

The
Local Government
Boundary Commission
for England



Annual Report & Accounts 2014/15

HC296

The
Local Government
Boundary Commission
for England

Annual Report & Accounts 2014/15

Report presented to Parliament pursuant to Paragraph 17(1) and Accounts presented to Parliament pursuant to Paragraph 15 (2) (c) of Schedule 1 to the Local Democracy, Economic Development and Construction Act 2009

Ordered by the House of Commons to be printed on 7 July 2015

HC296

© **Local Government Boundary Commission for England 2015**

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as Local Government Boundary Commission for England copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries related to this publication should be sent to us at LGBCE, 14th Floor Millbank Tower, 21-24 Millbank, London, SW1P 4QP

This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474122979

Web ISBN 9781474122986

ID 01071522 07/15 50418 19585

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

CONTENTS

1. CHAIR'S INTRODUCTION	Page 2
MANAGEMENT COMMENTARY	
2 STRATEGIC REPORT	Page 4
2.1 Commissioners & Advisers	
2.2 Organisation Structure (March 2015)	
2.3 Performance Review	
2.4 Communications and Public Affairs	
2.5 Diversity Information	
3. DIRECTOR'S REPORT	Page 13
3.1 Financial Review	
4. REMUNERATION REPORT	Page 16
5. ACCOUNTING OFFICER STATEMENTS	Page 20
5.1 Accounting Officer's Report	
5.2 Governance Statement	
6. FINANCIAL STATEMENTS	Page 28
6.1 Comptroller & Auditor General's Certificate and Report	
6.2 Accounts	
6.3 Notes to the Accounts	

1. Chair's introduction

I am pleased to present the Commission's Annual Report & Accounts for 2014/15: our 5th report.

The Commission has completed 29 electoral reviews of English local authorities over the past 12 months. The output means that 2014/15 has been our most productive year since the Commission became a stand-alone body in 2010. As in every previous year, we have achieved higher productivity against a real terms reduction in resources.

In total, 55 English local authorities implemented new electoral arrangements at the local elections on 7 May 2015. All of the arrangements have been agreed as part of electoral reviews carried out by the Commission and will affect well over five million voters in every region of England. Our work means that when voters go to the polls at local elections, they can be assured that their electoral arrangements deliver electoral equality to them and their neighbours, and that ward boundaries reflect the shape of communities as well as helping their council provide effective local government.

As part of our work programme, this year has also seen the Commission complete ten electoral reviews at the request of local authorities. Most requests have come as a result of councils wishing to change the total number of members elected to their authority: to reflect the changing way they take decisions, provide accountability and represent communities. We have also completed reviews where local authorities have opted to move to a uniform pattern of single-member wards. In addition, we have now finished an electoral review of Doncaster Metropolitan Borough Council. We were asked to carry out the review as part of the wider process of improving the council's corporate governance.

Since the completion of our work in Doncaster, we have also made space in our programme to carry out an electoral review of Birmingham City Council: the largest single-tier authority in England by population. An electoral review of the City Council was a key recommendation of the Kerslake report published in December 2014. The Commission will maintain its flexible programme in subsequent years so that we can continue to respond positively where we believe an electoral review can help an authority improve the way it represents people and help the council tackle the strategic challenges of the future.

We have been able to deliver a flexible programme, and take on additional work during the course of the year, due to the efficiencies we have made in the way we conduct review activity and changes to the way we support front line work. For example, during the course of this year, we have reduced our senior management team and merged the posts of Chief Executive and Director of Reviews. We have also completed a major relocation and back office services project which means we will shortly relocate our office as well as signing new agreements for Finance, IT, HR and other back office services. The changes will deliver substantial savings as well as improving the quality of services.

Once again, we are grateful to the Speaker's Committee for their guidance over the course of the year and, in particular, to Gary Streeter MP who speaks on our behalf in the House of Commons and Lord Harris and Earl Cathcart who do likewise in the House of Lords. Finally I would like to thank those local authorities which have been reviewed for their co-operation throughout the year.

Max Caller CBE

Chair,

Local Government Boundary Commission for England

2 Strategic Report

2.1 Commissioners & Advisers



Max Caller CBE (Chair) - Max Caller was appointed Chair of the Commission on its creation on 1 April 2010. He was previously Chair of the Boundary Committee for England, the body whose functions the Commission assumed on 1 April 2010. He is a former Electoral Commissioner and was the Deputy Chief Counting Officer for the May 2011 national referendum on an alternative method of electing members to a Westminster Parliament. From July 2011 to June 2012 he held the position of interim Chair of the Local Government Boundary Commission for Wales.

Max is currently one of the Intervention Commissioners appointed by the Secretary of State to oversee improvements at London Borough of Tower Hamlets.

Max has served as Chief Executive and Returning Officer in three London boroughs and was the London Regional Returning Officer for the 1999 European Parliament elections. He has also served as an elections observer abroad.



Professor Colin Mellors (Deputy Chair) - is Emeritus Professor of Politics at the University of York where he recently served for eight years as Pro-Vice Chancellor. Previously, he held a similar position at the University of Bradford. He is a Visiting Professor at the University of Huddersfield and also advises the Vice Chancellor at the University of Hull. He has also worked at the universities of Southampton and Sheffield.

He is a Board Member of the York, North Yorkshire & East Riding Local Enterprise Partnership and (from July 2015) Chair of Yorkshire Regional Flood and Coastal Committee. Previous roles include Non-Executive Director of the Government Office for Yorkshire & Humberside.

Although predominantly working in academia, he has devoted much of his time to roles in the public sector focusing on local government, business development and capacity building with private sector and community partners.



Dr Peter Knight CBE DL - was Deputy Chair of the Commission on its creation on 1 April 2010 until November 2010. He is a former Vice-Chancellor of Birmingham City University and a Deputy Lieutenant of the County of the West Midlands. He has been the Chair of a major housing association and now serves as a Board Member of Wolverhampton Homes.

In 2004 Peter was appointed by the Secretary of State for Defence as a member of the Armed Forces Pay Review Body. In 2011 he was appointed by the Prime Minister as the Chair of the Prison Service Pay Review Body.



Sir Tony Redmond - was Chairman and Chief Executive of the Commission for Local Administration in England and Local Government Ombudsman for nine years to 2010. Before then, he was Chief Executive of the London Borough of Harrow, and previously served as Treasurer and Deputy Chief Executive of Knowsley Metropolitan Borough Council, as well as holding senior posts in Wigan Metropolitan Borough Council and Liverpool. He was also the Treasurer of the Merseyside Police Authority. He is a past President of the Chartered Institute of Public Finance and Accountancy (CIPFA). Tony is Treasurer and Trustee of UNICEF UK and the Chair of the

Consumer Council for Water (London and the South East). He was knighted in January 2011 for services to local government.



Alison Lowton – Alison is a solicitor who has spent her working life in local government. She was Director of Law and Administration in the London Borough of Camden where she was also responsible for managing the elections service. She now has a range of non-executive roles, including chairing the board of Coram Children’s Legal Service. She is a member of the Information Rights Tribunal. She has undertaken a range of investigations and reviews.



