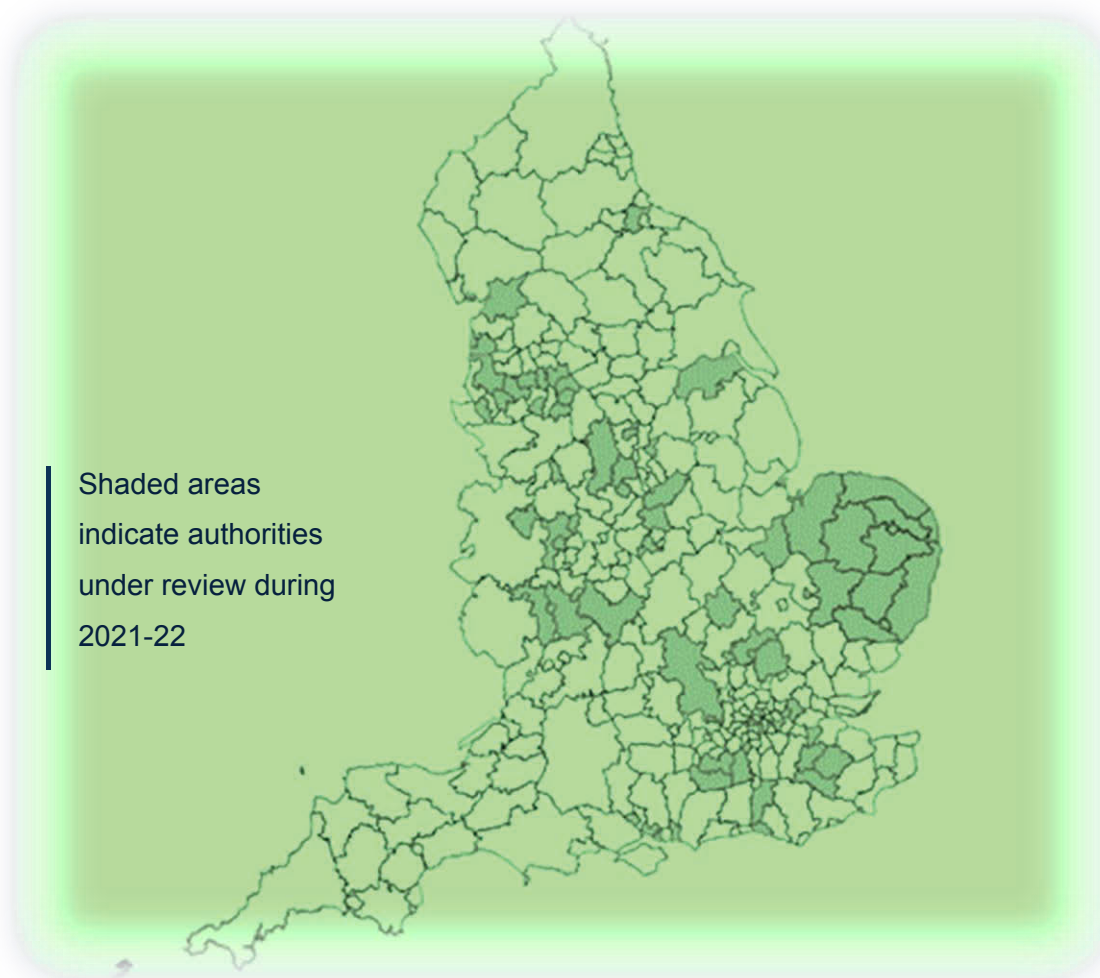


The  
**Local Government  
Boundary Commission**  
for England

## **Annual Report & Accounts 2021-22**



HC 177



## **Annual Report & Accounts 2021-22**

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.

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# 1. Performance Report

## 1.1 Overview

*This part of our Annual Report describes our purpose and activities, our business model, and the environment in which we operate. It also outlines our structure, objectives, strategies, and the key issues and risks that we face.*

### 1.1.1 Chair's Introduction

I am pleased to present the Commission's Annual Report & Accounts for 2021-22. It has been a very busy year as we have sought to accelerate progress on reviews that had been impacted by the effects of the pandemic.

2021-22 saw the welcome relaxation of COVID-19 restrictions. We continued to be sensitive to the public health and related demands on individual authorities where we were carrying out an electoral review, which meant that some reviews proceeded on amended timetables. However, careful management of our work programme has allowed us to start to catch up with the output originally envisaged pre-pandemic and, more generally, to continue to meet our duty to recommend fair electoral and boundary arrangements for local authorities in England.

At any time, we have 50 to 60 reviews in progress, each taking around 15 months to complete. We published more reviews in 2021-22 than in any of the previous five years. I am pleased to report that all reviews were delivered in time for implementation at the election date agreed at the start of the process. Our commitment is to 'deliver reviews informed by local needs, views, and circumstances'. As we emphasise in our preliminary meetings with council leaders, we want to do reviews 'with' and not 'to' local councils and residents. The most successful reviews are those

where both local authorities and local communities engage actively and early with the process.

We encourage local authorities themselves to take the opportunity to consider their own future governance needs, including the most appropriate number of councillors. This involves reflecting on how the authority perceives the role of elected members in terms of providing strategic leadership, ensuring accountability, and securing effective community leadership. Many authorities view an electoral review as an opportunity to take a systematic look at their existing structures and governance. Whilst the Commission's own remit focuses on electoral and boundary arrangements, it is pleasing that wider benefits frequently flow from our electoral reviews.

In all our reviews, we are keen to hear from those with direct local knowledge. This ensures that reviews are well informed, evidenced, and robust. We encourage views from residents and local organisations as well as from councils themselves. We make extensive use of social media and other channels to reach local people. Our website was visited 283,000 times during the year, and we received 7,838 submissions in which people and organisations gave us their views. This is almost 30% higher than the average of the last three years.

The influence of submissions derives from the strength, evidence and persuasiveness of the arguments being presented rather than who, or which organisation, presented them. All submissions, irrespective of their source, receive equal consideration. We use them to inform our draft recommendations and then to refine them. We are genuinely pleased to move away from our initial draft recommendations when presented with new and compelling evidence. Last year, all our final recommendations included at least some changes made in response to consultation on our draft recommendations. Sometimes changes are the result of views expressed by a council; but we also make many changes in response to well-argued views put to us by community groups or individuals. It is only when people see what is being proposed on a map in their locality that they will feel able to express their views. In our review of St Helens, for example, we moved an estate of houses between wards in response to a persuasive and well-evidenced submission from a resident. We could not conduct our work properly without this kind of local insight and we are grateful to the thousands of people who take part in our consultations.

As an independent body accountable to Parliament through the Speaker's Committee, we are indebted to the

**Professor Colin Mellors**

**Chair, Local Government Boundary Commission for England**

Speaker of the House of Commons, the Rt Hon Sir Lindsay Hoyle MP, and to all members of the Committee for their advice and guidance. We are especially grateful to Chris Matheson MP who represents the Committee in the Commons, and to Lord Harris of Haringey and Earl Cathcart who perform a similar role in the Lords.

We have an ambitious programme of reviews and business improvements in 2022-23 and I look forward to working with my fellow commissioners, our staff team and, perhaps above all, with local authority colleagues and residents over the coming year.

## 1.1.2 Purpose, Activities and Risks

### **Who we are**

We are an independent body accountable to Parliament

### **What we do**

We recommend fair electoral and boundary arrangements for local authorities in England

### **We aim to**

1. Make sure that, within an authority, each councillor represents a similar number of electors
2. Create boundaries that are appropriate, and reflect community ties and identities
3. Deliver reviews informed by local needs, views and circumstances

### **We want to be regarded as**

- **Impartial** - giving equal consideration to all views
- **Objective** - making recommendations based on evidence
- **Responsive** - listening to local opinion
- **Transparent** - following clear and open processes
- **Professional** - being reliable, efficient and helpful

### **How we work together and with others**

We believe an inclusive culture enriches all we do.

- We value diversity and the benefits different perspectives and experiences bring to all our work
- We are committed to being inclusive in the way we work together and the way we engage with those contributing to our reviews



## *Our activities*

We undertake the following forms of electoral review:

**(i) Intervention electoral reviews** – are carried out in authorities with poor levels of electoral equality.<sup>1</sup>

**(ii) Periodic electoral reviews (PERs)** – are undertaken every three to four electoral cycles (12 to 16 years) to fulfil our statutory duty of reviewing all local authorities ‘from time to time’.

**(iii) Requested electoral reviews** – we respond to requests from authorities who wish to change the number of councillors or their electoral cycle.

**(iv) Mergers and new authorities** – we want to assist councils that wish to merge or reorganise where this has been agreed by Government and Parliament.

**(v) Related alterations and consent cases** – we make changes to parish electoral arrangements, ward or division boundaries following community governance reviews if requested.

**(vi) Principal Area Boundary Reviews** – are undertaken at the request of adjoining authorities typically to regularise anomalies in boundaries.

## *Risk and our risk appetite*

It is important to understand and manage our risks but to be aware of the extent of our influence and how the external environment impacts on our work.

We are all responsible for having regular risk conversations that:






- are open, straightforward and purposeful;
- approach risk management to achieve set outcomes;
- ensure risks are considered across the whole organisation;
- provide results that enable effective evidence-based decision-making.

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<sup>1</sup> We consider a ‘poor’ level of equality to be when any ward or division in an authority has a variance greater than (+/-) 30% from the average for that authority or 30% of wards or divisions have a variance greater than (+/-) 10% (i.e. where councillors represent considerably different numbers of electors compared with other councillors within their local authority).

Our risk appetite shows where we are willing to engage with higher levels of risk for a greater benefit, for proportionality or to achieve our strategic objectives.

Risk Appetite Scale			
<b>AVOID</b> (little to none) Avoidance of risk and uncertainty is a key objective.	<b>CONTROL</b> (low) Prefer safe options with low risk and potentially limited reward.	<b>ENGAGE</b> (medium) Option likely to result in successful delivery with acceptable levels of reward and VFM.	<b>SEEK</b> (high) Innovative, invest in best possible returns accepting the possibility of failure.

Risk Area	Risk Appetite Scale															
	Avoid				Control				Engage				Seek			
 <b>Reputational Damage</b>																
					←→											
	<ul style="list-style-type: none"> <li>The resource effort we expend to ensure that our operational practices and guidance instil clarity and confidence in what is inevitably a complicated process requiring careful analysis and judgement.</li> </ul>															
 <b>Quality/ Business Objectives</b>																
					←→				←→							
	<ul style="list-style-type: none"> <li>We maintain some capacity in the review programme to accommodate additional requests for electoral reviews.</li> <li>We control staffing risks, for example we avoid a position where we are left with only one Review Manager.</li> </ul>															
 <b>Legal/ Regulatory</b>																
					←→				←→							
	<ul style="list-style-type: none"> <li>We do not hold significant amounts of sensitive information; our existing information security systems are proportionate to the information we do hold.</li> <li>We maintain detailed policies and procedures and we have access to robust legal representation.</li> <li>Our Emergency Delegation Framework mitigates the risk of the Commission being unable to make decisions if Commissioner numbers fall below required quorate number.</li> <li>We have an active Equalities, Diversity &amp; Inclusion (EDI) working group, and we have due regard to our public sector equality duty.</li> </ul>															
 <b>Finance</b>																
					←→											
	<ul style="list-style-type: none"> <li>We take a proportionate view whilst ensuring all requirements are met as effectively as possible.</li> </ul>															
 <b>Health &amp; Safety</b>																
	←→															
	<ul style="list-style-type: none"> <li>We avoid all activities that put the physical or mental health of our staff at risk. Similarly, we avoid all activities that would result in serious damage to property and equipment.</li> </ul>															

