic matters relating to the Agency's finances and personnel;
- The financial performance of the Agency;
- Staffing, equity, diversity and inclusion, and organisational development matters; and,
- Evaluation of the Agency's services in respect of performance and quality.

The Committee also plays a role in some of the Agency's employment policies and procedures, for example Discipline and Grievance Procedures; and considers a report from the Agency's Chair on the mid-year and annual performance appraisals of the Chief Executive.

The Senior Leadership Team

The SLT comprises the Chief Executive and two Directors.²⁸ An interim Director was employed from September 2023 to cover the long term sick absence of the substantive post holder.

The Directors, collectively and individually, provide advice and support to the Chief Executive in exercising responsibility for ensuring that effective systems of internal control are maintained and operated.

The SLT meets weekly to discuss ongoing operational and resourcing issues.

There is also a formal SLT meeting each month to review financial and business performance, key resourcing issues, and risks. These meetings are minuted, with the minutes published on the Agency's website.²⁹

The membership of the SLT is supplemented, on a three-month rota basis, by two members of the Senior Management Team as part of a staff development programme. In addition, the Chair of the trade union branch attends the monthly formal SLT meeting to foster partnership working and effective employee engagement through participative and transparent decision-making.

The Chief Executive attends individual team meetings as appropriate and holds periodic all-staff 'town hall' meetings to brief and consult staff on key strategic priorities and issues.

²⁸ Terms of reference were agreed at the February 2024 Board meeting for an external review of the SLT structure to ensure it has the capacity to deal with increased workloads expected from 2024-25 onwards. A report on the outcome of this review was considered by the Board in May 2024.

²⁹ Available at: <https://www.lra.org.uk/about/governance/senior-leadership-team-minutes>.

Board Member Attendance in 2023-24³⁰

Name	Board Meetings (out of 10)	ARAC Meetings (out of 5) ³¹	F&P Committee Meetings (out of 4)
Gordon Milligan OBE (Chair of the Board)	10	n/a	n/a
Geraldine Alexander (Chair, F&P Committee)	9	n/a	4
Elizabeth Armstrong	6 (out of 7)	n/a	2 (out of 2)
Clare Duffield	9	4	n/a
Sarah Havlin	5 (out of 7)	1 (out of 2)	n/a
Kevin McCabe	10	2 (out of 3)	2 (out of 2)
Orla Sheils	7 (out of 7)	1 (out of 2)	n/a
Mark Spence	7 (out of 7)	2 (out of 2)	n/a
John Taylor CBE	9	n/a	4
Lee Wilson (Chair, ARAC)	10	5	3

The Board normally meets 10 times per year (every month except April and July). The quorum requirements for Board and Committee meetings are 50%+1 (i.e. normally six) and three Board members respectively.

Board and Committee meetings are held in-person, with Board members able to join by videoconference in exceptional circumstances. Meetings are paperless (i.e. without hardcopy papers) and conducted using meeting management software, which allows Board members to access current and previous papers online.

The Board held its annual Strategy Day in October 2023. This event was used to review the Board's effectiveness and progress in delivering the Agency's Corporate Plan for 2021-25. Senior DfE officials attended part of the meeting to brief the Board on the Department's priorities and wider operating context. These discussions informed the development of the Agency's Business Plan for 2024-25.

³⁰ The Board operated with a Chair and five Board members until September 2023. Committee membership was reviewed following the appointment of four new Board members in September 2023 – as a result, Kevin McCabe moved from ARAC to the F&P Committee; Lee Wilson remained a member of both committees.

³¹ The ARAC, which normally meets four times per year, held an additional meeting in June 2023, to review the draft Report to Those Charged With Governance. Both ARAC meetings in June 2023 were attended by former Board member and Committee Chair, Deirdre Fitzpatrick, to provide additional support.

Board Performance

In line with a commitment in 'New Decade, New Approach'³² to review all arm's length bodies (ALBs), the review of the Agency by the DoF's Business Consultancy Service (BCS) concluded in 2023.³³ BCS found that:

"... the LRA has a good governance structure in place. The Board is effective, and a key strength from consultees' perspectives is its tri-partite membership. No notable issues were identified across audits, risk management or on financial management within the organisation."

and,

"... an effective sponsorship/partnership arrangement is in place. From DfE's perspective, the LRA is a well-established NDPB viewed as 'low risk'. Overall positive working relationships and appropriate accountability arrangements are seen to be in place, which need formalised in the Partnership Agreement³⁴ as a priority."

In terms of Board member development, a Board Learning and Development Plan aligned to the period covered by the Corporate Plan (i.e. to March 2025) is in place. This Plan was approved at the March 2022 Board meeting and aims to ensure that Board members' knowledge of strategic employment relations issues and good practice in corporate governance continues to develop.

The Board approved an induction programme for new Board members at its meeting in March 2023. This was implemented following the appointment of new Board members in September 2023.

Board practices evolved during the year. A new Board Practice and Standing Orders document³⁵ came into effect from February 2024. This was updated following an externally-facilitated review of governance arrangements at the Board Strategy Day. The key changes were the adoption of new guidance in respect of conflicts of both interest and loyalty and revised membership of committees.

An annual self-assessment was undertaken by Board members at the end of 2023-24. This uses a questionnaire derived from The Good Governance Standard for Public Services, which was prepared by The Independent Commission on Good Governance in Public Services and published by OPM (Office for Public Management) and CIPFA (Chartered Institute of Public Finance and Accountancy).³⁶ The self-assessment confirmed Board members' satisfaction with current governance arrangements.

³² Available at:

<https://www.gov.uk/government/news/deal-to-see-restored-government-in-northern-ireland-tomorrow>.

³³ The Arms-Length Body (ALB) Review of the Labour Relations Agency (LRA) report is available at:

<https://www.lra.org.uk/publications/arms-length-body-alb-review-labour-relations-agency-lra>.

³⁴ The Partnership Agreement was subsequently approved at the November 2023 Board meeting and became effective from 1 December 2023.

³⁵ Available at: <https://www.lra.org.uk/publications/board-practice-and-standing-orders-0>.

³⁶ Available at:

<https://www.jrf.org.uk/report/good-governance-standard-public-services?msckid=ba0da05dcf9711ec9b1126f3fd0c3b67>.

The key governance and strategic issues discussed by the Board in 2023-24, in addition to the above, were:

- Business Plan for 2023-24 and performance against this and, in February 2024, the Business Plan for 2024-25;
- Annual Report and Accounts for 2022-23, and RTTCWG on the outcome of the audit of this, which is issued by the NIAO;
- Budget for 2023-24 and regular management accounts, which report against a monthly expenditure profile;
- Corporate Risk Register for 2023-24;
- Chief Executive's Mid and End-Year Assurance Statements to DfE;
- Partnership Agreement between the Department for the Economy and the Labour Relations Agency;
- Updated governance policies: Board Practice and Standing Orders; Gifts and Hospitality; and Conflicts of Interest;
- 10x Delivery Plan for 2024-27;
- The future of the Mediation Service;
- A review of collective bargaining arrangements in local government;
- Research on 'Building a Business Case for Good Jobs: The Links between Good Work and Innovation, Productivity and Employee Health/Wellbeing';
- Learning from the annual International Industrial Agencies Conference, which took place in November 2023 in New Zealand;
- ALB Review of the Labour Relations Agency;
- The merger of the Employment Relations Roundtable and NI Engagement Forum on Covid-19 to create a new strategic level advisory group of key stakeholders;
- Development of a Good Employment Charter for Northern Ireland;
- The Agency's conference on flexible working, which was held on 14 March 2024;
- Business case for additional resources for holiday pay conciliation;
- Terms of reference for a review of the SLT;
- Transfer of the Industrial Court's Secretariat Function to the Certification Office; and,
- Updates on the organisational transformation programme.