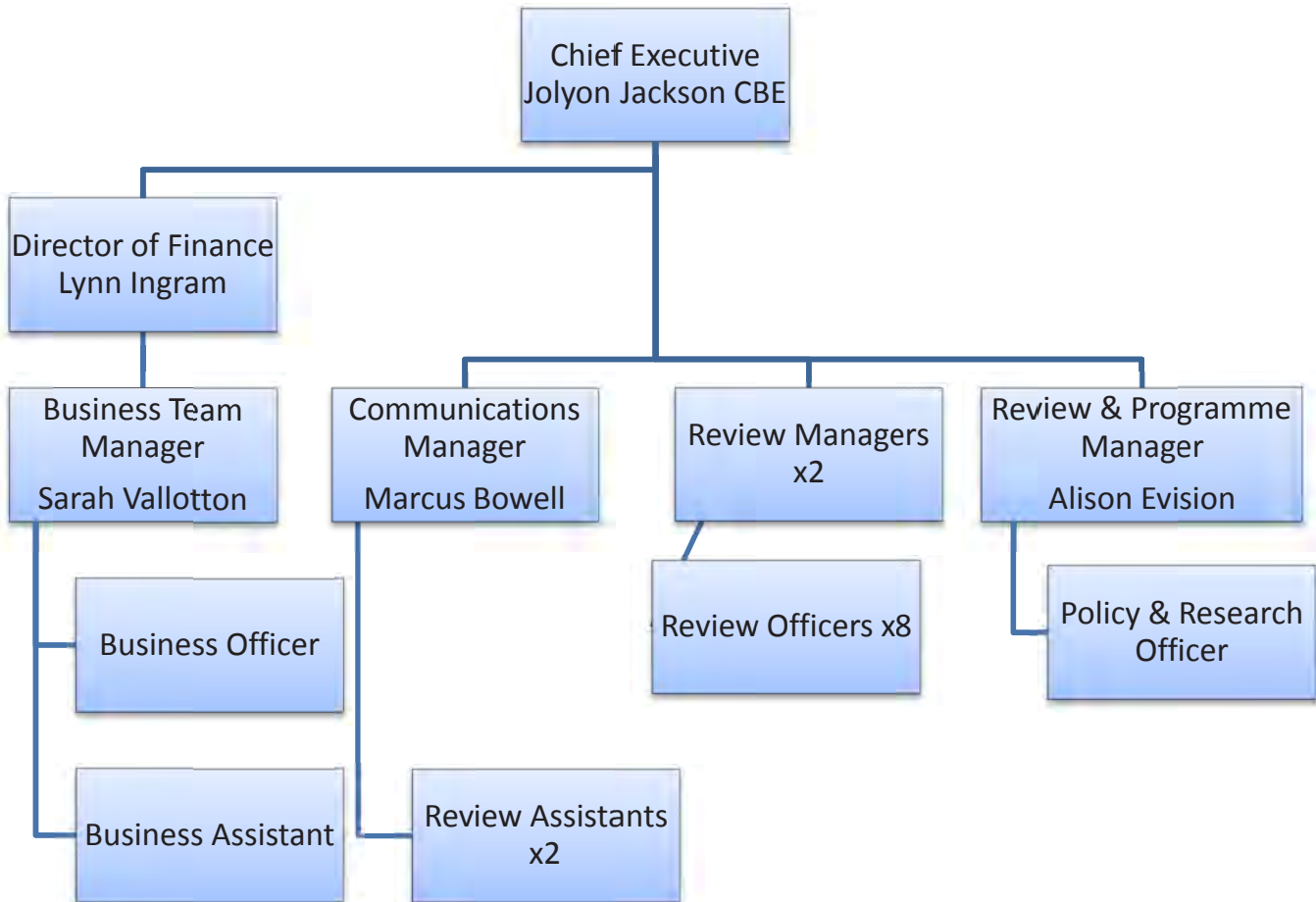
Professor Paul Wiles CB - is currently Honorary Professor at Sheffield University. He acts as adviser to the Sentencing Council; is a Non-Executive Director of the National Centre for Social Research, the Food Standards Agency and Sheffield Hallam University and Deputy Chair of the social science panel for the Higher Education Funding Council’s Research Excellence Framework assessment. Until Easter 2010 he was the UK Government’s Chief Social Scientist and Chief Scientific Adviser at the Home Office.



Independent Member (previously advisor) of the Audit Committee

Elizabeth Butler FCA is a self-employed Chartered Accountant, specialising in business start-ups. She worked for Price Waterhouse as an audit manager on a number of prestigious client accounts before starting her family. In addition to building up her practice she has developed a portfolio of non-executive roles: currently Chairman of Lewisham and Greenwich NHS Trust, and Chair of the Audit Committee of the Royal College of Veterinary Surgeons and is a co-opted member of the audit and risk committee of the GMC. She is also Chair of Governors of a primary school academy and treasurer for a number of local charities.

2.2. Organisational Structure (March 2015)



During this financial year the Chief Executive retired, and the Director of Reviews was made redundant. These two posts were replaced with a single, full-time Chief Executive.

2.3 Performance Review

The Commission has two broad objectives against which it measures its performance.

Objective One
To provide boundary arrangements for English local authorities that are fair and deliver electoral equality for voters.

	Objectives set 2014/15	Outcomes 2014/15
<p>21 reviews to meet this objective were completed in the year. Of these, 18 were undertaken solely as a result of the authorities in question triggering the Commission's intervention criteria. The authorities involved in the remaining 3 reviews also met the intervention criteria but the reviews were requested by the authorities concerned.</p> <p>Reviews of areas with significant electoral imbalances</p>	<p>We will complete reviews in 18 local authority areas to tackle electoral inequality</p> <p>Ashfield Aylesbury Vale Breckland Broxtowe Cherwell¹ Corby Darlington Erewash High Peak Leicester Lichfield Lincoln North Somerset² Peterborough Poole Sheffield</p> <p>West Devon West Dorset</p>	<p>Objective met: We completed reviews of:</p> <p>Ashfield Aylesbury Vale Breckland Broxtowe</p> <p>Corby Darlington Erewash High Peak Leicester Lichfield Lincoln North Somerset Peterborough Poole Sheffield Warwickshire⁴ West Devon West Dorset</p>
	<p>We will complete reviews in 3 local authority areas that had been requested and met the intervention criteria</p> <p>Suffolk Coastal Woking York³</p>	<p>Objective met: We completed reviews of:</p> <p>Suffolk Coastal Woking York</p>
	<p>We will commence reviews in 19 local authority areas to tackle electoral inequality</p> <p>We will commence reviews in 1 local authority area that has been requested and meets the intervention criteria</p>	<p>Objective met</p> <p>Objective met</p>

¹ The Commission intended to complete this review in 2014/15 but decided to allow Cherwell to request a related alteration to county division boundaries following a Community Governance Review by the Council. The review is scheduled to be completed in May 2015.

² The Commission originally intended to complete this review in 2013/14 but it opted for a further phase of targeted consultation on draft recommendations in rural North Somerset. The review was completed in July 2014.

³ The Commission intended to complete this review in 2013/14 but it decided to conduct a further phase of public consultation on its draft recommendations to resolve a disparity between the Council's electoral register and map of polling districts. The review was completed in July 2014.

⁴ The Commission added this review to its programme after annual targets were set. The review commenced in April 2014 and was completed in February 2015.

In April 2014, 18% of all local authorities in England met the Commission's intervention criteria. By March 2015, this figure had reduced to 16%.

We will intervene and conduct an electoral review of a Local Authority if levels of electoral inequality meet criteria: more than 30% of the wards/divisions vary in their ratio of councillors to electors by more than 10% from the average for the authority; and/or one ward/ division has a ratio of more than 30%; and the imbalance is unlikely to be corrected by population change within a reasonable period.

OBJECTIVE 2

To keep the map of English local government in good repair and work with local authorities to help them deliver effective and convenient local government to citizens.

In addition to conducting electoral reviews of local authorities with high levels of electoral imbalances, the Commission also opens its work programme to requests for reviews by councils to help them deliver more effective and convenient local government.

In response to demand from local authorities, the Commission commenced three reviews on request in 2014/15, principally to consider the number of councillors representing the authority. While this does not meet the objective target, it should be noted that six authorities have requested reviews for the 2015/16 financial year and these have been programmed. The average change in council size from 29 reviews completed in the 2014/15 year was a decrease of 5.0 councillors or 9.9%.

We have powers to make related alteration orders at the request of local authorities following community governance reviews undertaken by them. In 2014/15 we made 7 Orders.

The Commission also gave consent to 9 local authorities to change parish electoral arrangements that are protected under legislation.

Key Performance Indicators		Target 2014/15	Outturn 2014/15
1	Percentage of local authorities with significant electoral imbalances	17%	16%
2	Number of local authorities requesting reviews that are programmed for review at 1 April 2014	7	3
3	Aggregate percentage customer satisfaction with review processes ⁵	>70%	65%
4	Percentage of electoral change orders which, following reviews by the Commission, come into effect at the election expected when the review was first programmed	95%	100%
5	Average unit costs of reviews	£78k	£78k
6	Percentage variance from total budget	<3%	0%

KPI 3 is demonstrably affected by respondents' judgments about the outcome of reviews, as opposed to the process.

KPI 6 this reflects performance from higher efficiencies than assumed in previous corporate plans. Future targets will be for no overspends as "the efficiency programme" means that reductions do not always fall in the financial year that they are targeted for.