*Our three highest risks*

<b>Overarching Risk</b>	<b>Quality/ Business Objectives</b>		
<b>Specific Risk</b>	<b>Review Programme Resilience</b>		
<b>Risk Appetite</b>	<b>Control</b>		
<b>COVID-19 Impact</b>	<b>Medium</b>		
<b>Risk Scores</b>	Current Score	Inherent Score	Target Score
<b>Likelihood</b>	Likely	Likely	Possible
<b>Impact</b>	Major	Major	Major
<b>Rating</b>	<b>9<sup>2</sup></b>	<b>9</b>	<b>6</b>
<b>Trend</b>	<b>Stable</b>		
<b>Risk Summary</b>	<p>This risk was created in response to the challenging nature of the Review Programme for 2021-22. In creating this new risk, the Leadership Team focused its efforts on increasing resources to achieve its review programme objectives.</p>		
<b>Risk Impacts</b>	<ul style="list-style-type: none"> <li>Local authorities request delays to their electoral reviews placing pressure on the Commission to deliver its review programme.</li> <li>Review programme slips.</li> <li>Staff availability during busy periods due to a requirement to use higher than usual annual leave accrued during the pandemic.</li> <li>Reduction in output.</li> <li>High stress / low morale.</li> </ul>		
<b>Notable Assurances</b>	<ul style="list-style-type: none"> <li>Monthly operational report to Commission Board which reports on the need for urgent decisions in redirecting resources.</li> <li>Regular review and update of the review programme timetable.</li> <li>Staffing levels proportionate to current work demands.</li> </ul>		

<sup>2</sup> Rating is between 0 and 16 with 16 being the highest score

<b>Overarching Risk</b>	Quality/ Business Objectives		
<b>Specific Risk</b>	Failure to have a resilient workforce		
<b>Risk Appetite</b>	Control		
<b>COVID-19 Impact</b>	Medium		
<b>Risk Scores</b>	Current Score	Inherent Score	Target Score
<b>Likelihood</b>	Likely	Possible	Unlikely
<b>Impact</b>	Major	Major	Minor
<b>Rating</b>	<b>9</b>	<b>6</b>	<b>2</b>
<b>Trend</b>	Rising		
<b>Risk Summary</b>	Because of our organisational size, a small staff turnover could jeopardise the Commission's ability to deliver its review programme. COVID-19 increased the possibility of staff being unable to carry out their duties effectively.		
<b>Risk Impacts</b>	<ul style="list-style-type: none"> <li>• Review programme slips.</li> <li>• Staff absences/ reduced productivity.</li> <li>• High stress/ low morale.</li> </ul>		
<b>Notable Assurances</b>	<ul style="list-style-type: none"> <li>• Human resource policies.</li> <li>• Training programme.</li> <li>• Flexible and remote working.</li> <li>• Active sickness management.</li> </ul>		

<b>Overarching Risk</b>	<b>Health and Safety (H&amp;S)</b>		
<b>Specific Risk</b>	<b>5A Fatality, Injury, or Serious Damage</b>		
<b>Risk Appetite</b>	<b>Avoid</b>		
<b>COVID-19 Impact</b>	<b>High</b>		
<b>Risk Scores</b>	Current Score	Inherent Score	Target Score
<b>Likelihood</b>	Possible	Very Likely	Unlikely
<b>Impact</b>	Catastrophic	Catastrophic	Catastrophic
<b>Rating</b>	<b>8</b>	<b>16</b>	<b>4</b>
<b>Trend</b>	<b>Rising</b>		
<b>Risk Summary</b>	<p>The Commission has thorough policies to mitigate the hazards of H&amp;S in the workplace. However, COVID-19 has forced the Commission to change how it functions as a business to mitigate the impacts of the virus when working in the office or at home.</p>		
<b>Risk Impacts</b>	<ul style="list-style-type: none"> <li>• Fatality/ serious injury.</li> <li>• Unsafe office and home working conditions.</li> <li>• Sickness/ poor mental health and wellbeing.</li> <li>• Ergonomic injuries and eye strain.</li> <li>• Fire safety.</li> <li>• Lone working / driving on business.</li> <li>• Living with COVID</li> </ul>		
<b>Notable Assurances</b>	<ul style="list-style-type: none"> <li>• H&amp;S policies.</li> <li>• Workstation assessments.</li> <li>• Office Reoccupation/ Home Working Programme.</li> <li>• Regular H&amp;S inspections.</li> <li>• Fire risk assessments.</li> <li>• Fire wardens / first aiders.</li> <li>• Annual statutory H&amp;S checks.</li> </ul>		

### 1.1.3 Commissioners and Independent Member

*The Commission Board is made up of six Commissioners. We also have an Independent Member. Roles and functions are described in the Accountability Report (Section 2).*



**Chair**  
**Professor Colin Mellors OBE**

*Appointed as Chair November 2015. Reappointed as Chair November 2020. Current term expires December 2025.*

Colin has extensive leadership experience in higher education. He has also devoted significant time to roles in the public sector. These roles have focused on local government, and business development and capacity building with community and private sector partners.

He is Emeritus Professor of Politics at the University of York, where he was previously Pro-Vice-Chancellor, having earlier had a similar role at the University of Bradford and previously holding academic positions at the universities of Southampton and Sheffield. He is also a Visiting Professor at the University of Huddersfield.

Colin is Chair of the Yorkshire Regional Flood and Coastal Committee and was a founding board member of the York, North Yorkshire & East Riding Local Enterprise Partnership.



**Deputy Chair  
Andrew Scallan CBE**

*Appointed as Commissioner November 2017. Appointed to the Audit & Risk Committee May 2019. Appointed as Deputy Chair June 2019. Current term expires November 2025.*

Andrew has a distinguished record in electoral administration. He was Director of Electoral Administration at the Electoral Commission for 10 years and was deputy Chief Counting Officer at the referendum on EU membership. He has also held senior positions in local government. He is an honorary member of the Association of Electoral Administrators.



**Susan Johnson OBE  
Commissioner**

*Appointed as Commissioner February 2018. Appointed Audit & Risk Committee Chair May 2019 to November 2021. Current term expires February 2026.*

Susan broke new ground as the first woman and non-uniformed chief executive of a UK fire and rescue service. She led the Northern Business Forum and has held several non-executive roles including with Greggs and Network Rail. She also served 7 years as a Commissioner with the Equality and Human Rights Commission.

Susan is a non-executive director of the Health and Safety Executive, and a board member of the Sports Grounds Safety Authority.



**Peter Maddison QPM  
Commissioner**

*Appointed as Commissioner January 2016. Reappointed November 2019. Current term expires December 2022.*

Peter's 34-year career in policing culminated in his appointment as Chief Constable of Northamptonshire Constabulary. In this role he also led nationally on Performance Management for Policing and was one of the leaders on developing and implementing the Police Safety & Security Strategy for London 2012.

Peter is Chair of the Armed Forces' Pay Review Body and a member of the Senior Salaries Review Body.



**Amanda Nobbs OBE  
Commissioner**

*Appointed as Commissioner June 2018. Appointed to the Audit & Risk Committee February 2022. Current term expires June 2026.*

Amanda's career has specialised in environmental issues and sustainable development, with a strong focus on community engagement and major project oversight. She has also worked extensively with parliamentarians and local councillors. She was Chair of the Thames Regional Flood and Coastal Committee, and Chief Executive of the Council for National Parks.

Amanda is Chair of the Marine Conservation Society, on the RSA Pop Up Board advising start-ups and small businesses, Chair of Guildford Residents' Association, and mentors as a St George's Leadership Fellow.





**Steve Robinson**  
**Commissioner, Chair of Audit & Risk Committee**

*Appointed November 2017. Appointed Audit & Risk Committee Chair November 2021. Current term expires November 2025.*

A 20-year career in local government and housing associations saw Steve act as Chief Executive for both Stoke-on-Trent City Council and the newly formed unitary Cheshire West & Chester Council. He was appointed to oversee the improvement of Birmingham City Council as part of the Birmingham Independent Improvement Panel.



**Lizzie Peers**  
**Independent Member, Audit & Risk Committee**

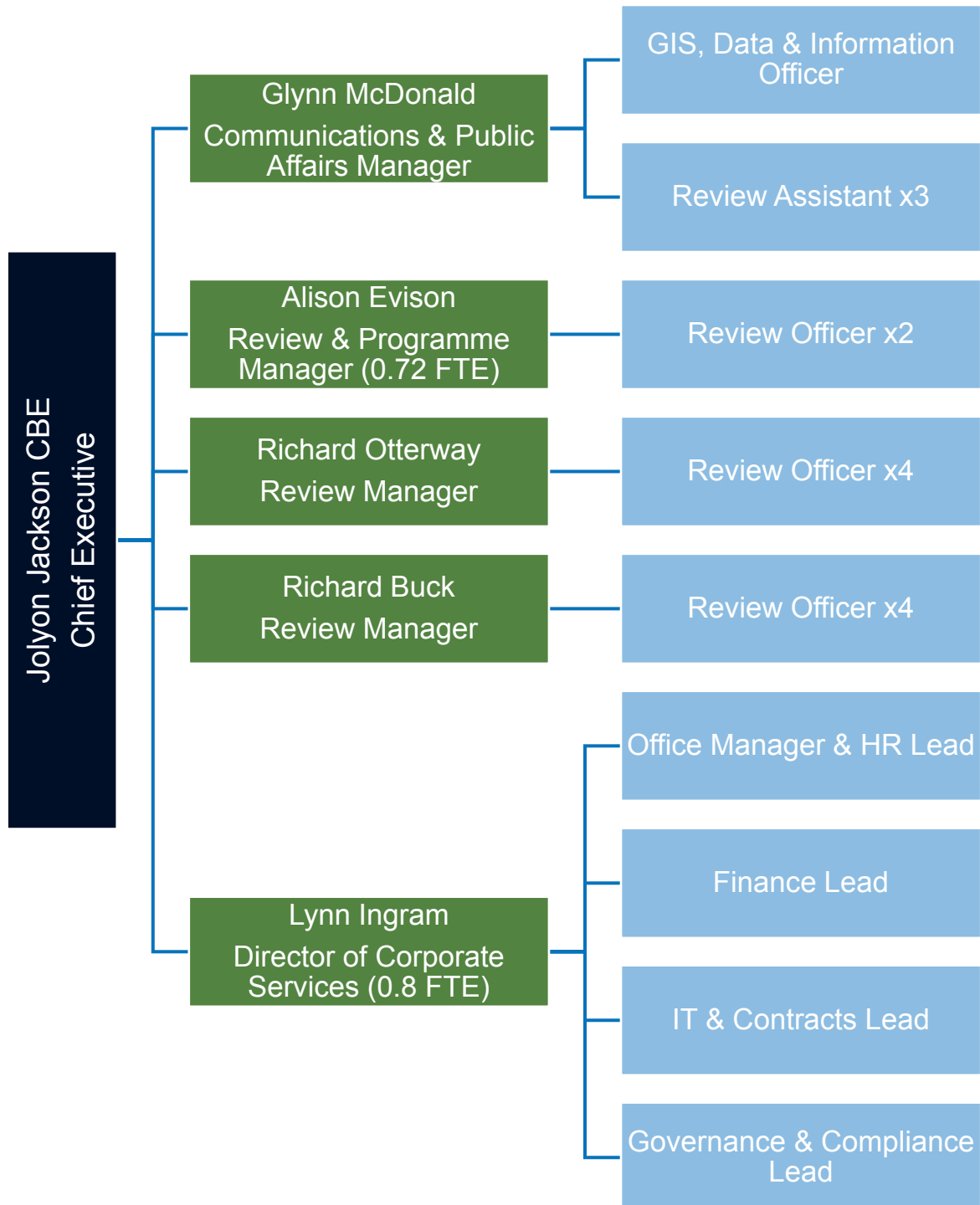
*Appointed September 2016. Current term expires September 2022.*

Lizzie is a qualified public finance accountant with over 20 years' experience as an external auditor across the public sector. She has previously worked for the Audit Commission and for Ernst & Young.

Lizzie is currently Vice Chair of the National Police Chiefs' Council Audit and Assurance Board, a non-executive board member for a large recently merged NHS hospital trust, and an independent director for a national audit procurement company.