Representatives of the Agency's Trade Union Side (TUS) attended the August 2023 Board meeting to discuss employment relations within the Agency. This is an annual event and provides the trade union direct access to the Board as a safeguard in case of employment relations difficulties. The TUS was able to provide assurance that the employment relations climate within the Agency continues to be very positive and confirm the strength of the partnership between the SLT and TUS.

Risk Management

The Agency has in place a Risk Management Framework. The current Framework, which was in place throughout 2023-24, was reviewed in May 2023.

The Risk Management Framework enables the Chief Executive as Accounting Officer, who has overall responsibility for risk, to demonstrate that there are sound systems of risk management within the Agency. The Framework forms the basis for risk management in the Agency in terms of the control environment and individual roles and responsibilities in managing all key corporate and project risks. It also describes the process of risk assessment and assurance, both internally and to the sponsoring Department, as well as stating how risk appetite is considered for each type of corporate risk.

The Agency's Risk Management Framework is an adapted version of that used by DfE. This has been modified to include reference to current issues that might result in a risk materialising and the anticipated future risk assessment once planned actions to mitigate risk have been implemented.

ARAC provides the Board and the Accounting Officer with assurance about the effectiveness of the Agency's internal control framework, including risk management.

As part of the Framework, each Director is required to submit an assurance statement to the Accounting Officer to confirm that risks are being managed effectively within their area of responsibility. This informs the Accounting Officer's own six-monthly assurance statement to the sponsoring Department's Accounting Officer. Each Director also has responsibility for managing specified risks in the Corporate Risk Register.

The currency and effectiveness of the Risk Management Framework and corporate risks are reviewed at an externally-facilitated annual Risk Workshop attended by ARAC and SMT members. The Corporate Risk Register is then approved by the Board annually, and reviewed and updated at monthly formal SLT meetings and at every ARAC meeting.

Following discussion at the May 2023 Risk Workshop, it was agreed to include horizon scanning for opportunities and risks as a standing item on Board agendas. This has been used to good effect and allows Board and SLT members to identify business opportunities and new and escalating risks for action.

The key corporate risks identified in 2023-24 related to:

- Adequacy of funding;
- Staff capacity and capability to deliver business priorities;
- Co-design and implementation of organisational transformation;
- Transition to new IS managed services support;
- Effectiveness of the Case Management and Records System (CMRS);

- Cybersecurity;
- The need to change the operation of the Independent Appeals Services; and,
- Currency of information and guidance published by the Agency.

Two new risks emerged during the year:

- A data breach by a large public body resulted in increased scrutiny of data protection across the public sector. Given heightened reputational risks in the event of a data breach by the Agency, this matter was escalated to the Corporate Risk Register while a number of reviews were instigated; and,
- The need for additional resources to respond effectively to an expected surge in demand for the Agency's conciliation service following publication of the Supreme Court's judgement in the matter of the Police Service of Northern Ireland v Agnew and others in October 2023.

While none of the identified risks materialised in 2023-24, the surge in demand for holiday pay conciliation is now anticipated to occur from the second half of 2024-25. External experts were commissioned to review the Agency's capacity to respond to expected demand. This resulted in a business case for over 20 additional staff being submitted to DfE. DfE's response is awaited. In the meantime, project planning for managing holiday pay conciliation, together with contingency arrangements in the event that identified additional funding is not forthcoming, is at an advanced stage.

Raising Concerns (Whistleblowing)

An important element of the Agency's risk management and governance arrangements is its approach to raising concerns (or whistleblowing). The Agency advises customers on the employment law protections afforded to whistleblowers. In line with our values to be ethical and exemplary, we pride ourselves on the effectiveness of our own arrangements for staff and others to raise concerns should any arise about anything untoward in the Agency.

As an added safeguard, our Raising Concerns (Whistleblowing) policy contains the contact details for a Board member should anyone have concerns they feel unable to raise with a member of the SLT. This policy was updated and staff reminded of its provisions in early 2024, when the Board contact point changed.

Internal Audit

Following a procurement exercise, the Agency's internal audit provider changed after the June 2023 ARAC meeting from ASM to SCC Chartered Accountants.

A new risk-based three-year Strategic Internal Audit Plan (SIAP) was subsequently developed for the period 2024-27; this was agreed in December 2023. This provides the basis for annual audit planning and ensures that an informed and comprehensive opinion of the effectiveness of the Agency's governance and control systems is given over the period of the SIAP.

The focus of Internal Audit activities in 2023-24 was:

- **Budgetary and Financial Controls;** and,
- **Data Processing, GDPR and Data Security.**

There was also a review of the implementation of recommendations from previous internal audits.

Internal Audit concluded that the Agency has satisfactory controls in place in both areas. A small number of recommendations for further improvement resulted from these audits; none of these were deemed 'Priority 1' whereby a major failure of control systems could result if not implemented.

The internal audit programme operated to requirements defined in the Public Sector Internal Audit Standards (PSIAS).

External Audit

External Audit is undertaken by the NIAO. Following the audit of this Annual Report and Accounts, the NIAO made one recommendation for improvement in the RTTCWG (2022-23: four recommendations); this has been accepted by the Agency. The recommendation relates to purchase order approvals.

Ministerial Direction

No Ministerial Directions were received in 2023-24 (2022-23: none).

Data Security

The Agency continues to maintain an Information Security Management System certified to the ISO 27001 quality standard to protect the confidentiality, integrity and availability of corporate and personal information. The Agency's ongoing compliance with the standard was confirmed by audit in November 2023.

There were no personal data related incidents, which required a report being made to the Information Commissioner's Office, in 2023-24 (2022-23: none).

Governance issues identified in 2023-24

No governance issues arose in 2023-24 (2022-23: none).

However, an issue identified in 2020-21 is continuing. Following the Court of Appeal Judgement in respect of *McKee and Others v Charity Commission for Northern Ireland and Department for Communities*,³⁷ a shortcoming in the Agency's governing legislation, the Industrial Relations (Northern Ireland) Order 1992, was identified.

Legal advice confirms that the 1992 Order does not provide an express power of delegation to staff. It is expected that this matter will be rectified through an appropriate legislative vehicle, now that the NI Executive and Assembly has been restored.

Any risk to the Agency's ability to operate is considered very low. The primary staff functions are service delivery under the auspice of a Board and DfE approved Business Plan.

37 Available at: <https://www.judiciaryni.uk/judicial-decisions/2020-nica-13>.

Conclusion

As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. This review is informed by the work of the Internal Audit and its comments and recommendations, and the opinion of the Comptroller and Auditor General as set out in the NIAO's Report to those Charged with Governance. It is also informed by the work of the Board, ARAC and the F&P Committee, and assurances from the Agency's Directors who have responsibilities for the development and maintenance of the internal control framework.

I am aware of the importance of my ongoing review of the effectiveness of the systems of governance and internal controls within the Agency, and I will continue to review these systems and processes to ensure continuous improvement.

Remuneration and Staff Report

Remuneration Report

The Remuneration and Staff Report sets out the Agency's remuneration policy for Board and SLT members, and how that policy has been implemented. It also sets out the amounts awarded to Board and SLT members and, where relevant, the link between performance and remuneration. The Report also provides details on remuneration and staff that the Northern Ireland Assembly and others see as key to accountability.

Chair and Board Members

The Chair and Board members are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. They are normally appointed for a fixed period of three years. Thereafter, they may be reappointed in accordance with the Code of Practice.

The remuneration of the Chair and Board is set by DfE. Increases are calculated in line with the recommendations of the Senior Salaries Review Body. There are no arrangements in place for the payment of a bonus.