⁵ Based on an opinion survey (which is available to all stakeholders), 'Satisfaction' is defined as the description of conduct, products or publications as "very good" or "fairly good". The indicator is the number of respondents answering in that way as a percentage of the total number of respondents (including those answering in neutral terms). This replicates standard practice as represented in the OGC's best practice guidance.

2.4 Communications and Public Affairs

The Commission's communications and public affairs work has focused on three areas:

1. Supporting the work programme by publicising consultations and recommendations to maximise local authority and community involvement in our reviews and in responding to their enquiries.
2. Delivering the legislative requirements of the Local Democracy, Economic Development and Construction Act 2009 in relation to laying draft orders and strengthening relationships with parliamentarians.
3. Developing policies, procedures and products to improve the way the Commission engages with local authorities and members of the public during reviews.

The aims were supported by specific actions:

- As part of our review work, the Commission delivered 45 launches of public consultations relating to electoral reviews. During 2014/15, the Commission also announced the publication of final recommendations for 29 reviews.
- As a result of its public consultation exercises, the Commission received 4,681 responses from members of the public and local organisations to inform its decision making: a higher response rate than in any year since the Commission became a stand-alone body.
- Successfully made 38 electoral change orders which were laid in both Houses of Parliament under the negative resolution procedure.
- The Commission has continued to pursue a 'digital by default' approach to public engagement by enhancing its online platforms for informing and engaging communities and interested parties with reviews. The Commission's specialist consultation portal won the national Nominet award for innovation in public services and we have integrated additional social media platforms into the corporate website.
- The Commission strengthened relationships with local authorities who are part of the review programme by reviewing materials, briefings and presentations distributed at the start of a review.
- The Commission was a major presence at the Local Government Association Annual Conference where we made over 200 contacts with councillors and senior officers of local authorities across England as well as hosting a fringe session for over 40 delegates.

Correspondence

Our service standards relating to correspondence and how we met them are detailed below.

Type of Request	Requests Received	Responses Service Standard	Responses sent within deadline	Percentage	Responses sent within 5 days
General Enquiries	152	15 working days	147	97%	120
Enquiries relating to Reviews	44	15 working days	44	100%	34
Submissions resulting from Review Consultations	4,681	15 working days	4,539 ⁶	97%	3,782
Complaints (Stage 1)	12	15 working days	12	100%	8
Complaints (Stage 2)	2	20 working days	1 ⁷	100%	0
Complaints (Stage 3)	1	20 working days	1	100%	0
Freedom of Information Requests	17	20 working days	16	94%	0

⁶ During 2014/15 we have conducted reviews on a number of large local authorities so had anticipated an increase in submissions (2013/14 2,762 – an increase of 70%)

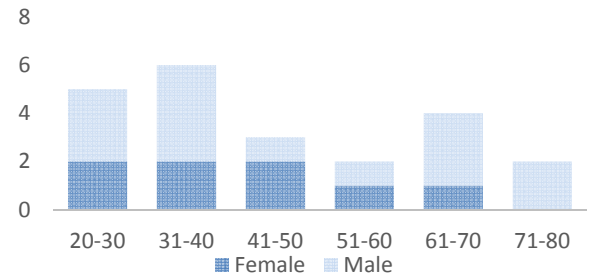
⁷Of the two Stage 2 complaints received, the response to one is due after the end of 2014/15. The second will be reported on in next year's figures. There was only one Stage 2 complaint response due during 2014/15 and the deadline was met, hence the 100% response on time figures.

2.5 Diversity Information ⁸

Gender by Seniority

	Female	Male	Total
Commissioners	1	5	6
Advisors	1	0	1
Senior Management	1	1	2
Management	2	3	5
Other Staff	7	6	13
Total	12	15	27
Commissioners	17%	83%	
Advisors	100%	0%	
Senior Management	50%	50%	
Management	40%	60%	
Other Staff	54%	46%	
Total	44%	56%	

STAFF AGE BY GENDER



Ethnicity

Black or Black British	4%
British	60%
White	20%
English	8%
Welsh	4%
Prefer not to say	4%

Religion

Christian	36%
Jewish	4%
No Religion	36%
Prefer not to say	20%
Other	4%

Sexual Orientation

Bisexual	8%
Gay	4%
Heterosexual/straight	76%
Prefer not to say	12%

Disability

Yes	12%
No	88%

Jolyon Jackson CBE

**Chief Executive and Accounting
Officer, June 2015**

⁸ Ethnicity, Religion, Sexual Orientation, Disability and Age by Gender information was gathered by a staff and Commission Survey. Of a total number of staff and Commissioners of 28, 24 (85%) responded.

3 DIRECTOR'S REPORT

3.1 Financial Review

Resources

The Commission's funding is provided by Parliament under Schedule 1(11) of the *Local Democracy, Economic Development and Construction Act 2009*. Parliamentary approval for its spending plans was sought through a Main Supply Estimate, presented to the House of Commons by the Speaker, specifying the estimated expenditure and requesting the necessary funds to be voted.

The Main Supply Estimate for 2014/15 provided for a net resource requirement of £2,401,000. This, set out in our 5 Year Corporate Plan for the period to 2018/19, was approved by the Speaker's Committee in February 2014. During the year we adjusted the structure of our Estimate to provide for additional capital expenditure to purchase new Mapping Software which amounted to a reduction of £45,000 in DEL resource.

Use of Resources

The Statement of Parliamentary Supply shows outturn figures for resources, capital and cash set against the final Estimate.

Resources - In 2014/15 the Commission used £2,348,000 of total net resources. This was in line with the revised net resource sum of £2,356,000. Expenditure and variations are shown in the following table⁹:

	Budget £000	Spend £000	Variation £000	Explanation
Staff	1,324	1,322	(2)	Minor variations
Other	1,032	1,026	(6)	Minor variations
Total	2,356	2,348	(8)	

Capital - In 2014/15 the Commission used £95,000 of capital. This was in line with the revised sum of £95,000 approved by Parliament in the Supplementary Estimate.

Capital expenditure related to the purchase and implementation of a new mapping software solution Environmental Systems Research Initiative (ESRI), finishing off the Commission's website project and the purchase of an IT Server and associated hardware relating to the Commission's new back office service arrangements.

Cash - The Statement of Cash Flows analyses the net cash outflow from operating activities, cash spent on capital expenditure and investment, and the funding and amounts drawn down from the Consolidated Fund during the year.

The Commission required cash amounting to £2,287,000 in 2014/15 to finance its activities,

⁹ This table shows the management accounts position at year end where staff figures include employee related costs such as travel and also Commissioners' Fee costs – the breakdown of costs therefore will differ from the formal accounts shown later in the report but with the same final figure.

which was £65,000 less than the sum of £2,352,000 approved by Parliament in the Estimate. The main reasons for the difference were:

- Lower resource costs as mentioned above.
- Changes in working capital.

Accounting Officer and Auditors

In accordance with Schedule 1(16) of the Local Democracy, Economic Development and Construction Act 2009, the Speaker's Committee appointed Alan Cogbill, the Chief Executive, as Accounting Officer. Due to Alan Cogbill's retirement during the year, the Speaker's Committee appointed Jolyon Jackson CBE as the Commission's Accounting Officer on 4th November 2015.

Responsibilities as Accounting Officer are set out in section 5.1.

The Comptroller and Auditor General was appointed as the Commission's external auditor under Schedule 1 (15) of the Local Democracy, Economic Development and Construction Act 2009. A notional cost of £15,000 (2013/14 £15,000) was incurred on external audit. Internal audit and other services were provided by Baker Tilly at a cost of £10,737 (2013/14 £14,576).

Payment Practice

The Commission has a target of paying 90% of suppliers within ten working days of receipt of goods or services, or within 10 working days of receipt of the invoice, whichever is later.

	% paid within 30 days	% within 10 days
2014/15	99.1%	96.3%
2013/14	99.4%	93.1%

The amount owed to suppliers at the end of the year as a proportion of the total invoiced by suppliers during the year, expressed in days, was;

2014/15	11.3 days ¹⁰
2013/14	3.7 days

Employees

Human resource policies aim to achieve good performance and job satisfaction. Staff are encouraged to develop their experience, seek further training and contribute to decision making.