### 1.1.4 Organisational Structure (on 31 March 2022)

*Our organisational structure to support commissioners in their work is set out below.*



### 1.1.5 Performance Summary

#### *The year in outline*

The year 2021-22 was again shaped by the challenges of working in the context of the pandemic and the changing restrictions that operated over that period. On a more positive note, aided by the creative use of IT and the impact of the vaccine rollout, organisations have become ever more adept in how they have worked. It is especially notable that local authorities have found ways of discharging their public health duties whilst maintaining other core work. We are very grateful for the way that they have worked constructively with us and, like them, we have also been anxious to learn from the last two years and the many improvements that we can retain or introduce post pandemic. Our virtual meetings and briefings, and robust systems for home-based working, have continued to work well. As our offices re-opened, we moved to a hybrid model of delivering our reviews and, importantly, re-started physical tours of local authority areas as part of developing boundary schemes. With the national approach to managing COVID-19 now being embedded, we want to make best use of what we have learned during the pandemic and implement augmented ways of working that will best meet the needs of our key stakeholders, facilitate the efficient delivery of high-quality reviews and enrich working arrangements for our people.

During the year we remained sensitive to the many competing demands on local authorities, and local communities, and their other priorities as they dealt with the surges of COVID-19 infection and frequent changes in guidance. We did so by continuing to deal individually with each local authority and amending our programme informed by the imperatives of their areas.

This has meant that we have had a particularly busy year as we have taken forward reviews that were delayed last year whilst starting more new reviews than originally planned. At the core of our approach has been the desire to balance our duty to progress reviews with the need to be sensitive to the capacities of local authorities and citizens to engage fully with their reviews in such difficult circumstances. We feel that we got the balance right and have benefitted in terms of the productivity brought about by some new ways of working.

Overall, our review programme has remained full, and we continue our objective of delivering fair electoral and boundary arrangements for local authorities across England. In line with our statutory duty to review all local authorities from 'time to time', we have now almost finished reviewing the metropolitan districts across Greater Manchester. All other authorities that have not been reviewed since early 2000 are now in our five-year programme.

Alongside periodic electoral reviews, we continue to address significant levels of electoral inequality and will continue to be especially receptive to requests for reviews, either to help councils introduce desired governance changes or to facilitate the creation of new authorities. We have started a review of the new authority in Buckinghamshire and are in the early stages of reviewing North Northamptonshire and West Northamptonshire councils. We advised the Department for Levelling Up, Housing and Communities (DLUHC) on interim electoral arrangements for new authorities that were elected in shadow form in May 2022 in Somerset, Cumbria and North Yorkshire, and will undertake a full electoral review in time for their next elections in 2027.

Although we are separate organisations, with different statutory frameworks, we maintain good links with our counterparts in Scotland, Wales and Northern Ireland, as well as with the parliamentary Boundary Commissions and share experience and good practice with them. This is done both informally by liaison between officers and through an annual one-day workshop. This year we focused mainly on the approach to the parliamentary boundary reviews that are currently in mid review.

#### What we delivered in 2021-22:

- **responsiveness** towards local authorities whilst they managed the continued impact of COVID-19;
- **caught up on our programme affected by COVID-19 delays and ensured reviews** were all delivered in time for implementation by the agreed date;
- **launched 79 consultations** this year an increase from 50 during 2020-21;
- **business improvement** including external engagement work, stakeholder analysis, a health and wellbeing digital hub, our equalities, diversities & inclusion work and delivery of key internal people projects;
- **Strong customer satisfaction feedback.**

- **Strong staff satisfaction** ratings.

### Working with local authorities and local communities

Our approach throughout the year has been to respond flexibly and sensitively to the needs of individual local authorities whilst they are/were under considerable pressure. We have also worked hard to ensure that effective consultation has not been compromised by prevailing social restrictions, and we have been impressed by how local communities themselves have been imaginative and innovative in finding ways of working through social networks.

The necessity of delivering many of our briefings virtually has caused us to look at how we engage with local people and, particularly, at our presentational materials. It is an illustration of need delivering real benefits. Many of our materials and presentations have been refreshed and simplified to improve their accessibility. Offering briefings 'down the line' has also resulted in improved attendance since it has made them more convenient for recipients. Already there is a clear appetite to continue this approach and we will continue to look at ways of engaging with local people and local communities as part of our business improvement programme.

Overall, and with the help of everyone involved, we believe that we have been able to continue to produce high-quality and rigorous reviews informed by local knowledge during 2021-22.

### Managing our activities

Inevitably, every electoral review involves peaks of activity, and managing the programme so that quality and rigour is maintained is always a prime consideration. Changing review timetables this year has created challenges and we have adjusted our work programme several times in response to pressures on individual local authorities. To deliver this flexibility, while maintaining quality, we have continued to deploy the extra resources from 2020-21 (funded from efficiencies elsewhere) to maintain the capacity of officers to focus on an individual review at key points in the process. We expect to return to pre-pandemic levels of staffing during 2022-23.

Whilst we remain intent on delivering all reviews in time for their required date of implementation, it is inevitable that there will be some bunching of the programme,

and it is likely to be another year before the programme again enjoys a steadier flow of review work.

We are pleased that the impact of our three-year People Strategy (2020-23) is becoming evident in our organisational culture and behaviours, our staff motivation and engagement, and the results are reflected in our staff survey.

### Business Plan achievements in 2021-22

We are pleased with the progress that we have made against our Business Plan targets during the year. Substantial improvements have been made to our three key areas (1) Our Work, (2) Our People and (3) Our Processes.

#### Our Work

1. *Improving External Involvement* - This project continues our Customer Journey Project, which has focused on how open and welcoming we are to our customers. Informed by externally - commissioned research it has led to improvements to our consultation pages. It has delivered a new approach to gathering customer insight that will help us identify future areas for improvement.
2. *Future Working* - This project has considered how we wish to evolve as an organisation following our experiences of working differently during the pandemic. The new use of technology, combined with changes to our working practices, has created an opportunity of 'blended working' whereby staff and Commissioners change the balance of how and where they work and use technology to enhance the work of the organisation. This project will include a new location project from 2022/23 as we consider longer-term options for our organisation.

#### Our People

1. *Equalities, Diversity & Inclusion (EDI)* - The Equalities, Diversity & Inclusion working group has focused on promoting equality, inclusion and best practice across the Commission's working practices, policies and the delivery of its electoral reviews. This year we developed an Annual EDI Plan, clarified EDI Champion roles, agreed an EDI training programme, and commenced a review of our Equalities Impact Assessment of our Review Process.
2. *Develop a Health & Wellbeing Framework* - This project has drawn on research and good practice from other organisations and resulted in the appointment of a Mental Health Champion, a Health & Wellbeing framework, and a digital health & wellbeing area of our intranet. All policies in this area have been reviewed to make them more accessible and user friendly.
3. *Rewards & Recognition* – This project has surveyed staff on our benefits scheme, drawn on research and good practice from other organisations resulting in a new

rewards and recognition framework that rewards exceptional performance. Revised arrangements will be implemented for 2022-23.

## Our Processes

1. *Review Desk Instructions* – This involved carrying out a comprehensive review of our desk instructions, revising guidance where necessary, and ensuring that our internal processes relating to electoral reviews were complete and up to date.
2. *GIS Refresh* – Having successfully re-examined our existing mapping software requirements, the project group identified a new software package - 'StatMap' - that will provide the Commission with improved technical features as well as offering increased digital flexibility. The software has been trialled successfully and is now in the final process of roll-out. We plan to train all staff on the new system by December 2022.
3. *Replacement Review Programme Software (part complete)* – A thorough review has taken place of our existing arrangements in the planning of electoral reviews, review workloads, calendars, meetings and modelling for the years ahead. Several project management tools have been considered and trialled to establish if they would improve upon our existing set-up. The priority now is to develop a tool on our SharePoint platform.
4. *Assurance Framework* – This involves improving how we measure the effectiveness of the Commission's governance processes. The first step was to develop a Governance Assurance Map – a tool that documents our key governance processes. This map will provide the Accounting Officer and Commission Board with confidence that our governance processes are established and performing well and where further resources need to be directed.

## Looking forward

As we emerge from the pandemic, it is inevitable that there will remain some spill over from the enforced delays of the last two years. It will be at least another year before our review programme stabilises. For the last four years, external factors – first unscheduled elections and then the pandemic – have disrupted the evenness of our throughput of electoral reviews. However, through flexing our resources and adopting a longer-term perspective on review programming, we have been able to maintain the planned number of new review starts, all of which are scheduled to be completed in time for their appropriate election.

Alongside our core work, which we now plan on a three- to five-year rolling basis, we intend to focus on some other key ambitions. Prime amongst these is a desire to make

it as easy as possible for people to engage with our work and our reviews. Contributing to this will be initiatives to make our mapping tools more effective and to design a new website with a focus on accessibility and eliciting local opinion on our reviews. In these, and other ways, we are committed to bringing greater accessibility to all aspects of our review process.

**Colin Mellors**

**Chair**

**Jolyon Jackson**

**Chief Executive**



## In 2021-22

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### 26 Review Meetings with Local Authority Leaderships

Our Chair and Chief Executive meet with chief executives and council leaders prior to the start of every review to explain our process and agree the review timetable. This year all such meetings took place in virtual format.



### Started 28 Reviews

Most of these reviews were Periodic Electoral Reviews (PERs). There were six requested reviews and eight to address electoral inequality. Some reviews are programmed for more than one purpose.



### Held 29 Meetings with Community Groups

We held virtual meetings with community groups, including parish and town councils, at the beginning of each review. These explained the review process and outlined how residents could influence our recommendations. We held at least one session in each review area and, occasionally, held more, following requests for additional sessions. Attendances ranged from a handful of people to more than 100 residents.



### Launched 79 Consultations

Engaging with residents and organisations, as well as local authorities, is an essential part of our process. All reviews include at least two phases of consultation, each taking around 10 to 12 weeks. Sometimes, there may be further consultation taking between four to six weeks.



## Undertook Further Consultation for 7 Reviews

Some reviews are more complex than others and can generate conflicting evidence. On occasions, we undertake a limited period of further consultation if we feel that this will produce better final recommendations.



## Received 7,838 Local Submissions

These are crucial to ensuring that our recommendations are fully informed by local knowledge and opinion. We encourage local people to comment on proposed boundaries and to put forward their own ideas.



## Toured 41 Local Authority Areas

Commissioners and review staff visit local authorities under review to gain a fuller understanding of the area. This year, we continued to use the online tools we developed during the pandemic to conduct structured virtual tours as well as recommencing some 'in-person' tours towards the end of the year where appropriate to consider the proposals in detail. Undertaking virtual tours allowed us to 'visit' the area more than once as we refined our proposals.



## Made 21 Orders

We laid 21 Orders incorporating our final recommendations for the local authorities that have been reviewed. These were laid in both Houses of Parliament for 40 sitting days under the 'negative resolution procedure'. We were grateful to the Parliamentary authorities for allowing, once again, Orders to be laid electronically this year, a practice that we hope will continue. We also made five Orders to implement changes to ward boundaries following community governance reviews.

All of these Orders were subsequently made law.



## New Boundaries for 5.1m Local Electors

More than five million local electors across all types of local authorities will have revised electoral arrangements because of the reviews completed during the year.



## 62 Reviews in Progress During the Year

Careful management of peaks and troughs of review activity allowed us to work on 62 individual reviews during the year, despite the considerable timetabling changes.



## Total cost of Average Review: £84k

We monitor review costs (staffing and other expenditure) carefully throughout each review. Unit costs obviously differ – reviewing a large county council involves more work and costs significantly more than a compact district council – but this information helps us to understand cost drivers and any potential for further efficiencies.



## Spent £2.195m

We are conscious that we spend public money and aim to be prudent, to pursue efficiencies and to achieve good value for money whilst not compromising the quality or output of reviews. This year we underspent by £132k (£123k resource (DEL and AME) and £9k capital) largely because of interruptions to our programme, savings due to less travel and more extensive use of digital materials.