The Agency reimburses the Chair and Board members for any incidental expenses incurred for carrying out their duties relevant to the organisation. Expenses amounting to £3,622 (2022-23: £3,038) have been paid during the year and are reflected under Other Expenditure in Note 4 to the accounts.

Pension benefits are provided to the Chair through the NICS pension schemes. Board members do not receive pension benefits from the Agency or DfE as a result of their appointments.

Senior Leadership Team

The SLT comprises the Chief Executive and two Directors with responsibility for Corporate Services and Employment Relations Services respectively.

Remuneration Policy

While not civil servants, the Agency's staff are subject to levels of remuneration and terms and conditions of service (including superannuation) of the NICS. The Agency's Chief Executive post is equivalent to Assistant Secretary (Grade 5) within the Senior Civil Service (SCS). Director posts are equivalent to Principal (Grade 7) within the NICS.

The pay remit for the NICS, including SCS, is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27 April 2023 Written Ministerial Statement on the budget, the NI public sector pay policy guidance was published on 31 May 2023 in FD (DoF) 05/23. This was subsequently updated on 12 March 2024 in FD (DoF) 04/24³⁸ to reflect the return of Executive Ministers and revised departmental budgets.

38 Available at: <https://www.finance-ni.gov.uk/publications/finance-director-letters-fds-2024>.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for 2023-24 was announced on 24 April 2024.³⁹ The pay award, together with any arrears of pay due, was paid to the Agency’s staff in April 2024. The Chief Executive’s pay award, which required DfE approval, was paid in May 2024.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points, allowing progression towards the maximum based on performance.

Service Contracts

Staff appointments are made in accordance with the Agency’s Recruitment, Selection and Transfer Procedure, which requires appointments to be on merit on the basis of fair and open competition. Unless otherwise stated below, the staff 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.

Remuneration and Pension Entitlements

This section is subject to audit. It provides details of the remuneration and pension interests of the Agency’s Chair and Board members and the SLT, and the Certification Officer.

	Salary £'000		Benefits in Kind (to nearest £100)		Pension Benefits ⁴⁰ (to nearest £1,000)		Total £'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Chair and Board members								
Gordon Milligan OBE ⁴¹	5-10	-	-	-	11	-	15-20	-
Geraldine Alexander	5-10	5-10	-	-	-	-	5-10	5-10
Elizabeth Armstrong ⁴²	0-5	-	-	-	-	-	0-5	-
Claire Duffield ⁴³	-	-	-	-	-	-	-	-
Sarah Havlin ⁴²	0-5	-	-	-	-	-	0-5	-

³⁹ The pay award announcement and payscales for each grade are available at: <https://www.finance-ni.gov.uk/publications/2023-pay-award>.

⁴⁰ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

⁴¹ Public servant in receipt of a salary from another public body until 31 December 2023 and therefore no payment was made for Agency Board membership, in line with DAO (DFP) 02/11 (available at: <https://www.finance-ni.gov.uk/publications/dear-accounting-officer-letters-daos-2011>) until 1 January 2024. The annual equivalent salary in 2023-24 was £20k-£25k.

⁴² Appointed with effect from 1 September 2023. The annual equivalent salary in 2023-24 was £5k-£10k.

⁴³ Public servant in receipt of a salary from another public body and therefore no payment is made for Agency Board membership, in line with DAO (DFP) 02/11 (available at: <https://www.finance-ni.gov.uk/publications/dear-accounting-officer-letters-daos-2011>).

	Salary £'000		Benefits in Kind (to nearest £100)		Pension Benefits ⁴⁴ (to nearest £1,000)		Total £'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Board members (continued)								
Kevin McCabe	5-10	5-10	-	-	-	-	5-10	5-10
Orla Sheils ⁴²	0-5	-	-	-	-	-	0-5	-
Mark Spence ⁴²	0-5	-	-	-	-	-	0-5	-
John Taylor CBE	5-10	5-10	-	-	-	-	5-10	5-10
Lee Wilson	5-10	5-10	-	-	-	-	5-10	5-10
Senior Leadership Team								
Don Leeson <i>Chief Executive</i>	80-85	75-80	-	-	30	30	110-115	105-110
Paul Lowe <i>Director of Corporate Services</i>	55-60	55-60	-	-	22	22	80-85	75-80
Mark McAllister <i>Director of Employment Relations Services</i>	55-60	55-60	-	-	-3	23	55-60	75-80
Certification Officer								
Tom Evans OBE ⁴⁵	20-25	15-20	-	-	-	-	20-25	15-20
Sarah Havlin ⁴⁶	-	0-5	-	-	-	2	-	5-10

Salary

'Salary' includes gross salary, overtime, and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Benefits in Kind

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

No benefits in kind were paid to staff or Board members in 2023-24 (2022-23: £nil), whether chargeable to tax under s163 of the Income and Corporation Taxes Act 1998 or in other permitted circumstances.

Bonuses

Bonus payments are not made to Board members or staff (2022-23: £nil).

⁴⁴ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

⁴⁵ Tom Evans OBE was appointed Certification Officer with effect from 15 June 2022. The annual equivalent salary in 2022-23 was £20k-£25k.

⁴⁶ Sarah Havlin's appointment as Certification Officer ended on 14 June 2022. The annual equivalent salary in 2022-23 was £20k-£25k.

Fair Pay Disclosures

This section is subject to audit.

Pay Ratios

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

The banded remuneration of the highest-paid director in the Agency in the financial year 2023-24 was £80,000-£85,000 (2022-23, £75,000-£80,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2023-24	25 th percentile	Median	75 th percentile
Total remuneration (£)	27,897	35,117	35,712
Pay ratio	3.01	2.39	2.35

2022-23	25 th percentile	Median	75 th percentile
Total remuneration (£)	24,507	33,445	34,011
Pay ratio	3.24	2.38	2.34

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.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile were £27,897 (2022-23: £24,507), £35,117 (2022-23: £33,445) and £35,712 (2022-23: £34,011) respectively. The decrease in 25th percentile salaries resulted from an increase in agency workers engaged on the Administrative Officer pay scale, all of whom start on the pay band minima.

In 2023-24, nil (2022-23: nil) employees received remuneration in excess of the highest-paid director.

The Chief Executive is the highest paid director; their pay increased in line with the NICS pay award.

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances; and,
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole. The percentage changes in respect of the Agency are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2023-24 v 2022-23	2022-23 v 2021-22
Average employee salary and allowances	7.57%	0.09%
Highest paid director's salary and allowances	7.05%	2.73%
Average employee performance pay and bonuses	n/a	n/a
Highest paid director's performance pay and bonuses	n/a	n/a

Note: the Agency does not pay performance pay or bonuses

Pension Entitlements

This section is subject to audit.

Name	Accrued pension at pension age as at 31/3/24 and Related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/24	CETV at 31/3/23	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Gordon Milligan OBE ⁴⁷ <i>Agency Chair</i>	0-5	0-2.5	9	0	9	-
Don Leeson <i>Chief Executive</i>	15-20	0-2.5	334	241	24	-
Paul Lowe <i>Director of Corporate Services</i>	5-10	0-2.5	91	58	15	-
Mark McAllister <i>Director of Employment Relations Services</i>	20-25 plus a lump sum of 55-60	0-2.5 plus a lump sum of 0	484	396	-10	-
Tom Evans OBE ⁴⁸ <i>Certification Officer</i>	-	-	-	-	-	-

47 Public servant in receipt of a salary from another public body and therefore no payment is made for Agency Board membership, in line with DAO (DFP) 02/11 (available at: <https://www.finance-ni.gov.uk/publications/dear-accounting-officer-letters-daos-2011>) and consequentially there is no pension provision. The annual equivalent salary in 2023-24 was £25k-£30k.