Days lost to sickness	Days lost to sickness	Average pp
2014/15	112.5	5.2 ¹¹
2013/14	114.5	4.6

¹⁰ This is expectedly higher as there was a large amount of transactions relating to provisioning our Back Office Services during March and April

¹¹ In 2013/14, the average number of posts throughout the year was 25.5 per month. In 2014/15 the average was 21.5 per month. This accounts for the rise in average sickness per person.

Community and the Environment

Helping local communities is central to our work in maintaining electoral fairness.

Working with our support services provider, Liberata, the Commission undertakes to reduce the direct and indirect environmental impacts associated with its operations by:

- *Complying with applicable legislation and regulation*
- *Reducing waste and increasing recycling*
- *Encouraging and supporting staff to consider environmental issues*

Personal Data Related Incidents

There were no lapses in data security or any protected personal data related incidents to be reported to the Information Commissioner's Office over the financial year.

Equalities and diversity

The Commission is committed to the principle of equality of opportunity and values diversity. It opposes all forms of discrimination and ensures that no job applicant or employee faces discrimination. The Commission has approved a number of policies to promote equality for staff, commissioners and customers.

- Equality of Opportunities & equal access in employment
- Equal Pay Policy

The Commission has an Equalities Working Group made up of both staff and an ordinary Commissioner which has a programme of work covering key issues of equality in review work and its internal processes and practices.

Interests, gifts and hospitality

Commissioners and staff abide by a code of conduct, which requires them to register any interests, and any gifts or hospitality that they have received or been offered. The Register of Interests is updated annually and is available on the Commission's website.

Jolyon Jackson CBE

**Chief Executive and Accounting
Officer, June 2015**

4. Remuneration Report

Commissioners

Commissioners are appointed by Royal Warrant to exercise the Commission's functions as described in the Political Parties, Elections and Referendums Act 2000.

Commissioners were paid a daily fee of £323 for each day worked during 2014/15. The Chair was paid a daily rate of £366. Commissioners do not receive a salary and are not able to join the pension schemes.

Parliament has resolved that fees for the Commissioners shall increase on 1 April each year by the percentage increase paid for High Court Judges. During 2014/15 Commissioners received a 1% increase.

The fees received by the Commissioners during the year are set out below. These amounts include fees earned, but not yet paid.

Commissioner	2014/15	2013/14
Max Caller CBE (Chair)	£31,293	£28,960
Professor Colin Mellors	£11,951	£14,400
Dr Peter Knight CBE, DL	£8,560	£11,520
Sir Tony Redmond	£11,951	£10,880
Dr Colin Sinclair CBE	£3,884	£11,516
Professor Paul Wiles CB	£8,398	£11,040
Alison Lowton	£11,789	Na
Independent Adviser		
Elizabeth Butler	£2,261	£1,280

The above information is covered by the Comptroller and Auditor General's audit opinion.

Directors/ Senior Management Team

The remuneration of the Chief Executive and Directors and the framework for the remuneration of other staff is agreed by the Remuneration Committee.

In setting remuneration the Committee has regard to the following considerations:

- *needing to recruit, retain and motivate suitably able and qualified people*
- *the Commission's improvement plans, including the requirement to meet its output targets for the delivery of its service within available funds*
- *paragraph 7(6) of Schedule 1 to the 2009 Act, which requires the Commission to have regard to the desirability of keeping the remuneration and other terms or conditions of employment of its employees broadly in line with those applying to persons in the civil service of the State*
- *wider economic considerations and affordability of recommendations*

Salaries plus the pension entitlements of the Directors are in the table that follows. This information is covered by the Comptroller and Auditor General's audit opinion.

The information in the table is based on payments made during 2014/15. Total remuneration does not include employer pension contributions and the cash equivalent transfer value of pensions. Salary is gross salary.¹²

	Salary (£000)		Pensions Benefits (£)		Total (£000)	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Chief Executive¹³ (Jolyon Jackson CBE)	75 to 80 (FTE 100 to 105)	nil	28,100	nil	100 - 105	nil
Chief Executive¹⁴ (Alan Cogbill)	35 to 40 (FTE 75 to 80)	45 to 50 (FTE 80 to 85)	4,800	6,900	40 – 45	45 - 50
Director of Finance¹⁵ (Lynn Ingram)	30 to 35 (FTE 60 to 65)	30 to 35 (FTE 60 to 65)	12,900	12,100	40 - 45	40 - 45
Director of Reviews¹⁶ (Archie Gall)	35 to 40 (FTE 60 to 65)	60 to 65	2,900	2,000	40-45	60 - 65

Band of highest paid staff member (FTE)	2014/15	2013/14
Total Remuneration	£100k - £105k	£90k - £95k
Median	£32,019¹⁷	£38,399

Remuneration Ratio	3.2	2.41
---------------------------	------------	-------------

	Accrued pension at age 65 as at 31/3/15	Real increase in pension at age 65	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Jolyon Jackson	0 – 5 (plus lump sum 0 – 5)	0 – 2.5 (plus lump sum 0 - 2.5)	25	nil	18
Alan Cogbill¹⁸	0 - 5	Na	Na	Na	Na
Lynn Ingram	0 – 5 (plus lump sum 0 – 5)	0 – 2.5 (plus lump sum 0 – 2.5)	17	8	5
Archie Gall	30 – 35 (plus lump sum 95 - 100)	0 – 2.5 (plus lump sum 0 – 2.5)	723	725	3

¹² No bonuses, overtime, other allowances or benefits in kind were paid.

¹³ The new Chief Executive replaces the posts of Chief Executive and Director of Reviews and was appointed on 01/07/14

¹⁴ The ex- Chief Executive was appointed to work 3 days per week and retired on 31/12/14. His pension is not administered by MyCSP so benefit figures are unavailable to LGBCE.

¹⁵ The Director of Finance was appointed to work 2.5 days per week and 3.5 days per week from 01/01/15

¹⁶ The ex-Director of Reviews was made redundant on 31/10/14

¹⁷ The median salary has reduced from £38,399 to £32,019 and the remuneration ratio has increased. This is because senior manager numbers have reduced

¹⁸ Employers Contribution To Partnership Pension for 2014/15 is £4.8k (2013/14 £6.9k)

Pension Scheme

Employees of the Commission are eligible for membership of the Principal Civil Service Pension Scheme. The Scheme includes a choice between a defined benefit scheme and stakeholder pension. Liability rests with the Scheme, and not with the Commission.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

New Career Average pension arrangements will be introduced from 1st April 2015 and the majority of **classic**, **premium**, **classic plus** and **nuvos** members will join the new scheme. Further details of this new scheme are available at <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>

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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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.

Reporting of Civil Service and other compensation schemes – exit packages

There was one compensation package agreed in 2014/15. This was for Mr A Gall, Director of Reviews who was made redundant on 31 October 2014. His redundancy arose from the Commission's decision to replace his post plus the part-time (3 days per week) Chief Executive post with a full time Chief Executive. The payment was made under the Civil Service Compensation scheme, was approved by the Cabinet Office and included no enhancements to basic terms and conditions of service.

Post	Compensation (Redundancy) Payment
Director of Reviews	£31,430.50

The former Director of Reviews now works as a Contractor for LGBCE approximately 1 day per week to facilitate the transfer of key parts of his many years of experience in boundary review arrangements and law. This temporary arrangement is not likely to continue for more than a year in total and commenced in January 2015 (almost 3 months after his employment ceased with LGBCE)

Jolyon Jackson CBE

**Chief Executive and Accounting
Officer, June 2015**

5. Accounting Officer Statements

5.1 Accounting Officer's Report

Statement of Accounting Officer's Responsibilities

Under the Local Democracy, Economic Development and Construction Act 2009, the Speaker's Committee has directed the Local Government Boundary Commission for England to prepare resource accounts for each financial year which detail the resources acquired, held or disposed of and the use of resources during the year. The accounts are prepared on an accruals basis and give a true and fair view of the state of affairs of the Commission and its net resource outturn and usage 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 (FReM)* and in particular to:

- observe the Accounts Direction issued by HM Treasury and the *FReM* prepared by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies consistently
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *FReM* have been followed
- disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis

The Speaker's Committee has appointed the Chief Executive as Accounting Officer of the Commission.

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 for safeguarding the Commission's assets, are set out in *Managing Public Money* published by HM Treasury.

Disclosure of Audit Information to the Auditors

In producing audit information, the Accounting Officer has taken all reasonable steps to ensure that the auditors have been made aware of relevant information.