## 1.2 Performance Analysis

### 1.2.1 Performance Review

*This part of our Annual Report describes how we measure our performance.*

#### *State of electoral balance in England*

An important consideration for the Commission is the level of electoral equality that exists in English local government. Currently, the Commission considers that where more than 30 % of wards or divisions within a local authority have variances of +/- 10 % of the norm for that authority, or a single ward or division has a variance of greater than +/- 30 %, then this represents a poor level of electoral equality.<sup>3</sup>

A variety of factors affect electoral equality. Population growth, migration, development, level of individual elector registration, and student populations. The statutory basis of our work is seeking to achieve acceptable levels of electoral equality, alongside reviewing all local authorities on a continuing basis to identify appropriate electoral boundaries. Levels of electoral equality also help shape our work programme – the blend of periodic, intervention and requested reviews – given that some authorities experience more rapid changes in the number and distribution of electors and, therefore, require more frequent reviews. We assemble data on levels of electoral equality annually and construct a work programme that we feel will deliver the most appropriate and productive balance of review types.

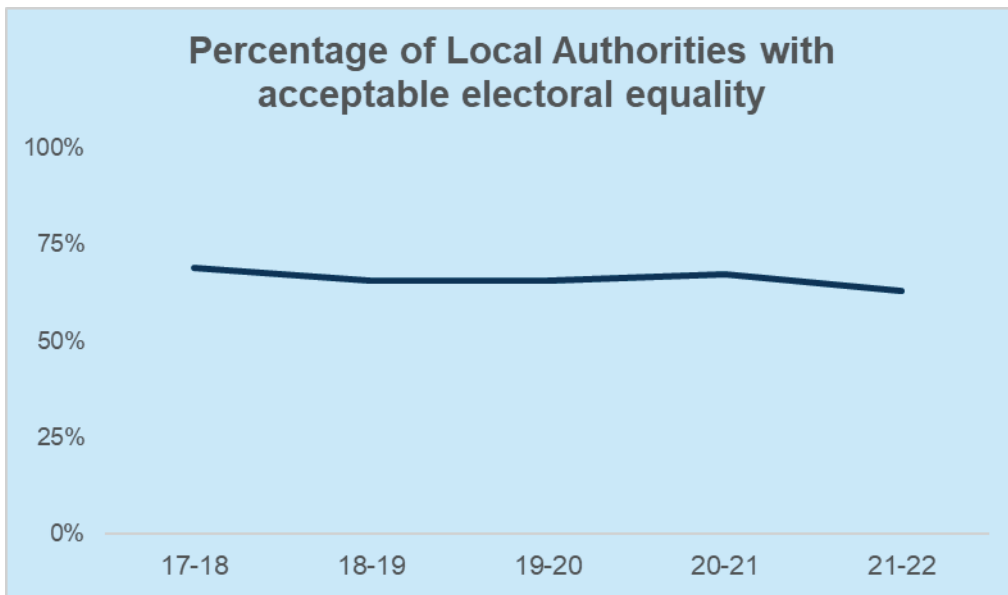
The graphs below indicate the most recent levels of electoral equality amongst English local authorities. Graph 1 shows the proportion of **Local Authorities** with acceptable<sup>4</sup> electoral equality and Graph 2 shows the proportion of **electors** with acceptable electoral equality. The first graph is affected by the number of local authorities that have been reviewed and the second by the size of those authorities in terms of their electorates. Data for both are gathered when electorates are published annually by the Office for National Statistics and, therefore, the graphs only change each year.

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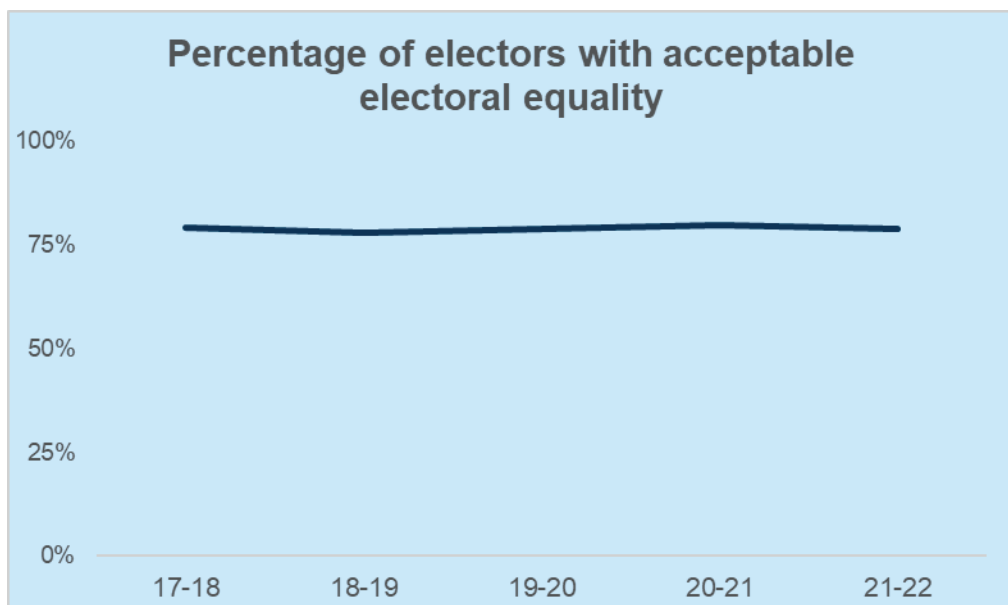
<sup>3</sup> We use these metrics as the basis of our intervention criteria.

<sup>4</sup> Acceptable is defined as avoiding the levels of inequality (see above) that trigger our intervention criteria.

Graph 1



Graph 2



The Commission has a statutory duty to review all local authorities ‘from time to time’ through Periodic Electoral Reviews (PERs) and all authorities that have not been reviewed since the last comprehensive series of reviews (between 1996 and 2004) are now in our forward programme. We are also committed to meeting requests from councils seeking to revise their governance arrangements. The Commission will continue to monitor closely the overall levels of electoral equality.

## Key Performance Indicators (KPIs)

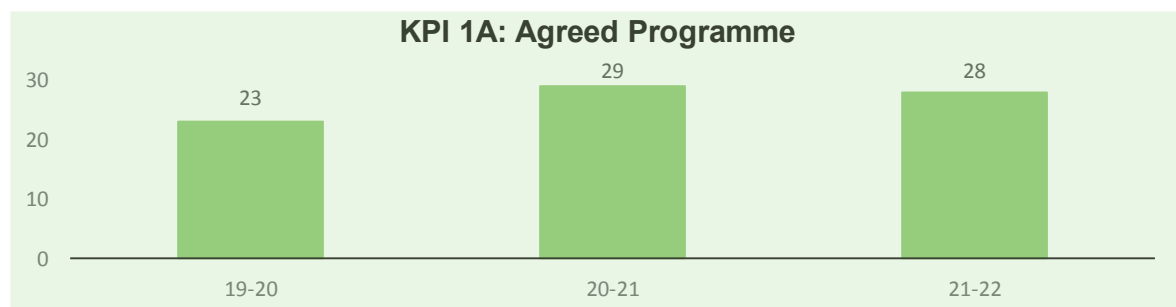
The 2021-22 KPI outcomes are shown below. Each is accompanied by an explanation together with an overall commentary.

### KPI 1 Electoral reviews

This first group measures the delivery of electoral reviews against the numbers approved in our Corporate Plan. We intentionally set stretching targets and there is always a challenge in achieving these targets within our own available resources and against the other responsibilities of the local authorities being reviewed. We are highly dependent on the latter's active engagement and, therefore, we work hard from the outset to develop constructive partnerships with the local authorities concerned.

#### KPI 1A Agreed Programme

Each year, we agree with the Speaker's Committee to start a specified number of reviews reflecting our aim 'to recommend fair electoral and boundary arrangements for local authorities in England'. Reviews generally take approximately 15 months from start to finish and, therefore, can straddle up to three financial years. The graph below indicates the number of reviews started during the last three years.

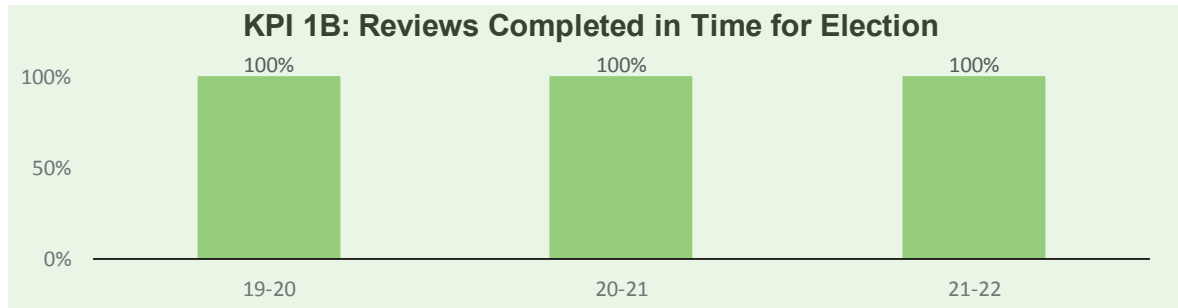


#### Comment

In 2021-22, the Commission exceeded the 26 review starts agreed with the Speaker's Committee and was able to start two additional reviews following requests from local authorities.

### KPI 1B Reviews completed in time for election

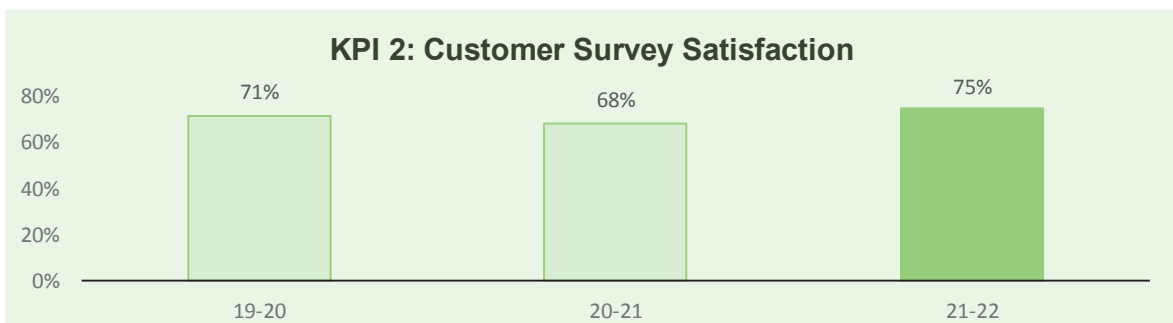
This shows the percentage of Orders made in 2021-22 that were completed in time for the election agreed at the start of the review process.



### KPI 2 Stakeholder satisfaction

This KPI measures the percentage of people who have expressed a definite opinion about satisfaction and who were either highly satisfied or quite satisfied with their overall experience of dealing with the Commission.

It should be noted that the results prior to the current financial year of 2021-22 used a slightly different methodology so that the earlier results are estimated<sup>5</sup> and might not, therefore, provide a precise comparison with 2020-21 figures.