48 Opted out of pension scheme.

Northern Ireland Civil Service Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by DoF to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022; and,
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>.

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using:

- a. Rolled back opening balance
- b. Rolled back closing balance
- c. CETV calculated by CSP on the rolled back basis
- d. No restatement of prior year figures where disclosed.

Alpha

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

Information on the PCSPS(NI) – Closed Scheme

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account. New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account.

Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of $1/80^{\text{th}}$ 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 $1/60^{\text{th}}$ 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.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at

or over pension age. The normal scheme pension age in alpha is linked to the member’s State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy Classic, Premium, and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

Employee contribution rates for all members for the period covering 1 April 2024 – 31 March 2025 are as follows:

Scheme Year 1 April 2024 to 31 March 2025:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	To	From 1 April 2024 to 31 March 2025
£0	£26,302.49	4.6%
£26,302.500	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£164,965.00 and above		8.05%

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 NICS pension 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) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with

the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>.

Real increase in CETV

This reflects the increase in CETV that is 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 (which therefore disregards the effect of any changes in factors).

Staff Report

Staff Costs

This section is subject to audit.

The breakdown of costs contained in this Staff Report carry through to the Financial Statements, specifically the Statement of Comprehensive Net Expenditure and Note 4.

Staff costs comprise:	2023-24 £	2022-23 £
Labour Relations Agency (excluding Certification Office):		
Directly employed staff:		
Wages and salaries (includes childcare vouchers)	£2,207,918	2,223,327
Social security costs	£194,625	197,217
Other pension costs – superannuation	£601,523	599,436
	£3,004,066	3,019,980
Others:		
Employment Agency Staff	£358,785	268,277
Sub Total (excluding Certification Office)	£3,362,851	3,288,257
Less recoveries in respect of outwards secondments	-	-
Total	£3,362,851	3,288,257
The Certification Officer and Staff		
Wages and salaries	£138,749	134,315
Social Security Costs	£11,889	10,167
Other pension costs – superannuation	£31,839	31,096
Employment Agency Staff	£32,597	-
Total	£215,074	175,578
TOTAL STAFF COSTS	£3,577,925	3,463,835

Pension Costs

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Agency is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for DoF to consult on changes to the scheme. Further information can be found on DoF's website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2023-24, employers' contributions of £630,494 were payable to the NICS pension arrangements (2022-23: £654,073) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1,413 (2022-23: £nil) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2022-23: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £nil, 0.0% (2022-23: £nil, 0.0%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

No persons (2022-23: none) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2022-23: £nil).

Average Number of Persons Employed

This section is subject to audit.

The average number of whole-time equivalent persons employed during the year was as follows (figures rounded up):

	2023-24 Male	2023-24 Female	2023-24 Total	2022-23 Total
Chair and Board Members	5	5	10	10
The Certification Officer	1	0	1	1
Total (Public Appointments)	6	5	11	11
Senior Leadership Team	3	0	3	3
Employment Relations Services	14	22	36	39
Corporate Services	4	16	20	20
Certification Office Staff	1	3	4	4
Total (Directly Employed)	22	41	63	66
Employment Agency staff	4	6	10	7
Inward Secondment	0	0	0	1
Student Placement	0	1	1	1
Total (Other)	4	7	11	9
TOTAL	32	53	85	86

Staff turnover

The Agency's staff turnover in 2023-24 was 7.2% (2022-23: 8.9%). Of the colleagues on permanent contracts of employment who left the Agency during the year: three retired; two obtained better paid employment; and one departed for personal reasons.

Off Payroll Disclosures

There were no off payroll payments made during 2023-24 (2022-23: none).

Compensation for Loss of Office

This section is subject to audit.

No staff member received an exit package in 2023-24 (2022-23: none).

Expenditure on Consultancy and Contingent Labour

There was no expenditure on consultancy during 2023-24 (2022-23: none).

Expenditure on contingent labour (employment agency staff) in 2023-24 was £391,382 (2022-23: £268,277). Employment agency staff are used to respond to temporary increases in demand for services and/or to provide additional capacity for time-bound projects. In the current and previous years, most of the expenditure has been on administrative staff to manage EC notifications and certificates in respect of holiday pay and pension litigation cases.

Sick Absence

The number of days lost per member of staff through sick absence in 2023-24 was 12.8 days (2022-23: 17.4 days). This was 5.7% of available working days (2022-23: 7.9%).

62% of absence resulted from the long-term sickness of a small number of staff. Over half of long-term absences in 2023-24 were as a result of staff awaiting diagnosis and/or recovering from medical procedures.

Some 49% of staff had no absence in 2023-24 (2022-23: 33%).

All staff who take sick leave receive a return to work interview with their line manager to understand the cause of their absence and what action can be taken to help prevent recurrence. An absence management plan is put in place for staff who experience long-term sick absence, which includes regular contact from line management and the HR Team, and referrals to the Occupational Health Service (OHS) and the NICS Welfare Support Service. 10 referrals to OHS were made in 2023-24 (2022-23: 11). Attendance is formally reviewed after four occasions of absence, or when a staff member has been absent for 10 working days, in a rolling 12-month period. Following such a review, a staff member may be issued with a formal notice of concern that their absences are at risk of becoming unsustainable and may ultimately be dismissed.

All staff have access to an Employee Assistance Programme, operated by Inspire Wellbeing. As part of this, staff have access to a confidential helpline and counselling, and guidance on a range of health and wellbeing matters.

A Health and Wellbeing Strategy is in place to help promote healthy lifestyles. This has a particular focus on mental health. Through this, the Agency provides a range of health and wellbeing initiatives. In 2023-24, these included webinars and talks on mental wellbeing, and flu vaccinations. The Agency's annual Health and Wellbeing Week takes place each May. This comprises health checks provided by Chest, Heart and Stroke, a range of onsite health treatments, and wellbeing talks.

Staff Policies Regarding Disabled People

The Agency is an equal opportunities employer, dedicated to the promotion of equality in all aspects of working life.

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Reasonable adjustments for disabled job applicants are made on request.

The Agency makes reasonable adjustments to enable disabled staff members to perform their duties effectively and participate fully in meetings and events. OHS, the Welfare Support Service and Access Centre NI where appropriate advise on the provision of reasonable adjustments. Reasonable adjustments are in place for a number of staff.

The Agency has signed up to the Mental Health Charter.⁴⁹ The Charter has been developed by the Equality Commission and mental health organisations to provide a framework for working towards mentally healthy workplaces. As part of this, a Mental Health at Work Champion is appointed at Board level.

A Disability Action Plan is in place in line with the Agency's statutory duty under Section 49B of the Disability Discrimination Act 1995. This was prepared with expert advice from North West Forum of People with Disabilities, to whom we are very grateful, and in consultation with disabled staff members.⁵⁰

Learning and Development

In October 2020, the Agency became the first public body in Northern Ireland to achieve the new and more challenging sixth generation Investors in People (IiP) Gold standard. IiP recognises the effective investment made in, and management of, learning and development and staff participation in business planning and decision-making. Reassessment against the IiP standard is scheduled for May/June 2024.

A Learning and Development Plan is agreed each year, which determines organisation-wide priorities for the investment of the Learning and Development budget.

The Agency has in place a Leadership Development Programme, developed and delivered by Queen's University, Belfast. To date, four cohorts of staff have participated from a wide range of grades (Chief Executive to Administrative Officer). The intention is that eventually all staff will undertake the programme to ensure that leadership behaviours are embedded at all levels in the Agency.