5.2 Governance Statement

Scope of Responsibility

LGBCE was established as an independent public body under the Local Democracy, Economic Development and Construction Act 2009 on 1 April 2010. It is accountable to Parliament directly through the Speaker's Committee, chaired by the Speaker of the House of Commons.

Our objectives are to:

- provide electoral arrangements for English local authorities that are fair and deliver electoral equality for voters
- keep the map of English local government in good repair and work with local authorities to help them deliver effective and convenient local government to citizens

The Chief Executive and Accounting Officer is personally responsible to Parliament for the organisation and quality of management in the Commission, including its use of public money. In discharging its overall responsibility, the Commission is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

This statement explains how the Commission complies with its Governance Framework and meets the Governance Requirements in *Managing Public Money* published by HM Treasury.

The purpose of the Governance framework

The Commission has a Corporate Governance Framework, which sets down our values and principles; how we are accountable; and how we conduct business. This is consistent with the principles of *Corporate Governance in central government departments, code of good practice*, published by HM Treasury and the Cabinet Office, July 2011 so far as is relevant, and is reviewed regularly by the Commission.

The governance framework comprises the behaviours, values, systems and processes by which the Commission is directed and controlled. It enables the Commission to monitor achievement of its strategic objectives and to consider whether the objectives have led to the delivery of appropriate, cost effective reviews.

The process used for gathering assurances for the preparation of the annual governance statement provide an opportunity for the Accounting Officer to consider the robustness of the governance arrangements in place. The exercise also helps to highlight those areas where improvement is required.

Proportionality

The Commission recognises its governance responsibilities but is aware that, as a small organisation, it should strike a balance between allocating resources to meet business obligations and complying with regulations, legislation and other requirements often more

suited to a larger organisation, with a large corporate infrastructure. The Commission (specifically through its delegation to the Audit Committee) continually assesses whether governance activities and auditing requirements are, in their application, proportional to an organisation the size of the Commission. If the Commission does not feel that an action or requirement is proportional it seeks to make those asking aware of the possible consequences and to offer another solution.

The Governance Structure

Mission/Aims/Objectives/Principles – The Commission has adopted a mission which reflects its role in law and is underpinned by aims, objectives and principles.

Accountability - Commissioners, acting as a Board, are accountable to the Speaker's Committee and provide strategic leadership and decision making on electoral reviews and related matters. They also make final agreements on five year corporate plans, annual accounts and budgets.

The Speaker's Committee - The Speaker's Committee was established under Section 2(1) of the Political Parties, Elections and Referendums Act 2000. Its functions in relation to LGBCE are set out in Schedule 1 to the Local Democracy, Economic Development and Construction Act 2009 and include:

- examining the annual financial estimates and laying them before the House of Commons, with or without modification
- examining the five year plan and forward resource estimates and laying them before the Parliament, with or without modification
- receiving the annual report and accounts
- receiving an annual report from the Comptroller and Auditor General on the economy, efficiency and effectiveness on use of resources
- designating the Commission's Accounting Officer
- reporting to the House of Commons, at least once a year, on how it has carried out its functions

The members of the **Commission, and attendance at Commission meetings** throughout the year were:

Commissioner	Role	Meetings Attendance	Out of	%
Max Caller CBE	Chair	12 Meetings	12	100%
Professor Colin Mellors	Deputy Chair	12 Meetings	12	100%
Dr Peter Knight	Commissioner	12 Meetings	12	100%
Sir Tony Redmond	Commissioner	11 Meetings	12	92%
Dr Colin Sinclair	Commissioner to 04/11/15	5 Meetings	7	71%
Alison Lowton	Commissioner	11 Meetings	12	92%
Professor Paul Wiles	Commissioner	7 Meetings	10	70%

In 2014, Dr. Colin Sinclair left the Commission after 5 years of service. Alison Lowton joined the Commission on 1st April 2014 after appointment by Her Majesty on the recommendation of the Secretary of State.

The Commission anticipates at least one more Commissioner concluding their term within the next year and has made the case for the appointment of 2 more Ordinary Commissioners. It was pleased and grateful that the Secretary of State agreed and recruitment is expected to take place later this summer.

The Chair of the Commission, Max Caller CBE will also conclude 2 terms and will step down in December 2015. An appointment exercise, which will be undertaken by the Speaker's Committee is underway and is expected to conclude later this year.

Policy Workshops – have been held quarterly throughout this year to enable Commissioners to consider the big issues in depth. Some of the topics discussed have been;

- Re-engineering of review process (2 projects)
- Geo-coding and its impacts on how the Commission does business
- Future Business prospects
- Financial Strategy for next 5 years
- Equalities and Diversity

All Commissioners and Managers attend the Policy Workshops.

This year the **Remuneration Committee** has needed to meet only once; in January to agree a recommendation 1% pay increase for 2014/15 (backdated to the beginning of the year) and to agree in advance the 15/16 pay increase – again 1%.

All Commissioners were members of the Remuneration Committee, throughout the year.

The **Audit Committee roles**, throughout the year, were:

Commissioner	Role
Sir Tony Redmond	Chair
Professor Colin Mellors	Member
Alison Lowton	Member from November 2014
Dr Colin Sinclair	Member until May 2014
Elizabeth Butler ¹⁹	Independent Adviser

During 2014/15, the Audit Committee made further developments in clarifying its role as part of the Commission. In addition it took an early lead in developing the focus of the Commissions Internal Audit Planning approach. The major project on Risk Management concluded this year with the development and implementation of an Assurance Framework which was agreed and overseen by the Audit Committee.

The Audit Committee considered;

Its own effectiveness – as part of these discussions based around the *NAO Audit Committee – Self Assessment Checklist* the Committee looked at training and development of new members, its role in major projects the Commission undertakes and how it could be more involved at an early stage in the Annual Report.

Risk & Assurance – The Committee oversaw the implementation of the new Assurance Framework and monitored both risks and the risk process throughout the year.

Internal Audit – 2014/15 was the first year of the new Internal Audit Contract with Baker Tilley; the Committee oversaw the Internal Audit Programme for 2014/15 and discussed the internal audit approach and changes to the focus of this for the future.

¹⁹ Elizabeth Butler was also Chair of the Electoral Commission Audit Committee until 11/10/2014

Internal Control Questionnaires were filled out by all staff. The intention of the process is to identify if internal control weaknesses exist and if any training, or policy and risk requirements have arisen.

Last year's actions together with issues arising this year are reported below:

2014/15	ACTION TAKEN
Performance Management	Performance Management Framework developed and monitored by the Audit Committee
Finance Manual	All staff received the Finance Manual and confirmed they had read it.
Risk Management	All staff received the Risk Management Policy and Presentation
Audit Recommendations	Now discussed in Organisational Management Team (OMT) each month.
2015/16	ACTION REQUIRED
Business Continuity	Update outdated Business Continuity Process in light of office relocation and back office replacement
Improve efficiency of IT	New IT Strategy and IT processes introduced early 2015/16
Risk Management	Raise awareness with all staff

Standing Orders/ Delegated Powers & Financial Policies – these provide a procedural framework within which the Commission discharges its business.

Other Policies & Procedures – The Commission has agreed policies and procedures which underpin its governance and internal control arrangements. These include, but are not limited to, a code of conduct for Commissioners, staff, and any contractors and consultants engaged by the Commission, and policies on declarations of interest, gifts and hospitality, staff management and human resources, risk management, fraud and corruption, whistle blowing and complaints. All policies and procedures are reviewed and amended periodically.

Risk Management – During the year the Commission has revised and updated its policies and procedures for the evaluation, recording, awareness and management of its risks. The policy outlines the risk responsibilities of the Commission, the Audit Committee, and employees. The Commission has agreed an **Assurance framework** which enables it to gauge the reliance that can be taken from the controls used to mitigate risks.

The Corporate Risk Register is used to develop the Internal Audit Programme for the year.

There were three high scoring risk areas which received particular focus during the year:

Relocation of LGBCE and replacement of back office service contracts -

This is the risk that this major project will fail which could impact: the Commission's review programme; Governance compliance; reputation and delivery of KPIs. Being such a major project and with demanding timescales and objectives there is a separate Risk Register for this project.