<sup>5</sup> estimated figures for previous years shown as outlines

*This section contains other information that, whilst not being formal KPIs, provide useful background to our review work.*

### Reviews started in 2021-22<sup>6</sup> (\* both started and finished in 2021-22)

Blaby	Fenland	Southampton
Blackpool	Gravesham*	South Staffordshire*
Brighton & Hove	Havant	Stevenage
Buckinghamshire	Liverpool	Telford & Wrekin
Cannock Chase	Maidstone	Tonbridge & Malling*
Chesterfield	Mole Valley	Tunbridge Wells
Derby	North Hertfordshire	Waverley*
East Hertfordshire	Redditch	Worcester
Epsom & Ewell*	Rushcliffe	
Fareham	Slough	

### Reviews completed in 2021-22<sup>7</sup> (\* both started and finished in 2021-22)

Amber Valley	Greenwich	St Helens
Barking & Dagenham	Havering	Stockton-on-Tees
Bedford	Lambeth	Stoke-on-Trent
Bolton	Luton	Stratford-on-Avon
Bury	Mansfield	Suffolk
Charnwood	Mid Sussex	Tameside
Derbyshire Dales	Norfolk	Tonbridge & Malling*
Epsom & Ewell*	North Lincolnshire	Waverley*
Fylde	Oldham	West Lancashire
Gosport	Rochdale	Wolverhampton
Gravesham*	South Staffordshire*	

### Reviews started before 31 March 2021 and continuing during 2021-22

Guildford	Stockport	Wychavon
Lancaster	Trafford	
Malvern Hills	Wigan	

### Preliminary activity undertaken for reviews due to start in 2022-23

Basildon	Harlow	Shropshire
Brentwood	North Tyneside	Southend-on-Sea
Castle Point	Northamptonshire	Tandridge
Cheltenham	Northumberland	Wakefield
County Durham	Nuneaton & Bedworth	West Northamptonshire
Epping Forest	Rossendale	Wokingham

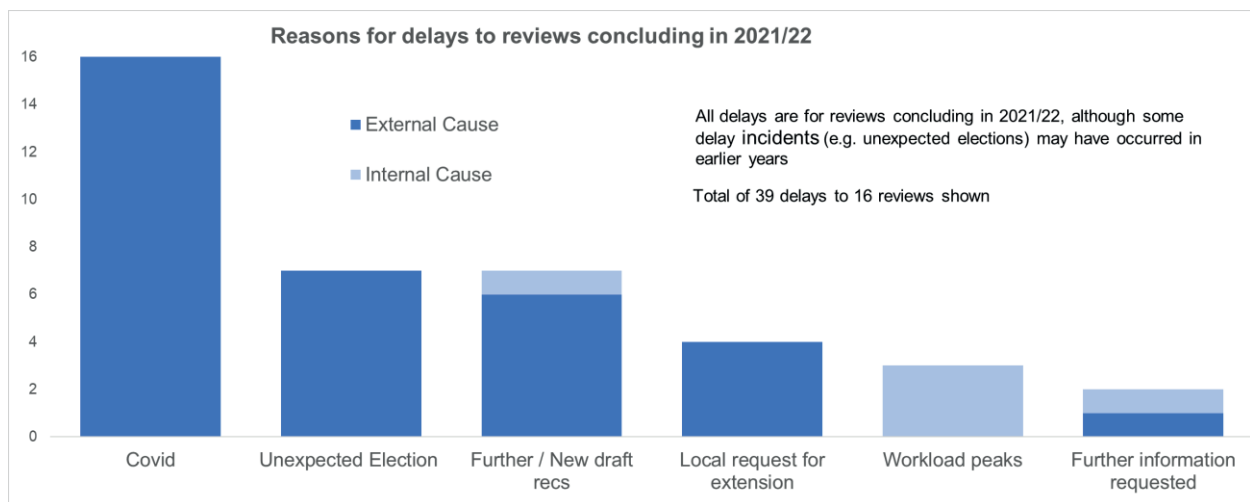
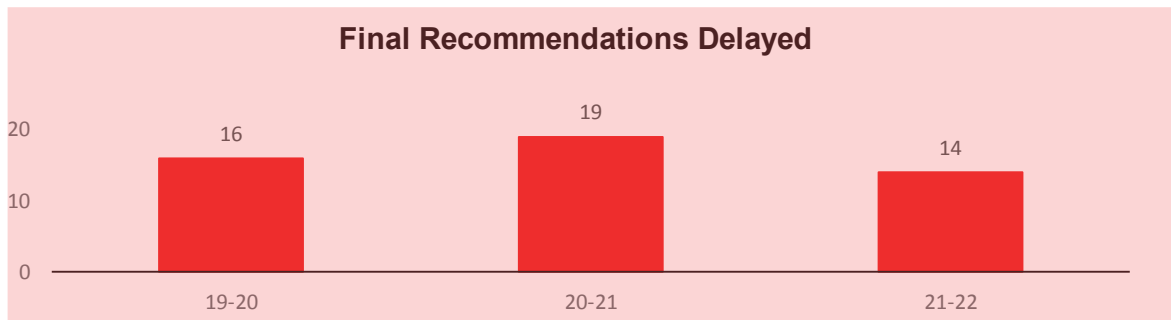
<sup>6</sup> A review 'starts' when the Commission Board takes a formal view on council size.

<sup>7</sup> Orders are laid in Parliament for a period of 40 days under the draft negative resolution procedure. The number of completed reviews will therefore be a different number than number of orders we have made.



## Final Recommendations Delayed

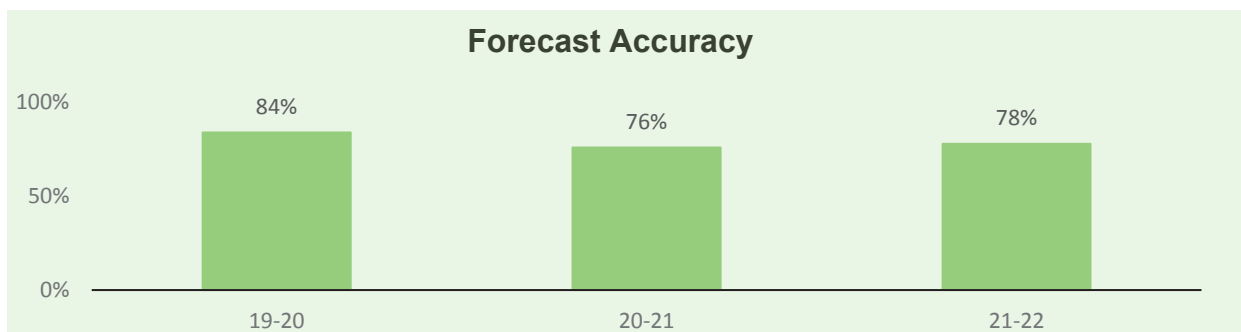
As in 2020-21, it was again necessary this year to extend the schedule for some reviews given the other demands facing local authorities and we were persuaded to pause or allow delays across our review programme. During 2021-22, all our reviews have experienced some degree of re-programming. Although this complicates the management of the programme, we believe that our flexibility enabled authorities to engage more fully and positively with reviews whilst not distracting them from other key priorities. As part of our own internal management information, we monitor the number of final recommendations delayed and the reasons. As noted above, however, none of these delays had implications for the timing of implementation and we liaised closely with all affected local authorities in any re-scheduling.<sup>8</sup>



<sup>8</sup> We measure the number of final recommendations delayed once the review has started (14 reviews in 2021-22) but there were also delays to starts because of COVID-19 which did not necessarily delay final recommendations.

## Forecasting Accuracy

We are required by statute to have regard to an electorate forecast five years after publication of our final recommendations (e.g. for reviews completed during 2021-22, the forecast is an assessment of the projected electorate in that local authority in 2026-27). We work closely with local authorities in developing electorate forecasts. Whilst intended to achieve some degree of future proofing, this can be challenging given the unevenness of housing and other development activity between authority areas and its unpredictability especially during volatile economic conditions. The graph below shows the impact of decisions we made five years ago (i.e. for 2021-22, reviews we completed in 2016-2017). The percentage is calculated by comparing the electorates in our final recommendations in 2016-2017 against the actual electorate in 2021-22.

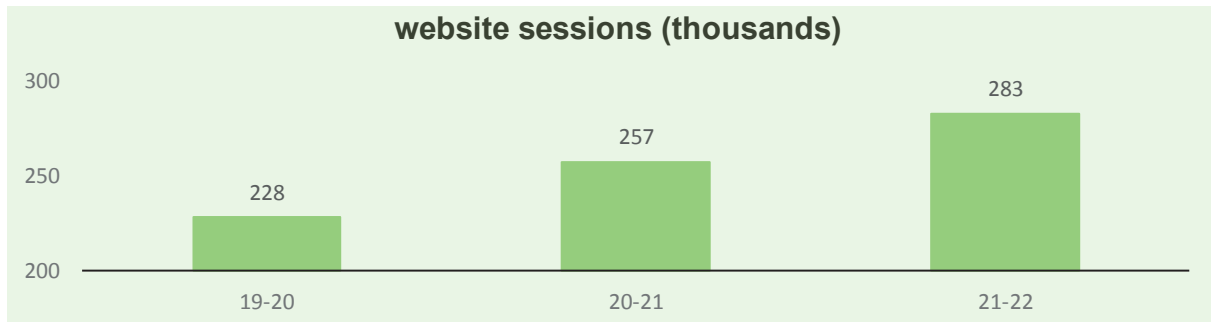


### Comment

Forecasting electorate numbers is an important aspect of our work to create electoral arrangements that will stand the test of time. We work closely with local authorities and their knowledge of development and registration rates informs these forecasts.

## Engagement (website sessions)

Achieving widespread local knowledge of reviews and publicising the opportunities for individuals to participate are important Commission objectives.<sup>9</sup> We recorded 283,000 website sessions in 2021-22 (2020-21: 257,000)



## Social Media

	2021-22	2020-21
<b>Facebook</b> people who have seen a post	<b>836,596</b>	430,232
<b>Facebook</b> actions taken	<b>79,259</b>	34,921
<b>Facebook</b> conversion rate	<b>9.50%</b>	8.15%
<b>Facebook</b> costs per engagement	<b>£0.17</b>	N/A
<b>Twitter</b> people who have seen a post	<b>95,642</b>	<b>168,100</b>

We work in partnership with local authorities to spread awareness of our public consultations. We also publicise them through traditional media outlets.

Our social media focus is Facebook because of its broad demographic. We use targeted advertising to encourage participation in our consultations. We measure performance including engagement with our posts, which involves action other than simply viewing the post, such as liking or sharing.

<sup>9</sup> A session is when a user actively engages with our website.

## Correspondence

Most of our correspondence relates to ideas and opinions on our reviews and we make efforts to increase both the quantity and quality of these. We have few complaints, but it is important to both act on and learn from these.

Type	Received		Target (Working Days)	Responded by Deadline		Within Deadline	
	21-22	20-21		21-22	20-21	21-22	20-21
<b>Submissions on review consultations</b>	<b>7,838</b>	5,858	15	<b>7,784</b>	5,540	<b>99%</b>	95%
<b>Complaints (stage 1)</b>	<b>2</b>	0	15	<b>2</b>	0	<b>100%</b>	N/A
<b>Complaints (stage 2)</b>	<b>2</b>	0	20	<b>2</b>	0	<b>100%</b>	N/A
<b>Freedom of Information requests</b>	<b>17</b>	13	20	<b>17</b>	13	<b>100%</b>	100%

## Review Costs

The latest internal costs of our reviews are presented below. The figures are calculated for reviews we started and finished between April 2018 to September 2021. Our average costs vary between years dependent on the mix of reviews we have undertaken.

Review Type		
	Average	Median
Average cost per review (Apr 18 to Sept 21)	£84k	£79k
Two-Tier District	£76k	£77k
Unitary District	£81k	£77k
Metropolitan District <sup>10</sup>	£73k	£54k
London Borough	£86k	£89k
Two-Tier County	£151k	£151k
Unitary County	£147k	£133k
Merger	£65k	£65k

## Comment

Since our establishment in 2010, we have significantly reduced both budget and our spend, alongside the cost of individual reviews, whilst increasing the number of reviews delivered. Unit costs between 2011 and 2014 reduced from £250k to £125k per average review and continued to fall due to efficiencies in review processes and back-office services, digital developments, and consultation and engagement improvements. These led to both a reduction in costs and an increase in the number of reviews we could undertake.

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<sup>10</sup> This is based on only 3 reviews but with significantly different characteristics and costs

At any one time we are working on over 50 reviews, and this means 1) unit costing is not a straightforward exercise; 2) any changes to cost recording or methodology will take at least a year to filter through in review costs but also far longer to generate any significant comparable data between reviews. However, our unit costing exercises have become more granular during the last few years and we have now collected review costs for around 125 reviews analysed by stage and type.

The table above demonstrates that costs and inputs vary according to type of authority, and we are using this information to inform our future programme planning.