The Agency also continues to support the Post Graduate Certificate in NI Employment Law, which is delivered in partnership with Ulster University and Legal Island. The Agency receives two free places in return for our support in the delivery of this programme. Two staff undertook and successfully completed the programme in the 2023-24 academic year; the total number of graduates from the Agency is now 13.

The Agency's staff spent a total of 232 days (2022-23: 420 days) on learning and development activities. This represents an average number of training days per member of staff of 3.6 (2022-23: 6.3 days). Much of the investment in learning and development in 2023-24 was on preparing a group of Employment Relations Managers for new roles ahead of planned restructuring in 2024-25.

Employee Consultation and Trade Union Relationship

The Agency is committed to engaging effectively with its staff. Formal Management and TUS consultation is facilitated through the Agency's Joint Negotiating and Consultative Committee (JNCC). The TUS also attends a Board meeting each year to discuss employment relations and was able to confirm that the Agency continues to enjoy a very positive employment/industrial relations culture.

An Employment Relations Group (ERG), comprising staff at all grades and from each team, meets monthly. The terms of reference for the ERG have been agreed with the TUS and focus on promoting health and wellbeing and greater staff participation in decision-making.

A Staff Conference was held in November 2022 to discuss a proposed transformation programme, which includes restructuring. This will be completed in 2024-25; implementation will follow a further staff conference, which is scheduled for September 2024.

⁴⁹ Further information is available at: www.equalityni.org/MentalHealthCharter.

⁵⁰ The Disability Action Plan is available at: <https://www.lra.org.uk/resources/labour-relations-agency-disability-action-plan-2020-2023>.

The Agency conducted a series of quarterly pulse surveys during 2023-24. These helped inform the SLT of any issues or concerns from staff as the Agency transforms. The surveys use standard questions, which allow results to be benchmarked against similar organisations. Among other results, these show that the Agency continues to have a high staff engagement score, albeit slightly impacted by the current period of change (74% in 2023-24 compared to 78% in 2022-23).

Equity, Diversity and Inclusion

In line with our values, the Agency is committed to building an inclusive workplace culture where diversity is truly valued at all levels, where colleagues are valued for who they are and where they can bring their 'true self' to work. We want to make use of all the talent that exists across the Agency to ensure we are a well-led, high performing, outcome-focused organisation, and a great place to work; an exemplary employer.

The Agency employs an Equity, Diversity and Inclusion (EDI) Manager, mentored by the Board EDI Champion. This post was created following the impact of dedicating a proportion of a pre-existing post to create a Staff EDI Champion.

The Agency's People Strategy includes a range of actions that will help accelerate our ambition of being recognised as a truly inclusive organisation, which reflects the society we serve. This has been supplemented by an EDI Strategy, which was approved by the Board in November 2022. This covers both our work to be an even more inclusive employer and to ensure our services reach all parts of our community, particularly potentially vulnerable groups currently under-represented among our customer-base.

Annual staff EDI surveys informed the EDI Strategy and help focus activities, which are progressed through an annual EDI Work Plan.

The Agency supports a growing number of staff-led networks: Disability and Long-Term Conditions; LGBT+ and Allies; Multicultural; and Women. Each network is sponsored by a Board member. Other staff-led initiatives include a Menopause Café. These help the Agency achieve a number of objectives, including enhancing employee engagement and using colleagues' lived experiences to inform policy and guidance.

The LGBT+ and Allies Network organises the Agency's corporate participation in the annual Belfast and Foyle Pride events. These serve to promote the Agency's services to the LGBT+ community, as well as express solidarity to LGBT+ colleagues.

A Diversity Council, which comprises the SLT, EDI Manager and representatives from each staff network was formed in April 2023. This ensures that staff network activities are co-ordinated to highlight and address intersectional issues.

The Agency successfully retained the Diversity Mark Bronze Accreditation⁵¹ in March 2023, following an external assessment of progress against a gender-based action plan and is working towards Silver Accreditation in 2024. The Chief Executive was named the Institute of Director's Director of the Year in the 'Equality, Diversity and Inclusion' category. We were also finalists in the Women in Business Awards for 2023 for 'Advancing Diversity in the Workplace', in both the individual and organisational categories, and in the Business Eye award in the 'Diversity and Inclusion' category.

51 Further information is available at: <https://diversity-mark-ni.co.uk/>.

Equality is a cornerstone consideration in the development and review of all HR policies, which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The Agency continues to meet its statutory obligations under the Fair Employment and Treatment (NI) Order 1998,⁵² which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission, both of which assess the composition of the Agency's workforce and the composition of applicants and appointees.

Health, Safety and Wellbeing

A joint Health, Safety and Wellbeing Committee, with management and TUS representation, oversees and coordinates activities to help ensure the Agency provides a healthy and safe working environment for its staff and customers. Furthermore, health and safety is a standing agenda item at formal JNCC meetings.

Assembly Accountability and Audit Report

Assembly Accountability Disclosures

Regularity of expenditure

This section is subject to audit.

All expenditure during 2023-24 has been in line with Managing Public Money (NI).

Losses and Special Payments

This section is subject to audit.

There were no losses in 2023-24 (2022-23: £nil).

No special payments were made during 2023-24 (2022-23: none).

Fees and Charges

This section is subject to audit.

No fees were chargeable by the Agency in 2023-24 (2022-23: none).

Remote Contingent Liabilities

This section is subject to audit.

There were no remote contingent liabilities as at 31 March 2024 (2022-23: none).



Don Leeson
Chief Executive/Accounting Officer
2 July 2024

⁵² Available at: <https://www.legislation.gov.uk/nisi/1998/3162/contents/made>.

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

Opinion on financial statements

I certify that I have audited the financial statements of the Labour Relations Agency for the year ended 31 March 2024 under the Industrial Relations (Northern Ireland) Order 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Labour Relation Agency's affairs as at 31 March 2024 and of the Labour Relation Agency's net expenditure for the year then ended; and,
- have been properly prepared in accordance with the Industrial Relations (Northern Ireland) Order 1992 and Department for the Economy directions issued thereunder.

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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate

My staff and I are independent of the Labour Relations Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded the Labour Relations Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Labour Relations Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Labour Relations Agency is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Board and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Industrial Relations (Northern Ireland) Order 1992; and,
- the information given in the Performance Report and Accountability 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

In the light of the knowledge and understanding of the Labour Relations Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or

- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance. adequate accounting records have not been kept; or

Responsibilities of the body and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the body and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and,
- assessing the Labour Relations Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Labour Relations Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Industrial Relations (Northern Ireland) Order 1992.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Labour Relations Agency through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Health and Safety Legislation, the Industrial Relations (Northern Ireland) Order 1992, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws;
- making enquires of management and those charged with governance on the Labour Relations Agency's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Labour Relations Agency's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate and making enquiries to the Labour Relations Agency and relevant third parties; and,
- addressing the risk of fraud as a result of management override of controls by:
 - o performing analytical procedures to identify unusual or unexpected relationships or movements;
 - o testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - o assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and,
 - o investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "Dorinnia Carville". The signature is written in a cursive, flowing style.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
4 July 2024

Chapter 3

Financial Statements

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2024

	Notes	Agency £	Certification Officer £	2023-24 Total £	2022-23 Total As restated £
Income	3	24,596	1,788	26,384	-
Expenditure					
Staff costs	4	3,362,851	215,074	3,577,925	3,463,835
Depreciation and amortisation and Loss on Disposal of Fixed assets	5	113,472	-	113,472	208,939
Other expenditure (excluding depreciation and amortisation)	5	1,229,809	18,243	1,248,052	1,313,618
Total expenditure		4,706,132	233,317	4,939,449	4,986,392
Net operating expenditure				4,913,065	4,986,392

Other Comprehensive Expenditure for the Year Ended 31 March 2024

	Notes	2023-24 £	2022-23 £
Net Operating Expenditure		4,913,065	4,986,392
Items that will not be reclassified to net Operating Expenditure:			
Net loss/(gain) on revaluation of Property, Plant and Equipment	6	(3,286)	(10,757)
Net loss/(gain) on revaluation of Intangibles	7	(326)	(4,274)
Total Comprehensive Net Expenditure for the year ended 31 March 2023		4,909,453	4,971,361

All amounts above relate to continuing activities.