The risks for this project have changed and developed during the course of the project as various stages have been completed. The risks have centered around timely and defensible decision making; ensuring adequate resources to run the project; managing contracting with large numbers of providers and ensuring delivery; ensuring we receive the information we require from our current provider as we exit from a complicated and convoluted contract. Strategically, this project is important as we will reduce expenditure needed to meet the challenges of ever decreasing budgets whilst maintaining the quality and quantity of our reviews.

Failure to comply with Equalities and Diversity Legislation - This is the risk that we do not comply and could impact on the Commission's reputation, business and governance. An equality working group has been set up in order to give a focus to this work and ensure we are content with our approach both internally and externally.

Work already undertaken in this area includes developments in Equalities Profiling for areas we review. Using the Office of National Statistics information we can now produce sophisticated views of the makeup of review areas which is beneficial to our approach when ward planning.

Further plans include: the development of impact assessments for all our policies; training for new and existing employees and reviewing the equalities and diversity's approach throughout our whole review process.

The Commission has acknowledged that the diversity of the board with only 1 woman in a commission of 7 could improve but is this is not easily remedied internally as Commission appointments are made by the Queen upon the recommendation of the Secretary of State.

Lack of cooperation from local authorities (LAs) or failure of LAs to deliver information - this is the risk that LAs do not deliver and could impact on our reputation, effectiveness and efficiency.

This is a predictable risk due to the type of work the Commission undertakes where considerable burdens are placed on Local Authorities to deliver information and views which may be at odds with their internal priorities.

A number of controls are in place and regularly reviewed. They include; guidance to authorities; seminars for those coming into the review programme; quarterly scrutiny of

the entire programme; detailed review timings, individual project plans; a focus on early notification of deadlines; briefing pack for LAs; initial presentations to LAs by Commissioner; revised Commission’s correspondence with LAs, Parish Councils and the wider community.

Internal Audit – The Commission’s internal auditor is Baker Tilly (previously RSM Tenon). Internal audit reviews adhere to the standards defined in the Institute of Internal Auditors ‘Professional Practices Framework’ and the Government Internal Audit Standards, and offer an independent opinion on the adequacy and effectiveness of the Commission’s control systems.

The agreed, risk-based programme of audit was approved by the Audit Committee. For completed audits, internal auditors provided reports which included their key findings; an indication of the level of assurance that could be based on their findings; and recommendations for action. Internal audit reports are distributed to the Chief Executive, the Finance Director, the Audit Committee and the Commission’s external auditors.

Overall assurance ratings were as follows:

Pensions – Verification of the Accounting officers Certificate	AMBER/GREEN
Governance & Key Financial Controls	GREEN
Audit Recommendations Follow Up	75% Complete

External Audit - The National Audit Office (NAO) provided assurance to management through the statutory audit of the Commission’s Annual Report and Accounts. In addition, during the year the NAO carried out its annual value for money study which reviewed our Website and Online Consultation Portal. We have spent £319,000 on this improvement project over the last 4 years but released ongoing savings of £178,000 per year. The NAO were complimentary on the success of the project *“In delivering impressive savings, LGBCE has achieved value for money through the development of its website and online consultation tool”* and made a number of suggestions on the approach to project management within the Commission. These are being put into place as we undertake a major project on relocating and re-letting contracts for all support services to secure better value for money over previous arrangements.

Reporting – Financial monitoring and budget information is reviewed quarterly by Commissioners. Risk is reviewed quarterly by the Audit Committee. Policies and procedures are reviewed and updated as necessary by both the Audit Committee and the Commission.

Chief Executive Summary

I am satisfied that what is set out above does not indicate any deficiencies in financial management or internal control.

Jolyon Jackson CBE

Chief Executive and Accounting Officer, June 2015

6. Financial Statements

6.1 THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Local Government Boundary Commission for England for the year ended 31 March 2015 under the Local Democracy, Economic Development and Construction Act 2009. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Local Democracy, Economic Development and Construction Act 2009. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also 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 Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Commission's affairs as at 31 March 2015 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Democracy, Economic Development and Construction Act 2009 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Local Democracy, Economic Development and Construction Act 2009; and
- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; 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 HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse, Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date

July 2015

6.2 Financial Statements

Statement of Parliamentary Supply²⁰²¹

Summary of Resource and Capital Outturn 2014/15

		2014/15						2013/14	
SoPS Note		Estimate			Outturn			Voted outturn compared with Estimate: saving/ (excess) £000	Outturn Total £000
		Voted £000	Non-Voted £000	Total £000	Voted £000	Non-Voted £000	Total £000		
Departmental Expenditure Limit									
- Resource	2.1	2,356	-	2,356	2,348	-	2,348	8	2,235
- Capital	2.2	95	-	95	95	-	95	-	94
Annually Managed Expenditure									
- Resource	2.1	-	-	-	-	-	-	-	-
- Capital	2.2	-	-	-	-	-	-	-	-
Total Budget		2,451	-	2,451	2,443	-	2,443	8	2,329
Non-Budget									
- Resource	2.1	-	-	-	-	-	-	-	-
Total		2,451	-	2,451	2,443	-	2,443	8	2,329
Total Resource		2,356	-	2,356	2,348	-	2,348	8	2,235
Total Capital		95	-	95	95	-	95	-	94
Total		2,451	-	2,451	2,443	-	2,443	8	2,329
Net Cash Requirement		2014/15						2013/14	
SoPS Note		Estimate £000			Outturn £000			Outturn compared with Estimate: saving/ (excess) £000	Outturn £000
Net Cash Requirement	3			2,352			2,287	65	2,269
Administration Costs		2014/15						2013/14	
		Estimate £000			Outturn £000			Outturn compared with Estimate: saving/ (excess) £000	Outturn £000
Administration Cost				-			-		-

The notes on pages 38 to 46 form part of these accounts

²⁰ Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

²¹ All expenditure is designated as Programme Costs and therefore there are no administration costs

Notes to the Resource Accounts (Statement of Parliamentary Supply)

SOPS1. Statement of accounting policies - The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014/15 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS1.1 Accounting convention - The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes, have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS1.2 Comparison with IFRS-based accounts - Many transactions are treated in the same way in National Accounts and IFRS-based accounts. There are no significant differences for the transactions and balances recorded in the LGBCE financial statements and no reconciliation between the SOPS and the SOCNE is required.

SOPS2 Net outturn

SOPS 2.1 Analysis of net resource outturn by section

	2014/15 £000										2013/14
	Outturn						Estimate				Outturn
	Administration			Programme			Net Total	Net Total	Net total compared to estimate	Net total compared to estimate adjusted for virements	Total £000
	Gross	Income	Net	Gross	Income	Net					
Spending in Departmental Expenditure Limit Voted:											
A	-	-	-	2,348	-	2,348	2,348	2,356	8	8	2,235
Non-Voted:											
B	-	-	-	-	-	-	-	-	-	-	-
Annually Managed Expenditure Voted:											
C	-	-	-	-	-	-	-	-	-	-	-
Non-Voted											
D	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	2,348	-	2,348	2,348	2,356	8	8	2,235

SOPS 2.1 Analysis of net capital outturn by section

	2014/15 £000							2013/14
	Outturn			Total	Net Total	Estimate		Outturn
	Gross	Income	Net			Net total compared to estimate	Net total compared to estimate adjusted for virements	Total £000
Spending in Departmental Expenditure Limit Voted:								
A	95	-	95	95	95	-	-	94
Non-Voted:								
B	-	-	-	-	-	-	-	-
Annually Managed Expenditure Voted:								
C	-	-	-	-	-	-	-	-
Non-Voted								
D	-	-	-	-	-	-	-	-
Total	95	-	95	95	95	-	-	94

SOPS 3 Reconciliation of net resource outturn to net cash requirement

	SoPS Note	Estimate	Outturn	Net total outturn compared with Estimate saving/ (excess)
		£000		
Resource Outturn	2.1	2,356	2,348	8
Capital Outturn	2.2	95	95	0
Accruals to cash adjustments:				
Depreciation		(85)	(85)	0
New provisions and adjustments to previous provisions		-	-	-
Other non-cash items		(14)	(15)	1
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		-	(27)	27
(Increase)/decrease in payables		-	(29)	29
Use of provisions		-	-	-
Other adjustment		-	-	-
Net Cash Requirement		2,352	2,287	65