### Direct expenditure resulting from COVID-19

The additional expenditure we have made because of COVID-19 is shown below.

Type	21-22	20-21
<b>IT equipment</b> (monitors, keyboards, mice)	£435	£4,820
<b>Furniture and equipment</b> (desks, chairs, stationery)	£623	£1,687
<b>Working from home allowances</b> (£24 per employee per month) <sup>11</sup>	£3,156	£6,971
<b>Total</b>	<b>£4,214</b>	<b>£13,478</b>

### 1.2.2 Financial Review

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 is through a Main Supply Estimate, presented in the House of Commons by the Speaker, specifying estimated expenditure, and requesting a vote for the necessary funds.<sup>12</sup>

The Main Supply Estimate for 2021-22<sup>13</sup> provided for a net resource requirement of £2,307k. This was made up of a Department Expenditure Limit (DEL) net resource requirement of £2,257k and a DEL net capital requirement of £50k. This is set out in

<sup>11</sup> Working from home allowances stopped from 01/09/2021

<sup>12</sup> The budgeting framework is explained in detail in the [Consolidated Budgeting Guidance 2021-22](#)

<sup>13</sup> [Corporate publications | LGBCE Site](#)

our Corporate Plan for the period to 2025-26 and was approved by the Speaker's Committee in March 2021.

We applied for an Annually Managed Expenditure Limit (AME) net resource of £20k as a Supplementary Estimate, which was approved by the Speaker's Committee in January 2022. This was to adjust for a possible increase in estimate costing for our dilapidation provision relating to our Government Property Agency managed accommodation.

#### *Use of resources*

The Statement of Parliamentary Supply shows outturn figures for resources, capital, and cash set against the final Estimate. In 2021-22, the Commission used £2,195k (£2,154k resource and £41k capital) of total net resources.

	Budget £000	Spend £000	Variation £000	Explanation
<b>DEL Resource</b>	2,257	2,148	(109)	Impact of COVID-19 on travelling and consultation materials offset by catching up with programme delayed in previous years by COVID-19.
<b>AME Resource</b>	20	6	(14)	Dilapidations Provision for office. Budget estimated before figures known.
<b>DEL Capital</b>	50	41	(9)	Decommissioning of our on-site server due to finish by March, now delayed until April 2022.
<b>Total</b>	<b>2,327</b>	<b>2,195</b>	<b>(132)</b>	

#### *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 £2,166k in 2021-22 to finance its activities, which was £80k less than the sum of £2,246k approved by Parliament in the Estimate.

### *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 Jolyon Jackson CBE, the Chief Executive, as Accounting Officer. Responsibilities as Accounting Officer are set out in Section 2.1.1.

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 non-cash cost of £17,500 (2020-21 £16,250) was incurred on external audit. Internal audit and other services were provided by The Internal Audit Association (TIAA) at a cost of £14,970 (2020-21 £11,220).

### *Payment practice*

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

The Government's commitment is to pay 90% of undisputed and valid invoices for small or medium sized companies within 30 days (UK Prompt Payment Code).

Payment practice results remain high against all targets.

	<b>Percentage paid within 30 days</b>	<b>Percentage paid within 10 days</b>
<b>2021-22</b>	<b>100.0%</b>	<b>96.8%</b>
<b>2020-21</b>	100.0%	98.9%

Using the numbers of payment runs made to calculate average payment run amounts and dividing this by our average daily purchases, we can calculate that it takes us on average 4.8 working days to pay suppliers.

	<b>Supplier days</b>
<b>2021-22</b>	<b>4.8 days</b>
<b>2020-21</b>	5.2 days

### *Interests, gifts and hospitality*

Commissioners and staff abide by a code of conduct and register any gifts or hospitality that they have received or been offered. They list external interests through a Register of Interests for Commissioners and Directors. This is updated annually and available on the Commission's website. The Gifts & Hospitality Register is provided for



review at each Audit & Risk Committee meeting and throughout the course of 2021-22 there were no gifts or hospitality received.

### *Community and the environment*

Considering the needs of local communities is central to our work in providing fair electoral arrangements.

We work with the Government Property Agency and Transport for London (who provide our accommodation), we try to reduce the direct and indirect environmental impacts associated with our operations by:

- complying with applicable legislation and regulation;
- reducing waste and increasing recycling;
- encouraging and supporting staff to consider environmental issues;
- providing showers, bicycle storage, cycle loans and season ticket loans.

### *Delivering reviews informed by local needs, views and circumstances*

We continued to develop our ways of working in response to COVID-19.

- Our digital workshops for officers continued to work well and are easier to programme to meet the needs of authorities.
- Our digital briefings for local councillors deliver greater attendance and local authorities appreciate being briefed separately from full council meetings.
- Our parish and community briefings have proved to be more accessible and convenient to people which has improved attendance.

### *Local engagement*

- Engagement is key to successful and durable electoral arrangements.
- We engage extensively with local authorities. This includes initial discussions with senior officers and members; practical interactive workshops with officers on the details of the review process; briefing for full councils; and consideration of submissions from whole councils, political groups and individual councillors.
- We engage extensively with local people and organisations. We hold parish and community briefings; publicise consultations widely through direct communication with stakeholder groups, traditional and social media and through councils' communication channels; produce a range of materials to

explain the review process and individual reviews; and carefully consider all submissions made.

### *Equalities, Diversities & Inclusion (EDI)*

We believe an inclusive culture enriches all we do.

- We value diversity and the benefits different perspectives and experiences bring to all our work.
- We are committed to being inclusive in the way we work together and the way we engage with those contributing to our reviews.

We have an Equality, Diversity, & Inclusion (EDI) and Equal Pay policy to promote equality for staff, commissioners and customers, the impacts of which are regularly reviewed:

Our EDI compliance is overseen by the Leadership Team, Audit & Risk Committee, our EDI working group, Staff Champions and a Commissioner Champion.

During 2021-22 we:

- considered our EDI risks;
- procurement – started work to consider EDI in our procurement processes;
- had successful Staff Survey results on EDI theme;
- considered single member wards and gender impacts ;
- began to consider the digital divide and the challenges faced by people in rural areas in relation to consultation and engagement on reviews;
- completed our second Employers Network for Equality & Inclusion (ENEI); organisational assessment increasing our score from 63% to 72%.

We have specific objectives for 2022-23. They are:

- to review our equality impact assessment of the review process;
- to develop risks and controls relating to EDI;
- to continue work in relation to EDI in procurement;
- to engage with the People Strategy projects as they progress, ensuring we embed the roadmap of equality to inclusion at every stage;
- to engage with the Customer Journey project to explore ways of improving reach and inclusiveness;

- to focus on the ENEI deep dive report and take actions (balanced against the Commissions priorities) to improve in the areas we scored the lowest and maintain in the areas where we reached the embed/sustain level;
- to schedule an equalities training day for all staff and commissioners;
- to continually look for ways to carry out our requirement in line with the public sector equality duty.

#### *Engagement with the Speaker and the Speaker's Committee*

- Debates in the House of Commons on appointment, reappointment or removal of our Chair may only take place with permission of the Speaker.
- The Speaker's Committee on the Electoral Commission carries out an annual scrutiny of our budget, business plan and performance, which includes a public hearing. It also considers the periodic value-for-money report produced by the National Audit Office.
- Chris Matheson MP is the Committee's spokesperson in the House of Commons and answers questions from MPs relating to our activities. We have held briefing meetings with him this year.
- In 2021-22 the Committee considered and approved our budget and corporate business plan.

#### *Engagement with the Houses of Commons and Lords*

- Once the Commission has agreed recommendations for changes to the electoral arrangements of an authority they are laid in Parliament. If objections are raised the recommendations are debated in the Chamber in which they were raised. They cannot be altered, only accepted in full or referred back to the Commission. If objections are not raised the changes are signed into law by the Chief Executive of the Commission.
- There were no objections in either the House of Commons or the House of Lords to our recommendations.

**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 19-05-2022**

## 2. Accountability Report

*This part of our Annual Report sets out how we meet our accountability requirements and comprises three sections:*

**The Corporate Governance Report** sets out how we governed LGBCE during 2021-22, including membership and organisation of our governance structures and how they support achievement of our objectives.

**The Remuneration and Staff Report** sets out our pay policies and how they have been implemented for the period, including salary and pension information.

**The Parliamentary Accountability and Audit Report** brings together key information to support accountability to Parliament and includes the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

### 2.1 Corporate Governance Report

#### 2.1.1 Statement of Commissioners' and Accounting Officer's Responsibilities

Under the *Local Democracy, Economic Development and Construction Act 2009*, Commissioners are required to prepare resource accounts detailing the resources acquired, held or disposed of during the year, and the use of resources during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Commissioners and Accounting Officer are 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 including the relevant accounting and disclosure requirements and apply suitable accounting consistently;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis;

- confirm that the Annual Report & Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report & Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Speaker's Committee has appointed the Chief Executive as Accounting Officer of LGBCE. The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding LGBCE's assets, are set out in *Managing Public Money* published by HM Treasury.

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 Commission'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.

The Accounting Officer and the Commissioners confirm that this Annual Report & Accounts is fair, balanced and understandable. As Accounting Officer, I take personal responsibility for the Annual Report & Accounts and the judgements required for determining that it is fair, balanced and understandable.

### 2.1.2 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 previously formed part of the Electoral Commission as a separate Committee. We are accountable to Parliament directly through the Speaker's Committee, chaired by the Speaker of the House of Commons.

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

The Commission has a Corporate Governance Framework, which sets down our purpose, aim and behaviours, 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 in April 2017 so far as is relevant, and is reviewed every two years.

The governance framework comprises the behaviours, aims, systems and processes by which the Commission is directed and controlled. It enables the Commission to monitor achievement of 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 provides 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*

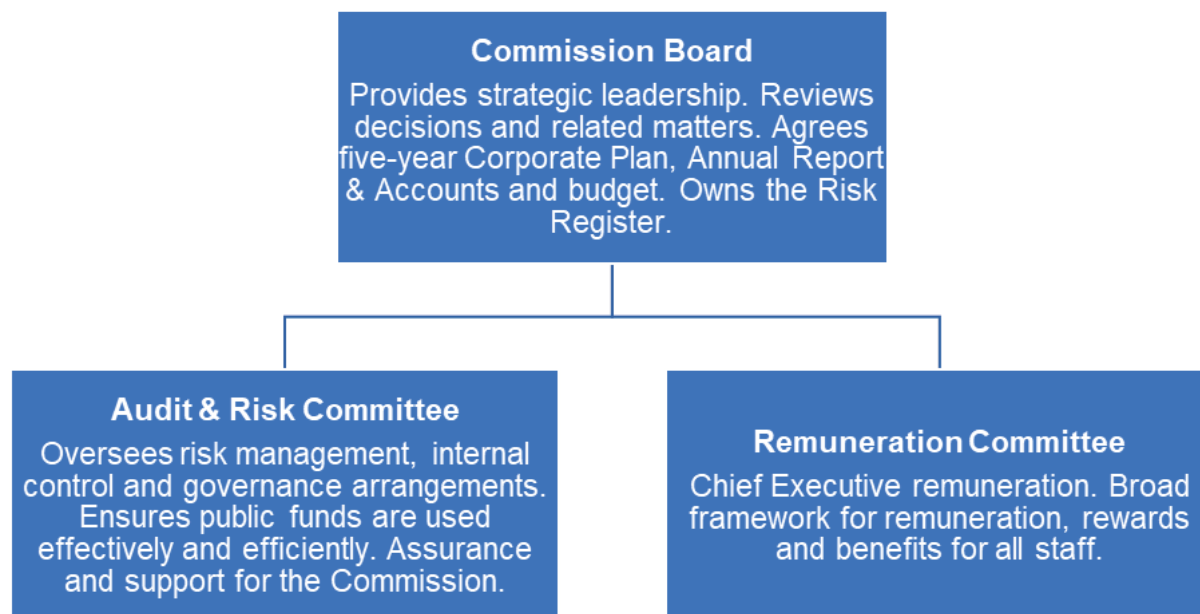
The Commission recognises and accepts the need to comply with legislation and regulations. We are also aware that as a small organisation we must carefully allocate our resources to strike an appropriate balance between meeting our governance responsibilities and delivering our operational programme. The Commission (specifically through delegation to the Audit & Risk Committee) continually assesses whether its application of governance arrangements and requirements are proportionate to an organisation of the Commission's size.