The notes on pages 75 to 89 form part of these financial statements.

Statement of Financial Position as at 31 March 2024

	Notes	2024 £	2023 As restated £
Non-current assets:			
Property, plant and equipment	6	278,562	153,284
Right of Use Assets	6	2,211	-
Intangible assets	7	3,425	46,340
Total non-current assets		284,198	199,624
Current assets:			
Trade and other receivables	8	136,446	84,185
Cash and cash equivalents	9	695,564	722,788
Total current assets		832,010	806,973
Total assets		1,116,208	1,006,597
Current Liabilities			
Trade and other payables	10	(697,751)	(438,869)
Provisions	12	(36,932)	(201,810)
Total current liabilities		(734,683)	(640,679)
Total assets less Current liabilities		381,525	365,918
Net Assets		381,525	365,918
Taxpayers' equity			
Revaluation reserve		68,216	64,604
General reserve		313,309	301,314
Total taxpayers' equity		381,525	365,918

The notes on pages 75 to 89 form part of these financial statements

The financial statements on pages 70 to 89 were approved by the Board on 26 June 2024 and were signed on its behalf by:



Don Leeson
Chief Executive and Accounting Officer

Statement of Cash Flows for the Year Ended 31 March 2024

	Notes	2023-24 £	2022-23 As restated £
Cash flows from operating activities			
Net operating expenditure		(4,913,065)	(4,986,392)
Adjustments for non-cash transactions		113,472	208,939
Decrease/(Increase) in trade and other receivables		(52,261)	31,928
Increase/(decrease) in trade and other payables and provisions		94,003	(57,642)
Net cash outflow from operating activities		(4,757,851)	(4,803,167)
Cash flows from investing activities			
Purchase of plant, property and equipment		(194,433)	(83,948)
Purchase of intangible assets		-	(1,744)
Net cash outflow from investing activities		(194,433)	(85,692)
Cash flows from financing activities			
Financing – grant from Department for the Economy*			
– Agency		4,704,060	4,792,940
– Certification Officer		221,000	221,000
Net cash flows from financing activities		4,925,060	5,013,940
Cash and cash equivalents at the beginning of the year		722,788	597,707
Net increase/(decrease) in cash and cash equivalents in the year		(27,224)	125,081
Cash and cash equivalents at the end of the year		695,564	722,788

*The grant is intended to finance both revenue and capital expenditure, details of which are summarised in the Statement of Comprehensive Net Expenditure (SoCNE) and Notes 4, 5 and 6 to the accounts respectively.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2024

This statement shows the movement in the year on the different reserves held by the Labour Relations Agency, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Notes	General Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 March 2022		273,766	49,573	323,339
Changes in Taxpayers' Equity 2022-23		-	-	-
Grant from Department for the Economy		5,013,940	-	5,013,940
Comprehensive expenditure for the year (excluding Auditor's remuneration)		(4,971,392)	-	(4,971,392)
Auditor's remuneration		(15,000)	-	(15,000)
Movements in Reserves		-	-	-
Net gain on revaluation of property, plant & equipment and intangible assets		-	15,031	15,031
Balance at 31 March 2023		301,314	64,604	365,918
Changes in Taxpayers' Equity 2023-24				
Grant from Department for the Economy		4,925,060	-	4,925,060
Net Operating Expenses for the year (excluding Auditor's remuneration)		(4,898,065)	-	(4,898,065)
Auditors' remuneration		(15,000)	-	(15,000)
Movements in Reserves		-	-	-
Net Gain on revaluation of property, plant & equipment and intangible assets		-	3,612	3,612
Balance at 31 March 2024		313,309	68,216	381,525

Notes to the Financial Statements for the Year Ended 31 March 2024

1. Accounting Policies

Statutory Information

The Labour Relations Agency is a non-departmental public body. The Agency's principal place of business is James House, Cromac Avenue, Belfast, BT7 2JA.

The presentation currency is GBP (£); all figures are rounded to the nearest £1.

Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM)⁵³ 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 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 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.

Critical accounting judgments and estimates

The Agency prepares its financial statements in accordance with the Government's Financial Report Manual, the application of which often requires judgments to be made by management when formulating the financial position and results. Under IFRS, the Agency is required to adopt those accounting policies most appropriate to the organisation's circumstances for the purpose of presenting fairly its financial position, financial performance and cash flows.

In determining and applying accounting policies, judgment is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Agency should it later be determined that a different choice would be more appropriate. The Agency considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and provide an explanation accordingly. The Agency has discussed its critical accounting estimates and associated disclosures with its Audit and Risk Assurance Committee. As the use of estimates is inherent in financial reporting, actual results could differ from these. Key accounting estimates include accrued expenses, depreciation and provisions.

1.1 Accounting convention

The accounts have been prepared on a going concern basis. With funding confirmed for 2024-25, the Agency has a clear view of how it will continue to operate for at least 12 months from the date of approval of these financial statements.

The Agency has 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 they may require for the carrying out of their duties. The Agency also has 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.

⁵³ Available at: <https://www.gov.uk/government/publications/government-financial-reporting-manual-2023-24>.

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 DfE are credited direct to the General Fund reserve on a cash basis. The annual recurrent allocations from DfE are intended to meet recurrent costs. Income from services rendered is included to the extent of the completion of the contract or service concerned.

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 £1,000 (excluding VAT) for all assets 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
Right-of-use assets	- Straight line over period of lease.

Property, plant and equipment are revalued by reference to appropriate 'Price Index Numbers for Current Cost Accounting' produced by the Office for National Statistics.

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.

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 £1,000 (excluding VAT). These assets have been restated using valuation techniques produced by the Office for National Statistics.

1.5 Pensions

Present and past employees are covered by the provisions of the NICS pension arrangements which are unfunded multi-employer defined benefit schemes. The Agency is unable to identify its share of the underlying assets and liabilities. The Agency recognises the expected cost of providing pensions on a systematic and rational basis over the

period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruals basis. All pension contributions are charged to Net Expenditure when incurred.

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. Therefore, all expenditure includes 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 is bank interest received, which is accounted for on an accruals basis.

1.9 Accounting standards, interpretations and amendments to published standards not yet effective

The Agency has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. The Agency considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

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 de-recognition. 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 financial instruments 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.

1.12 IFRS 16 Leases

IFRS 16 Leases is effective from 1 April 2023. The adoption of this new standard has resulted in the Agency recognising a right-of-use asset and related lease liability in connection with all operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

1.13 Leased Assets

At lease commencement date the Agency recognises a right-of-use asset measured at fair value and a corresponding lease liability measured at present value. The right-of-use asset is depreciated on a straight-line basis from lease commencement to the earlier of the end of useful economic life or the end of the lease term. The Agency also assesses the right-of-use asset for impairment when such indicators exist.

The difference between the carrying amount of the right-of-use asset and lease liability is recognised as income as required by IAS 20.

1.14 Provisions

The Agency recognises a provision where the following criteria are fulfilled:

- The Agency has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and,
- A reliable estimate can be made of the amount of the obligation.

1.15 Contingent Liabilities

Contingent liabilities arise where a possible obligation is depending on whether some uncertain future event occurs, a payment is not probable, or the amount cannot be measured reliably.