SOPS 4.1 Analysis of Income payable to the Consolidated Fund

	Note	2014/15 Outturn		2013/14 Outturn	
		Income	Receipts	Income	Receipts
		£000		£000	
Operating income outside the ambit of the Estimate		-	-	-	-
Excess cash surrenderable to the Consolidated Fund		-	-	-	-
Total amount payable to the Consolidated Fund		-	-	-	-

SOPS 4.2 Consolidated Fund income

	Note	2014/15	2013/14
		£000	£000
Amount payable to the Consolidated Fund		-	-
Balance held at the start of the year		-	-
Payments into the Consolidated Fund		-	-
Balance held in trust at the end of the year		-	-

Statement of Comprehensive Net Expenditure²²

Year ended 31/3/2015

	2014/15		2013/14
	Note	£000	£000
Programme Expenditure:			
Staff costs	2	1,252	1,200
Other costs	3	1,096	1,035
Income		-	-
Net Operating Cost for the year ended 31/03/15		2,348	2,235
Other Comprehensive Expenditure			
	Note	£000	£000
Net gain/(loss) on revaluation of property, plant and equipment		-	-
Net gain/(loss) on revaluation of intangibles		-	-
Total comprehensive expenditure for the year ended		2,348	2,235

The notes on pages 38 to 46 form part of these accounts

²² There is no other comprehensive expenditure

Statement of Financial Position

Year ended 31/03/2015

	31/03/15		31/03/14
	Note	£000	£000
Non-current assets:			
Property, plant and equipment	4	12	6
Intangible assets	5	108	104
Trade receivables falling due after more than one year		-	-
Total non-current assets		120	110
Current assets:			
Trade and other receivables	7	17	59
Other current assets	7	89	74
Cash and cash equivalents	8	23	100
Total current assets		129	233
Total assets		249	343
Current liabilities			
Trade and other payables	9	(56)	(17)
Other liabilities	9	(165)	(252)
Total current liabilities		(221)	(269)
Non-current assets plus current assets less current liabilities		28	74
Non-current liabilities:			
Provisions		-	-
Other payables		-	-
Financial Liabilities		-	-
Total non-current liabilities		-	-
Total Assets less liabilities		28	74
Taxpayers' equity:			
General fund		28	74
Revaluation reserve		-	-
Total taxpayers' equity		28	74

Jolyon Jackson CBE

**Chief Executive and Accounting Officer,
June 2015**

The notes on pages 38 to 46 form part of these accounts

Statement of Cash Flows

Year ended 31/03/2015

	2014/15		2013/14
	Note	£000	£000
Cash flows from operating activities			
Net operating cost		(2,348)	(2,235)
Adjustments for non-cash transactions	3	100	57
(Increase)/decrease in trade and other receivables	7	27	(1)
<i>less movements in receivables not passing through the SoCNE</i>		-	-
(Increase)/decrease in inventories		-	-
Increase/(decrease) in trade and other payables	9	(48)	94
<i>less movements in payables not passing through the SoCNE</i>		71	(62)
Use of provisions		-	-
Net cash outflow from operating activities		(2,198)	(2,147)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	(9)
Purchase of intangible assets	5	(89)	(113)
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		(89)	(122)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		2,210	2,360
From the Consolidated Fund (Supply) - prior year		-	-
Net financing		2,210	2,360
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(77)	91
Payments of amounts due to the Consolidated Fund		-	-
Receipt of Amounts due to the Consolidated Fund		-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the		(77)	91
Cash and cash equivalents at the beginning of the period	8	100	9
Cash and cash equivalents at the end of the period	8	23	100

The notes on pages 38 to 46 form part of these accounts

Statement of Changes in Taxpayers Equity

Year ended 31/03/2015

	Note	General Fund £000
Balance at 31/03/13		25
Net Parliamentary funding - drawn down		2,360
Net Parliamentary funding - deemed		9
Supply (payable)/receivable adjustment	9	(100)
CFERS payable to the Consolidated Fund		-
Comprehensive Net Expenditure for the Year		(2,235)
Non-Cash Adjustments:		
Non-cash charges - auditors remuneration	3	15
Movements in Reserves:		
Net gain/(loss) on revaluation of property, plant and equipment		-
Net gain/(loss) on revaluation of intangible assets		-
Release of reserves to the operating cost statement		-
Transfers between reserves		-
Balance at 31/03/14		74
Net Parliamentary funding - drawn down		2,210
Net Parliamentary funding - deemed		100
Supply (payable)/receivable adjustment	9	(23)
CFERS payable to the Consolidated Fund		-
Comprehensive Net Expenditure for the Year		(2,348)
Non-Cash Adjustments:		
Non-cash charges - auditors remuneration	3	15
Movements in Reserves:		
Net gain/(loss) on revaluation of property, plant and equipment		-
Net gain/(loss) on revaluation of intangible assets		-
Release of reserves to the operating cost statement		-
Transfers between reserves		-
Balance at 31/03/15		28

The notes on pages 38 to 46 form part of these accounts

6.3 Notes to the Accounts

1. Statement of Accounting Policies

1.1 Introduction - These financial statements have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Commission to prepare a Statement of Parliamentary Supply and supporting notes, showing outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.2 Accounting convention - These accounts have been prepared under the historical cost convention modified to account for any material revaluation of property, plant and equipment, and intangible assets.

1.3 Impending application of newly issued accounting statements not yet effective - The Commission provides disclosure that it has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that the initial application of the new standard will have on the resource accounts. There were no new standards issued for 2014/15 and not applied, which would materially affect the resource accounts. The Commission has also not adopted any standards early.

1.4 Property, plant and equipment – are carried at fair value. On initial recognition assets are valued at cost including any costs such as installation directly attributable to bringing them into working condition. The minimum level capitalisation of an individual tangible non-current asset is £5,000. Items below the capitalisation threshold individually acquired in a given asset class or pool are not capitalised. All non-property operational assets are deemed to be short-life or low value assets and are therefore valued on the basis of depreciated replacement costs as an approximation of fair value.

1.5 Intangible assets - Purchased computer software licenses, costs associated with website enhancement and the associated costs of implementation are capitalised as intangible assets where expenditure of £5,000 or more is incurred. Website enhancements not yet in use are recognised as Assets under Construction (AUC).

1.6 Depreciation - Depreciation is provided at rates calculated to write assets down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are not depreciated. Lives are normally in the following ranges:

Intangible Assets	Up to 3 years
Technology	Up to 3 years
Equipment	Up to 10 years
Software Licenses	Over the life of the license

1.7 Operating income - The Commission has no operating income and relies solely on Parliamentary Supply Funding.

1.8 Short term staff benefits - The Commission recognises the liability associated with the short term staff benefit for untaken but earned annual leave entitlement at the end of the reporting period. It reviews this liability annually.

1.9 Programme expenditure - Programme costs reflect the total costs of service delivery, including all administrative costs excluding staff costs (note 3).

1.10 Pensions - Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in the Remuneration Report. The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' service by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Commission recognises the contributions payable for the year.

1.11 Provisions for liabilities and charges – The Commission recognises provisions as appropriate but currently has none.

1.12 Operating leases - Operating lease rentals are charged to the operating cost statement in equal amounts over the lease term.

1.13 Value added tax - The activities of the Commission are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category. Expenditure is reported inclusive of VAT.

1.14 Operating segments - The Commission is considered to provide a single function; undertaking electoral reviews, and in terms of IFRS is considered to be a single operating segment. Management reporting and decision making is carried out on the basis of a single segment and therefore it is not considered that any further segmental analysis is necessary to meet the requirements of IFRS8.

1.15 Going concern - The Commission is financed by amounts drawn from the UK Consolidated Fund, approved annually by Parliament to meet the Commission's Net Cash Requirement for the year. As with other parliamentary bodies, the ongoing financing of the Commission's activities and related liabilities is met by future grants from the UK Consolidated Fund to be approved annually by Parliament. Such approval for amounts required for 2015/16 has already been given, and we anticipate that future approvals will be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

1.16 Accounting estimates and judgements - The development, selection and disclosure of significant accounting estimates and judgements and the application of these judgements and estimates has been discussed and agreed with the Audit Committee.