### 2.1.3 The Governance Structure

#### *Mission and objectives*

The Commission has set out who we are and what we do (see Section 1.1.2), which reflects our role in law, and which is underpinned by aims and behaviours. The Nolan Principles (the basis of ethical standards expected of public office holders) are adopted by Commissioners and, where relevant, all staff.

## Our Board and Committees



### *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 agree our (rolling) five-year Corporate Plan each year, our Annual Report & Accounts, our detailed budget and own the Commission's Risk Register. The Commission Board sets the Commission's risk appetite statement each year.

### *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.
  - Our Main Supply Estimate for 2021-22 was agreed by the Speaker's Committee on 24 March 2021 and laid before Parliament on 22 April 2021.
- Examining the five-year plan and forward resource estimates and laying them before Parliament, with or without modification.

- Our latest five-year Corporate Plan (2021-22–2025-26) was agreed in March 2021.
- Receiving the Annual Report & Accounts.
  - Our Annual Report & Accounts for 2020-21 were laid in Parliament on 28 June 2021.
- Receiving reports from the Comptroller and Auditor General on the economy, efficiency and effectiveness on our use of resources each parliamentary term.
- Designating the Commission’s Accounting Officer.
- Reporting to the House of Commons on how it has carried out its functions.

#### *Commission attendance*

The members of the Commission and their attendance at Commission meetings throughout the year:

<b>Commissioner</b>	<b>Role</b>	<b>Meetings Attendance</b>	<b>Out of</b>	<b>%</b>
<b>Colin Mellors</b>	Chair	23 Meetings	23	100%
<b>Andrew Scallan</b>	Deputy Chair	22 Meetings	23	96%
<b>Susan Johnson</b>	Commissioner	23 Meetings	23	100%
<b>Peter Maddison</b>	Commissioner	16 Meetings	23	70%
<b>Steve Robinson</b>	Commissioner	23 Meetings	23	100%
<b>Amanda Nobbs</b>	Commissioner	23 Meetings	23	100%

#### *Remuneration Committee*

Members and their roles:

<b>Commissioner</b>	<b>Role</b>
<b>Steve Robinson</b>	Chair from June 2021
<b>Susan Johnson</b>	Chair until June 2021 then Member
<b>Peter Maddison</b>	Member
<b>Amanda Nobbs</b>	Member until June 21

The Remuneration Committee met twice. In October 2021, to agree the pay award for 2021-22 (no pay award) and to discuss the People Strategy project Rewards and



Recognition for staff, and in February 2022 to again discuss the Rewards and Recognition project. All members attended.

### *Audit & Risk Committee (ARC)*

Members and their roles:

<b>Commissioner</b>	<b>Role</b>	<b>Meetings Attendance</b>	<b>Out of</b>	<b>%</b>
<b>Steve Robinson</b>	Member/ Chair	4 Meetings	4	100%
<b>Andrew Scallan</b>	Member	4 Meetings	4	100%
<b>Susan Johnson</b>	Chair	2 Meetings	2	100%
<b>Amanda Nobbs</b>	Member	1 Meeting	2	50%
<b>Lizzie Peers</b>	Independent Member	4 Meetings	4	100%

During 2021-22, the work of the ARC was informed by its Annual Plan, and its Annual Report to the Commission is summarised below.

<b>Area</b>	<b>Objective</b>	<b>How achieved?</b>	<b>Outcome</b>
<b>Audit &amp; Risk Committee</b>	<i>ARC provides assurance to the Commission and supports the Accounting Officer by ensuring that the most efficient, effective, and economic risk, control, and governance processes are in place</i>	<ul style="list-style-type: none"> <li>• ARC is clear and transparent</li> <li>• ARC plans and reports on its annual activities</li> <li>• ARC reviews and considers its own performance</li> </ul>	<ul style="list-style-type: none"> <li>• ARC plan for year was achieved</li> <li>• ARC considered its own effectiveness during the year</li> <li>• Reviewed Risk scores and scrutinised deep dives of risks</li> <li>• Reviewed the terms of Reference of the Remuneration Committee</li> </ul>
<b>Annual Report &amp; Accounts and External Audit</b>	<i>ARC scrutinises the year end processes and production of the Commission's Annual Report in advance of formal approval by the Commission Board</i>	<ul style="list-style-type: none"> <li>• ARC meets with our Auditors</li> <li>• ARC reviews audit findings and outcomes</li> <li>• ARC satisfies itself that the Commission's internal control framework and governance arrangements are robust</li> </ul>	<ul style="list-style-type: none"> <li>• ARC instigated an annual meeting with auditors without officers' present</li> <li>• Scrutinised draft and final versions of the Annual Report &amp; Accounts</li> <li>• National Audit Office (NAO) plan and management letter examined and agreed</li> </ul>

<p><b>Policy Reviews and Updates</b></p>	<p><i>ARC reviews and strengthens policies and processes</i></p>	<ul style="list-style-type: none"> <li>• ARC reviews the effectiveness of the Commission's policies</li> <li>• ARC receives reports on fraud, theft, whistleblowing, bribery, health and safety and information breaches as necessary</li> <li>• ARC considers business continuity arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• ARC reviewed and strengthened policies over twelve areas in line with our annual plan</li> <li>• No breaches in year</li> </ul>
<p><b>Internal Audit</b></p>	<p><i>ARC works closely with our internal auditors who provide assurances on internal controls across the organisation</i></p>	<ul style="list-style-type: none"> <li>• ARC agrees the risk based Internal Audit Strategy and annual plan</li> <li>• ARC considers the findings of reports and oversees delivery of recommendations</li> <li>• ARC monitors relevant internal audit performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• ARC reviewed the Internal Auditor's annual report</li> <li>• Internal Audit provided substantial assurance in five areas and reasonable in one</li> <li>• ARC oversaw 17 Internal Audit Recommendations</li> </ul>
<p><b>Scrutiny of Business Activities</b></p>	<p><i>ARC scrutinises key areas of Commission activities, adding value and expertise to work strands</i></p>	<ul style="list-style-type: none"> <li>• ARC considers business arrangements</li> <li>• ARC considers the Commission's performance framework to help ensure value for money is achieved in our use of resources</li> </ul>	<ul style="list-style-type: none"> <li>• ARC specified and commissioned a Governance Review for 2022-23</li> <li>• ARC now receives a regular IT report at each meeting</li> <li>• ARC oversaw the development of an Assurance Framework</li> </ul>

### *Internal control questionnaires*

These were completed by all staff and members of the ARC. The process identifies areas where internal control weaknesses may exist and if any training, or policy and risk requirements, are necessary. The full questionnaire is discussed annually by the Management Team. Last year's actions together with issues arising this year are reported below:

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<b>2021-22</b>	<b>ACTION REQUIRED</b>
<b>Objectives and Performance Management</b>	Embed new appraisal forms and skills matrixes for each role from 2022-23
<b>Learning &amp; Development needs</b>	New appraisal form includes more details on training matrix from 2022-23
<b>Reporting accidents or near misses</b>	H&S awareness course for all staff in 2022-23

<b>2020-21</b>	<b>ACTION TAKEN</b>
<b>Business Continuity Planning</b>	Staff session on Business Continuity Planning to be held in Q1 22-23 as policy being rewritten
<b>Clear objectives for staff</b>	Objective setting during May 2021 for staff

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### *Standing orders/delegated powers and financial policies*

These provide a procedural framework within which the Commission discharges its business.

### *Other policies and procedures*

The Commission has agreed policies and procedures that 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; policies on declarations of interest, gifts and hospitality; staff management and human resources; risk management; fraud and corruption; Freedom of Information; and complaints/correspondence. All policies and procedures are reviewed, and their effectiveness considered periodically.

### *Whistleblowing arrangements*

Our whistleblowing policy has been in operation throughout the year. The policy sets out the steps staff should take to raise their concerns about behaviours and practices within LGBCE. This is supported by detailed guidance on the procedures to follow

when raising these concerns and has been made available to all staff. No issues were raised under the whistleblowing arrangements during 2021-22.

### *Risk management*

During the year, the Commission has revisited inherent risk scores, re-considered our Risk Appetite Statement, continued to identify controls and lines of defence, and continued our programme of deep dives into our risks, assurances and control processes. These are reported to each ARC with any issues escalated to the Commission Board.

### *Assurance Framework*

During this year we revised our Risk Register to separate out assurances and developed an Assurance Framework that identifies main assurance for Governance areas across the Commission. We will use the framework to identify assurance gaps, review assurances to ensure their controls are working and identify a work programme for the Audit & Risk Committee. Work on the development of, and interpretation of, the framework will continue during 2022-23.

### *Principal risks and uncertainties (Section 1.1.2)*

We regularly review and update our risks, risks scores, Assurance Framework and risk controls. Risk is considered at each Commission Board meeting, at each Audit & Risk Committee, at each Leadership Team meeting (when they act as the Risk Management Group) and in staff teams and staff meetings.

### *Internal Audit*

The Commission's internal auditors continued to be The Internal Audit Association (TIAA Ltd). Internal audit reviews are compliant with the Public Sector Internal Audit Standards (PSIAS) 2013 and the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) 2013.

The risk-based programme of audits for the year was discussed and approved by the Audit & Risk Committee. For completed audits, the internal auditors provide reports identifying their key findings, an indication of the level of assurance that can be placed on our controls and recommendations for action. Internal audit reports are distributed to the Leadership Team, the Audit & Risk Committee and the Commission's external auditors, and implementation of recommendations is monitored by ARC.

Internal Audits 2021-22		Recommendations <sup>14</sup>		
Area	Rating	Urgent	Important	Routine/ operational
Boundary Reviews	Substantial	0	0	3
Key Financial Controls – Commissioner fees, journals, budget process	Substantial	0	0	0
Contract Management	Substantial	0	0	2
Finance Manual	Substantial	0	0	4
ICT Governance	Substantial	0	0	0
ARC Terms of Reference	Advisory	0	0	4
Assurance Framework	Reasonable	0	0	4
<b>Totals</b>		<b>0</b>	<b>0</b>	<b>17</b>

#### *Internal Audit Opinion*

Our Head of Internal Audit is required to provide an annual internal audit opinion based on the work carried out by Internal Audit throughout the year:

#### 2.1.4 Overall Internal Audit Opinion

TIAA is satisfied that, for the areas reviewed during the year, the Local Government Boundary Commissioner for England has reasonable and effective risk management, control and governance processes in place. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Local Government Boundary Commissioner for England from its various sources of assurance.

#### *Personal data-related incidents*

There were no significant breaches of information security that required reporting to the Information Commissioner's Office over the financial year.

<sup>14</sup> All recommendations have either been completed or will be within 2022-23.

All information security breaches (however minor) are considered by the Data Protection Officer, discussed by the Leadership Team, and reported to the Audit & Risk Committee.

#### *UK Data Protection Act 2018 (including GDPR)*

During 2021-22 we have:

- reviewed our Privacy notice and redaction Policy
- completed our first Subject Access Request

#### *COVID-19*

Like most organisations in the UK, our working practices have changed dramatically over the last two years through the impacts of COVID-19. Digitally, we were in a good position to undertake our business remotely and it was a relatively smooth transition to begin homeworking for our staff and Commissioners. As the pandemic continued, we assessed the way we undertook our Review Programme using new methods of working and engaging with local authorities and communities.

Moving forward we are (like most businesses) considering how we might best use some of the lessons of the last two years to inform our future.

#### *Review of Commission Board's effectiveness*

The Commission Board reviewed its own effectiveness in April and May 2021 and widely considered both its own role and its relationships and effectiveness throughout the organisation. Examples of effective practice were considered alongside areas that could be improved and these have been taken forward and fed into workstreams as appropriate.