2. Statement of Operating Costs by Operating Segment

The two main segments operating in the Labour Relations Agency are the Agency itself and the Certification Officer. The principal activities of the 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 Officer is responsible for ensuring that trade unions and employer's associations comply with statutory provisions relating to the regulation of trade unions and employers' associations.

The non-current assets of the Agency are all located in Northern Ireland.

	Agency £	Certification Officer £	2023-24 Total £	Agency As restated £	Certification Officer £	2022-23 Total As restated £
Gross Expenditure	4,706,132	233,317	4,939,449	4,764,854	221,538	4,986,392
Income	(24,596)	(1,788)	(26,384)	-	-	-
Net Expenditure	4,681,536	231,529	4,913,065	4,764,854	221,538	4,986,392
Total Assets	1,109,471	6,737	1,116,208	995,811	10,786	1,006,597
Total Liabilities	(720,738)	(13,945)	(734,683)	(633,217)	(7,462)	(640,679)
Net Assets	388,733	(7,208)	381,525	362,594	3,324	365,918

2.1 Reconciliation between Operating Segments and SoCNE/SoFP

	Agency £	Certification Officer £	2023-24 Total £	Agency As restated £	Certification Officer £	2022-23 Total As restated £
Total net expenditure reported for operating segments	4,681,536	231,529	4,913,065	4,764,854	221,538	4,986,392
Total net expenditure per the Consolidated Statement of Comprehensive Net Expenditure	4,681,536	231,529	4,913,065	4,764,854	221,538	4,986,392
Total Assets Reported for Operating Segments	1,109,471	6,737	1,116,208	995,811	10,786	1,006,597
Total Assets Per Statement of Financial Position	1,109,471	6,737	1,116,208	995,811	10,786	1,006,597
Total Liabilities reported for Operating Segments	(720,738)	(13,945)	(734,683)	(633,217)	(7,462)	(640,679)
Total Liabilities per Statement of Financial Position	(720,738)	(13,945)	(734,683)	(633,217)	(7,462)	(640,679)
Total net assets per Statement of Financial Position	388,733	(7,208)	381,525	362,594	3,324	365,918

3. Income

Income of £26,384 was recognised in 2023-24 (2022-23: £Nil) in respect of bank interest received.

4. Staff Costs

	2023-24 £	2022-23 £
Wages and salaries	2,346,667	2,357,642
Social Security Costs	206,514	207,384
Other pension costs – superannuation	633,362	630,532
Employment Agency Staff	391,382	268,277
	3,577,925	3,463,835

Further disclosure of staff costs can be found in the Remuneration and Staff Report.

5. Other Expenditure

	Agency £	Certification Officer £	2023-24 Total £	Agency As restated £	Certification Officer £	2022-23 Total As restated £
Cash items						
Premises Costs:						
Rent, under operating leases, including car parks	-	-	-	260,582	22,018	282,600
Rates, including car parks	90,705	5,800	96,505	82,489	4,496	86,985
Service charges maintenance, cleaning, security, heating, lighting and insurance	383,870	4,464	388,334	199,332	6,188	205,520
Other Office Running Costs:						
Staff training	47,209	-	47,209	47,784	1,012	48,796
IT Managed Services, maintenance, licences, & development	365,405	3,000	368,405	268,202	3,000	271,202
Postage and telephones	62,858	720	63,578	105,795	324	106,119
Library services	41,641	-	41,641	36,246	-	36,246
Office, supplies, photocopying, printing and stationery	4,304	-	4,304	1,574	-	1,574
Publications and advertising	51,682	-	51,682	52,774	-	52,774
Conference & Seminars	13,566	-	13,566	19,749	-	19,749
Travel and subsistence	7,569	-	7,569	7,284	2,298	9,582
Hospitality	3,052	-	3,052	4,129	-	4,129
Miscellaneous expenditure	28,911	2,685	31,596	20,353	5,534	25,887
Interpreter fees and venue hire	3,112	-	3,112	1,226	-	1,226
Professional subscriptions	15,106	-	15,106	17,361	-	17,361

Advertising (staff vacancies)	26,710	-	26,710	24,959	-	24,959
Bank charges	21	-	21	11	(366)	(355)
Fees and Expenses:						
Other professional fees	46,165	338	46,503	39,972	284	40,256
Arbitration fees and expenses	13,365	-	13,365	13,264	-	13,264
Internal auditor's remuneration	10,297	533	10,830	11,736	473	12,209
External auditor's remuneration	14,297	703	15,000	14,301	699	15,000
Research and Development	(36)	-	(36)	38,535	-	38,535
Total cash expenditure	1,229,809	18,243	1,248,052	1,267,658	45,960	1,313,618
Non-cash items						
Depreciation and amortisation						
Depreciation of property, plant and equipment	70,231	-	70,231	87,586	-	87,586
Amortisation of intangible assets	43,241	-	43,241	82,965	-	82,965
Sub Total Depreciation	113,472	-	113,472	170,551	-	170,551
Loss on disposal of Property, Plant and Equipment	-	-	-	38,388	-	38,388
Total net Non-cash expenses	113,472	-	113,472	208,939	-	208,939
Total	1,343,281	18,243	1,361,524	1,476,597	45,960	1,522,557

6. Property, Plant and Equipment 2023-24

	Adaptations to Agency Short Leasehold Buildings £	Agency Right of use Assets £	Agency Office Equipment, Furniture & Fittings £	Agency Computer Equipment £	Certification Officer Office Furniture Fittings £	Certification Officer Computer Equipment £	Total £
Cost or valuation							
At 1 April 2023	-	-	28,463	289,753	6,819	6,291	331,326
Additions	-	13,739	29,476	174,918	-	-	218,133
Adjustment arising on revaluation	-	-	3,200	2,037	48	44	5,329
Disposals	-	-	-	-	-	-	-
At 31 March 2024		13,739	61,139	466,708	6,867	6,335	554,788
Depreciation							
At 1 April 2023	-	-	7,588	157,344	6,819	6,291	178,042
Charge for the year	-	11,528	14,518	67,884	-	-	93,931
Adjustment / (Impairment) arising on revaluation	-	-	845	1,106	48	44	2,043
Disposals	-	-	-	-	-	-	-
At 31 March 2024	-	11,528	22,951	226,334	6,867	6,335	274,015
Carrying amount at 31 March 2023	-	-	20,875	132,409	-	-	153,284
Carrying amount at 31 March 2024	-	2,211	38,188	240,374	-	-	280,773

All assets were subject to revaluation using annual indices provided by the Office of National Statistics. The assets were re-valued using March 2024 statistics.

Note:

The depreciation charge per Note 5 of £70,231 (2023: £87,586) for the year reflects the depreciation provision for property, plant and equipment. No impairment adjustment was required to the SoCNE in 2024 (2023: £nil).

6. Property, Plant and Equipment (continued)

Leased Assets

The adaptations to Agency buildings on short leasehold land carried a Net Book Value at 31 March 2024 of £nil (2023: £nil) and represent the Agency's only leased assets.