2 Staff numbers and related costs

2.1. Staff costs²³ comprise:

	2014/15				2013/14
	Total	Permanently Employed Staff	Others	Commissioners	Total
					£000
Wages and salaries	924	865	58	-	906
Fees	90	-	-	90	89
Social Security costs	81	74	-	7	76
Other pension costs	158	158	-	-	144
Sub total	1,252	1,097	58	97	1,215
Less recoveries in respect of outward secondments	-	-	-	-	(15)
Total net costs	1,252	1,097	58	97	1,200

2.2 Other Staffing

A Average numbers of persons employed

	2014/15				2013/14
	Total	Permanently Employed Staff	Others	Commissioners	Total
					FTEs
Total	29	22.4	0	6.6	27.5

B The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was last published in July 2014 which related to data up to 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

C For 2014/15, employers' contributions of £153,655 were payable to the PCSPS (13/14, £143,980) at one of four rates in the range 16.7 to 24.3% (13/14, 16.7 to 24.3%) of pensionable pay, based on salary bands. Employer contributions are reviewed every four years and indeed will change from April 2015. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and include past experience of the scheme.

D Employees joining after 1/10/02 could opt to open a partnership account – a stakeholder pension with an employer contribution. During 2014/15, employers' contributions of £4,500 were paid to one or more of a panel of four appointed stakeholder pension providers (13/14, £6,400). Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £288 (13/14, £464),

²³ All activity relates to the Commission, no staff costs were capitalised during the year

0.8% of pensionable pay, were payable to the PCSPS 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 end of the reporting period were actually £0 (13/14, £652). Contributions pre-paid at that date were nil.

3 Programme costs

	2014/15	2013/14	
	£000		
Rentals under operating leases:			
Hire of plant and machinery	-	-	
Other operating leases	80	80	
	80	80	80
Non-cash items:			
Depreciation and amortisation			
Civil Estate	-	-	
Other non current assets	85	42	
Downward revaluation of non current assets	-	-	
Reversal of downward revaluation previously recognised	-	-	
Impairments	-	-	
Auditor's remuneration - audit work	15	15	
Provisions:			
Provided for in year	-	-	
Utilised and Released	-	-	
	100	57	57
Other expenditure			
SLA Charges for Services	368	435	
Printing and Mapping	174	186	
Legal and Professional Fees	49	40	
Other Staff costs	67	49	
Stakeholder Engagement	108	83	
Business Miscellaneous costs	99	30	
Travel, Subsistence and Hospitality	38	38	
Internal Audit	11	15	
Statistical costs	-	20	
Bank Charges	2	2	
	916	898	898
	1,096	1,035	1,035

Note - the total of non-cash items included in the Reconciliation of Resources to Net Cash Requirement comprises:

	2014/15	2013/14
	£000	
Total non-cash transactions as above	100	57
Adjustment for loss on disposal of property, plant and equipment	-	-
Non-cash items per reconciliation of resources to net cash requirement	100	57

4 Property, Plant & Equipment²⁴²⁵

	Plant and machinery	Total
	£000	
Cost or valuation		
At 1 April 2014	9	9
Additions	13	13
Impairments	-	-
At 31 March 2015	22	22
Depreciation		
At 1 April 2014	3	3
Charged in year	7	7
At 31 March 2015	10	10
Net Book Value at 31 March 2015	12	12
Net Book Value at 31 March 2014	6	6

	Plant and machinery	Total
	£000	
Cost or valuation		
At 1 April 2013	-	-
Additions	9	9
Impairments	-	-
At 31 March 2014	9	9
Depreciation		
At 1 April 2013	-	-
Charged in year	3	3
At 31 March 2014	3	3
Net Book Value at 31 March 2014	6	6
Net Book Value at 31 March 2013	-	-

	Plant and Machinery	Total
	£000	
Asset Financing:		
2015 Owned	12	12
Net Book Value at 31 March 2015	12	12
2014 Owned	6	6
Net Book Value at 1 April 2014	6	6

²⁴ Capital accruals are £12,499 for 2014/15 (£0 2013/14)

²⁵ Plant and Machinery Purchases during the year were for an IT Server and associated cabling

5 Intangible assets²⁶

	Websites	Assets under construction	Total
£000			
Cost or valuation			
At 1 April 2014	117	35	152
Additions	82	-	82
Reclassification	35	(35)	-
At 31 March 2015	234	-	234
Amortisation			
At 1 April 2014	48	-	48
Charged in year	78	-	78
At 31 March 2015	126	-	126
Net Book Value at 31 March 2015	108	-	108
Net Book Value at 31 March 2014	69	35	104

	Websites	Assets under construction	Total
£000			
Cost or valuation			
At 1 April 2013	27	41	68
Additions	49	35	84
Reclassification	41	(41)	-
At 31 March 2014	117	35	152
Amortisation			
At 1 April 2013	9	-	9
Charged in year	39	-	39
At 31 March 2014	48	-	48
Net Book Value at 31 March 2014	69	35	104
Net Book Value at 31 March 2013	18	41	59

²⁶ No impairment of intangible assets has been charged in full to the Operating Cost Statement. Capital accruals total £6,180 (13/14 £12,300)

6 Financial instruments

All cash requirements are met through the Estimates process and financial instruments play a limited role in creating risk.

The majority of financial instruments relate to contracts to buy non-financial items in line with expected purchase and usage requirements. The Commission is not exposed to significant liquidity, interest rate, or foreign currency risk.

7 Trade receivables and other current assets

	2014/15	2013/14
	£000	
Amounts falling due within one year:		
Other receivables	17	59
Costs to be collected on behalf of the Consolidated Fund	-	-
Prepayments and accrued income	89	74
Total receivables	106	133

	2014/15	2013/14
	£000	
Intra-Government Balances falling within one year		
Balances with other central government bodies	52	59
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Intra-government balances	52	59
Balances with bodies external to government	54	74
Total receivables and current assets at 31 March	106	133

8 Cash and cash equivalents

	2014/15	2013/14
	£000	
Balance at 1 April	100	9
Net change in and cash equivalents	(77)	91
Balance at 31 March	23	100
The following balances at 31 March are held in:		
Government Banking Service accounts:	23	100
Cash in hand	-	-
Balance at 31 March	23	100
The balance at 31 March comprises:		
Cash due to be paid to the Consolidated Fund:	-	-
Amounts issued from the Consolidated Fund for Supply but not spent at year end	23	100
Balance at 31 March	23	100

9 Trade payables and other current liabilities

	2014/15	2013/14
	£000	
Amounts falling due within one year		
Other Taxation, Social Security and Pension	-	40
Trade payables	56	17
Accruals and deferred income	120	86
Short-term staff benefits (Earned leave liability)	22	26
Amounts issued from the Consolidated Fund for supply but not spent at year end	23	100
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund	-	-
- received	-	-
- receivable	-	-
Total Payables	221	269
	2014/15	2013/14
	£000	
Intra-Government Balances falling within one year		
Balances with other central government bodies	42	152
Balances with local authorities	-	6
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
Intra-government balances	42	158
Balances with bodies external to government	179	111
Total Payables and other current liabilities	221	269

10 Capital commitments - The Commission has contracted capital commitments £9,746 at 31st March 2015.

11 Commitments under operating leases - Total future minimum lease payments under operating leases are given in the below.

Total future minimum lease payments under operating leases are given in the table below.	2014/15	2013/14
	£000	
Buildings		
New lease details		
Not later than one year	85	80
Later than one year and not later than five years	228	-
	313	80

12 Dilapidation Charges - The Commission does not expect to bear any dilapidation costs related to the termination of its operating lease at Layden House.

13 Related party transactions - The Commission is an Independent Parliamentary Body, overseen and monitored by the Speaker's Committee. The Speaker's Committee acts in lieu of a Government Department as the body to which the Commission reports. It also approves the Commission's rolling five year Corporate Plan and budget annually. The Chair of the Commission and the Chief Executive attend the Speaker's Committee at least twice a year in order to answer any questions Committee members might have on the Commission's Corporate Plan and Annual Report.

The Chief Executive is appointed by the Commission. None of the Commissioners, senior management team, staff or other related parties has undertaken any material transactions with the Commission during the year

In addition to the Speaker's Committee, the Commission had transactions with other government departments including the Department for Communities and Local Government, HM Revenue and Customs, HM Treasury, Department for Work and Pensions, Treasury Solicitor's Department; and with government bodies including the Electoral Commission, the National Audit Office and Ordnance Survey.

14 Losses and special payments - The Commission did not incur any material loss or make any special payments during the reporting period.

15 Events after the reporting date - In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There are no material events to report.

ISBN 978-1-4741-2297-9



9 781474 122979