2022-23 (As Restated)

	Adaptations to Agency Short Leasehold Buildings £	Agency Office Equipment, Furniture & Fittings £	Agency Computer Equipment £	Certification Officer Office Furniture Fittings £	Certification Officer Computer Equipment £	Total As restated £
Cost or valuation						
At 1 April 2022	715,066	302,169	625,312	6,490	5,691	1,654,728
Additions	-	10,511	73,437	-	-	83,948
Adjustment arising on revaluation	70,417	29,003	21,602	329	600	121,951
Disposals	(785,483)	(313,220)	(430,598)	-	-	(1,529,301)
At 31 March 2023	-	28,463	289,753	6,819	6,291	331,326
Depreciation						
At 1 April 2022	677,420	269,121	511,885	6,490	5,691	1,470,607
Charge for the year	18,068	12,203	57,315	-	-	87,586
Adjustment arising on revaluation	66,711	25,871	17,683	329	600	111,194
Disposals	(762,199)	(299,607)	(429,539)	-	-	(1,491,345)
At 31 March 2022	-	7,588	157,344	6,819	6,291	178,042
Carrying amount at 31 March 2022	37,646	33,048	113,427	-	-	184,121
Carrying amount at 31 March 2023	-	20,875	132,409	-	-	153,284

7. Intangible Assets

Intangible assets comprise computer software, development costs and licences.

2023-24

Cost or Valuation	Agency £	Certification Officer £	Total £
At 1 April 2023	334,177	10,993	345,170
Additions	-	-	-
Adjustment arising on revaluation	2,349	77	2,426
Disposals	-	-	-
At 31 March 2024	336,526	11,070	347,596
Amortisation			
At 1 April 2023	287,837	10,993	298,830
Charged in year	43,241	-	43,241
Adjustment arising on revaluation	2,023	77	2,100
Disposals	-	-	-
At 31 March 2024	333,101	11,070	344,171
Carrying value at 31 March 2023	46,340	-	46,340
Carrying value at 31 March 2024	3,425	-	3,425

All assets were subject to revaluation using annual indices provided by the Office of National Statistics. The assets were re-valued using March 2024 statistics.

Note:

The amortisation charge per Note 6 of £43,241 (2023: £82,965) for the year reflects the amortisation provision for intangible assets. No impairment adjustment was required to the SoCNE in 2024 (2023: £nil).

7. Intangible Assets (continued)

Intangible assets comprise computer software, development costs and licences.

2022-23

Cost or Valuation	Agency £	Certification Officer £	Total £
At 1 April 2022	1,105,496	10,142	1,115,638
Additions	1,744	-	1,744
Adjustment arising on revaluation	38,190	851	39,041
Disposals	(811,253)	-	(811,253)
At 31 March 2023	334,177	10,993	345,170
Amortisation			
At 1 April 2022	981,776	10,142	991,918
Charged in year	82,965	-	82,965
Adjustment arising on revaluation	33,916	851	34,767
Disposals	(810,820)	-	(810,820)
At 31 March 2023	287,837	10,993	298,830
Carrying value at 31 March 2022	123,720	-	123,720
Carrying value at 31 March 2023	46,340	-	46,340

8. Trade and other Receivables and Other Current Assets

	2023-24 £	2022-23 £
Amounts falling due within one year:		
Other receivables	-	891
Prepayments	136,446	83,294
	136,446	84,185

The above includes £nil (2023: £nil) due to the Agency from the Certification Officer.

9. Cash and Cash Equivalents

	Agency £	Certification Officer £	2023-24 Total £	2022-23 Total £
Balance at 1 April 2023	712,002	10,786	722,788	597,707
Net change in cash and cash equivalent balances	(23,175)	(4,049)	(27,224)	125,081
Balance at 31 March 2023	688,827	6,737	695,564	722,788
The following balances at 31 March 2024 were held at:				
Commercial banks and cash in hand	688,827	6,737	695,564	722,788
Balance at 31 March 2024	688,827	6,737	695,564	722,788

10. Trade and other Payables and Other Current Liabilities

	2023-24 £	2022-23 As restated £
Amounts falling due within one year:		
Trade payables	101,887	89,985
Accruals	593,116	348,884
Finance Lease	2,748	-
Total	697,751	438,869
Amounts falling due greater than one year:		
Total	-	-

11. Capital Commitments

There are no capital commitments at the year-end 31 March 2024 (year ended 31 March 2023: £nil).

12. Provisions

	2023-24 Dilapidations £	2023-24 Legal Fees £	2023-24 Total £	2022-23 Total £
Provision – not later than one year:				
Opening balance	156,810	45,000	201,810	193,870
Provided in the year	-	-	-	52,940
Provision released during the year	(156,810)	(8,068)	(164,878)	(45,000)
Closing balance	-	36,932	36,932	201,810

At 31 March 2024, the Agency has an obligation associated with the legal costs of an employment tribunal case in which the Agency is the respondent. The obligation is based on an estimate made by the Agency's legal adviser in respect of the tribunal hearing. A contingent liability exists in respect of the outcome of this hearing (Note 19).

The prior year provision for dilapidations in respect of the Agency's former Head Office premises (lease exited on 28 February 2023) was insufficient to cover the final amount of £370k. The provision was updated annually and informed by expert technical advice provided by a Department of Finance approved surveyor on which the Agency relied.

13. Commitments under Leases

Low value Leases

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

Buildings:	2023-24 £	2022-23 £
Not later than one year	2,000	12,000
Later than one year and not later than five years	-	2,000
Later than five years		-
	2,000	14,000

The lease on the Regional Office's premises ended on 9 June 2024. A new five-year lease, with no change in rent, is being prepared.

Where the interest rate implicit in the lease cannot be readily determined the Agency applies HM Treasury discount rates as their incremental borrowing rate.

14. Other Financial Commitments

The Agency has no other financial commitments and has not entered into any non-cancellable contracts.

15. Related Party Transactions

The Agency is a Non-Departmental Public Body sponsored by DfE. DfE is regarded as a related party. During the year, the only transactions which the Agency has had with DfE is the receipt of £4,925,060 (2023: £5,013,940) grant, as disclosed in the statement of cash flows.

None of the Board members, members of the Senior Leadership Team, or other related parties has undertaken any material transactions with the Agency during the year, other than the reimbursement of expenses necessarily incurred in the course of their employment.

16. Financial Instruments

As the cash requirements of the Agency and the Certification Officer are met through grant-in-aid provided by DfE, 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 Agency's expected purchase and usage requirements, and the Agency is therefore exposed to little credit, liquidity or market risk.

17. Impairments

The total impairment charge for the year is £nil (2023: £nil).

18. Events after the Reporting Date

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

19. Contingent Liability Under IAS 37

The Agency has two contingent liabilities at 31 March 2024 (31 March 2023: two). These are in relation to the outcome of employment tribunal cases in which the Agency is the respondent.

One of these claims is in respect of an individual litigant. The Agency is defending this case and does not believe it has acted unlawfully, as alleged by the claimant. Should this matter proceed to hearing, which is scheduled for September 2024, and the Employment Judge finds against the Agency, then an award will be due to the claimant. The Agency's legal advice is that this outcome is highly unlikely and therefore no provision for this has been made in these Financial Statements. However, in the event of such an outcome, the amount that the claimant might be awarded is estimated as circa £30k.

The other claim is in respect of 'injury to feelings' lodged by NIPSA on behalf all of its members against those employers that, like the Agency, are part of the NI Civil Service Pension Scheme. The Agency's involvement as a respondent is due to a legal technicality. In the event that the case proceeds to a hearing and the claimants are awarded compensation, it is anticipated that any financial liability will fall to NI Civil Service Pension Scheme.

20. Prior period Adjustment

The adjustment relates to a licence for the use of premises at James House, in the prior year accounts, the licence was treated as a lease under IFRS 16 and subsequently capitalised at fair value as a right to use asset with the subsequent lease being measured at present value. The resulting adjustment is a decrease in fixed assets of £476,595, a decrease in liabilities of £476,595, a decrease in depreciation expense of £34,042 and a decrease in income of £34,042. The net impact of these changes on the Statement of Comprehensive Next expenditure and Total tax payers equity is Nil.

Date of authorisation for issue

The Accounting Officer authorised these financial statements on 2 July 2024.

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