#### *Reporting and quality of information used by the Board*

Financial monitoring and budget information is reviewed quarterly by Commissioners. Risks, assurances and processes are reviewed at each Commission Board meeting, at each ARC meeting, and at each Leadership Team meeting. The effectiveness of policies and procedures are reviewed on a regular and scheduled basis and updated by both the ARC and the Commission.

The Commission Board finds the quality of the data used by the Commission to be acceptable. Any changes to information received are explained clearly and management information produced is summarised from detailed data that is available

if required. The ARC is tasked with gaining assurance that the Commission can rely on the processes, procedures and information the Commission uses.

#### *External Audit*

The National Audit Office (NAO) completed the statutory audit of the Commission's Annual Report & Accounts and issued an unqualified opinion.

#### *2020-21 Accounts*

Our Accounts for 2020-21 were qualified as we did not have AME cover for a dilapidation provision for £53k on our accommodation. I would like to thank the Public Accounts Committee who considered the issue and retrospectively approved the cover. During the year we have taken several measures to both increase understanding of unusual transactions and to improve our processes. These have included a substantial rewrite of our Finance Manual, more frequent reporting of our Estimates process to the Commission Board and an additional quarterly reconciliation. I am pleased to note that the NAO have observed our new processes and closed their recommendations in this area.

I am satisfied that there are no significant deficiencies in financial management, internal control, risk management or governance that affected the achievement of our key objectives.

**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 19-05-2022**

## 2.2 Remuneration and Staff Report

*This part of our Annual Report sets out our remuneration policy and provides details on remuneration and staff that Parliament consider key to accountability.*

### 3.2.1 Remuneration Report

#### *Commissioners*

Commissioners are appointed by Royal Warrant to exercise the Commission's functions described in *the Local Democracy, Economic Development and Construction Act 2009*.

Together, the Commissioners ensure that the Commission discharges its functions as set out in the Act and associated legislation. They monitor the Commission's performance and are responsible for ensuring that it acts within its statutory remits.

The Chair is appointed by HM The Queen on the recommendation of the House of Commons. Other Commissioners are appointed by Her Majesty on the recommendation of the Secretary of State. The Secretary of State may designate a commissioner to be Deputy Chair. Commissioners are appointed for a period not exceeding five years with the possibility of reappointment. There is a statutory minimum of four Commissioners, excluding the Chair, with 11 as a maximum.

A Commissioner may cease to serve or be removed on the grounds set out in Schedule 1, paragraph 1 of the Act. Appointments will terminate at the end of the period specified for each Commissioner, unless the Commissioner is reappointed before the period expires. Appointments may also be terminated at the request of the Commissioner.

Commissioners were paid a daily fee of £352 (2020-21 £352) for each day worked during 2021-22. The Chair was paid a daily rate of £400 (2020-21 £400).

Commissioners do not receive a salary and are not able to join LGBCE's government pension schemes. Commissioners' fees increase on 1 April each year by the percentage increase paid to High Court Judges as part of the Senior Salaries Review Body's work. In 2021-22 Commissioners did not receive an increase.

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



**Commissioner Fees (subject to audit)**

<b>Commissioner</b>	<b>2021-22</b>	<b>2020-21</b>
Colin Mellors (Chair)	£26,500	£25,900
Susan Johnson	£15,200	£12,144
Peter Maddison	£10,338	£10,736
Amanda Nobbs	£19,446	£16,192
Steve Robinson	£17,070	£16,016
Andrew Scallan	£19,404	£20,064
<b>TOTAL COMMISSIONERS</b>	<b>£107,958</b>	<b>£101,052</b>
<b>Independent Member of ARC</b>		
<b>Lizzie Peers</b>	£4,356 <sup>15</sup>	£2,464
<b>TOTAL FEES</b>	<b>£112,314</b>	<b>£103,516</b>

The remuneration of the Chief Executive and Director of Corporate Services and the broad framework for the remuneration of other staff is agreed by the Remuneration Committee.

In setting remuneration, we have regard to the following considerations:

- needing to recruit, retain and motivate suitably able and qualified people;
- our improvement plans, including the requirement to meet our output targets for the delivery of our service within available funds;
- Paragraph 7(6) of Schedule 1 to the 2009 Act, which requires us to have regard to the desirability of keeping the remuneration and other terms or conditions of employment of our employees broadly in line with civil servants;
- wider economic considerations and affordability of recommendations.

Directors' salaries plus the pension entitlements are in the table below.

The information in the table is based on payments due relating to work undertaken during 2021-22. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include employer pension contributions or the cash equivalent transfer value of pensions.

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<sup>15</sup> The Independent Member claimed £4,356 fees in 2021-22, £792 related to 2020-21

**subject to audit**

Single total figure of remuneration (Prior year comparatives in square brackets)	Salary £'000	Bonus payments £'000	Pension benefits (to the nearest £1,000)	Total £'000
<b>Chief Executive</b> Jolyon Jackson CBE	110 to 115	N/A	N/A	110 to 115
<i>Left pension scheme 01/10/19</i>	[110 to 115]	[N/A]	[N/A]	[110 to 115]
<b>Director of Corporate Services (0.8FTE)</b> Lynn Ingram	60 to 65 (FTE 75 to 80)	N/A	22,000	80 to 85
	[60 to 65 (FTE 75 to 80)]	[0 to 5]	[23,000]	[80 to 85]

**Salary**

'Salary' includes gross salary and overtime (no overtime payments or benefits-in-kind were paid).

**Bonus payments**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year before they become payable to the individual. The bonuses reported in 2021-22 relate to performance in 2020-21 and the comparative bonuses reported for 2020-21 relate to the performance in 2019-20.

**Pay multiples (subject to audit)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in LGBCE in the financial year 2021-22 was £110k to £115k (2020-21 £110k to £115k). This was 3.3 times (2020-21 3.3 times) the median remuneration of the workforce, 3.3 times the 25<sup>th</sup> percentile of the workforce (2020-21 3.3 times) and 2.9 times the 75<sup>th</sup> percentile of the workforce (2020-21 2.8 times).

In 2021-22, 0 (2020-21 0) employees received remuneration more than the highest-paid director. Remuneration ranged from £27k to £115k (2020-21 £27k to £115k).

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

	<b>2021-22</b>	<b>2020-21</b>
<i>The total pay and benefits figure used to calculate the figures in this table is the same as the salary component of total pay and benefits</i>		
<b>Band of highest-paid staff member (FTE)</b>	<b>£110k to £115k</b>	<b>£110k to £115k</b>
<b>25<sup>th</sup> percentile of all staff pay</b>	<b>£34,457</b>	<b>£34,457</b>
<b>25<sup>th</sup> percentile pay ratio</b>	<b>3.3</b>	<b>3.3</b>
<b>Median of all staff pay</b>	<b>£34,457<sup>16</sup></b>	<b>£34,457</b>
<b>Median pay ratio</b>	<b>3.3</b>	<b>3.3</b>
<b>75<sup>th</sup> percentile of all staff pay</b>	<b>£38,769</b>	<b>£39,971</b>
<b>75<sup>th</sup> percentile pay ratio</b>	<b>2.9</b>	<b>2.8</b>

<sup>16</sup> The 25<sup>th</sup> percentile and median per centile figures are the same because almost 11 out of 23 staff at year end were paid the same

Reporting bodies are required to disclose the percentage change from the previous financial year in respect of the highest paid director and the average percentage change from the previous financial year for employees of the entity taken as a whole.

	2021-22	2020-21	% Change
<i>The total pay and benefits figure used to calculate the figures in this table is the same as the salary component of total pay and benefits</i>			
<b>Band of highest-paid staff member (FTE)</b>	<b>£110k to £115k</b>	£110k to £115k	0% <sup>17</sup>
<b>All employees</b>	<b>£40,714</b>	£43,821	-7% <sup>18</sup>
<b>Commissioners</b>	<b>£16,045</b>	£14,714	9% <sup>19</sup>

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

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, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal

<sup>17</sup> No pay award for any staff or commissioners for 2021-22.

<sup>18</sup> Decrease in staff average payments relate to additional temporary staff joining the organisation late in 2020-21 and continuing throughout 2021-22 at or below the median costs

<sup>19</sup> Increase for Commissioners relate to additional Board meetings

pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. 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 their 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 updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). 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).

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, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### *The Cash Equivalent Transfer Value (CETV)*

This 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 pension benefits they have 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

*The real increase in the value of the CETV*

This is the element of the increase in accrued pension funded by the employer. It does not include an 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.

Subject to audit	Accrued pension at pension age as at 31-03-22	Real increase in pension and related lump sum at pension age	CETV at 31-03-22	CETV at 31-03-21	Real increase in CETV
<b>£000</b>					
Lynn Ingram (0.8 FTE)	10 to 15	0 to 2.5	131	112	12

*LGBCE contributions*

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which LGBCE is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the [resource accounts of the Cabinet Office: Civil Superannuation](#). For 2021-22, employers’ contributions of £219k were payable to the PCSPS (2020-21 £197k) at one of four rates in the range 26.6% to 30.3% (2020-21: 26.6% to 30.3%) of pensionable pay, based on salary bands. The scheme’s Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates were revised for 2020-21 and will remain unchanged until 2024-25. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Employees can opt to open a partnership pension account, a stakeholder pension with

an employer contribution. Employers' contributions of £0 (2020-21 £0) were paid to one of three appointed stakeholder pension providers. Employer contributions are age related and range from 8% to 14.75% (2020-21: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £0 (0.5%; 2020-21: £0, 0.5%) 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 reporting period date were £0. Contributions prepaid at that date were £0: 0 persons (2020-21: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2020-21: £0).

### 2.2.2 Staff Report

#### Staff, Commissioner and Independent Member numbers and related costs (subject to audit)

	2021-22				2020-21
	Total	Permanently Employed Staff	Others (temporary staff)	Commissioners & Independent Member	Total
	£000				£000
Wages and salaries	945	838	107	-	929
Commissioners' fees	112	-	-	112	103
Social security costs	112	93	10	9	104
Other pension costs	219	191	28	-	197
<b>Sub total</b>	<b>1,388</b>	<b>1,122</b>	<b>145</b>	<b>121</b>	<b>1,333</b>
<b>Total net costs</b>	<b>1,388</b>	<b>1,122</b>	<b>145</b>	<b>121</b>	<b>1,333</b>

#### Staff, Commissioner and Independent Member numbers (subject to audit)

	2021-22				2020-21
	Total	Permanently Employed Staff	Others (temporary staff)	Commissioners & Independent Member	Total
	FTE			No	
<b>Total</b>	<b>30.2</b>	<b>19.6</b>	<b>3.6</b>	<b>7.0</b>	<b>28.2</b>

FTE staff and the number of Commissioners & the Independent Member reflect the monthly average throughout 2021-22. The numbers at 31 March 2022 were six Commissioners, one Independent Member and 23.2 (20-21, 21.2 full-time equivalent) staff.

#### Staff policies

The Commission's human resource policies aim to achieve good performance, job satisfaction and motivation. Staff are encouraged to develop their experience, seek further training and contribute to decision-making.



The Commission gives full and fair consideration to applications for employment made by disabled persons including:

- having regard to their aptitudes and abilities;
- making reasonable adjustments as required;
- arranging appropriate training for employees of the company who have become disabled persons during the period when they were employed by the company.

The policies applied during the year for the training, career development and promotion of disabled persons employed by the Commission were:

- Equality, Diversity & Inclusion Policy
- Recruitment Policy
- Dignity at work
- Sick pay and sickness absence management policy
- Work-related stress
- Mental Health Policy

#### *Off-payroll disclosures*

There is no off-payroll expenditure to report

#### *Sickness data<sup>20</sup>*

<b>Days lost to sickness</b>	<b>Days lost to sickness</b>	<b>Average PP</b>
<b>2021-22</b>	<b>21</b>	<b>0.9</b>
<b>2020-21</b>	<b>79</b>	<b>3.7</b>

#### *Consultancy spend*

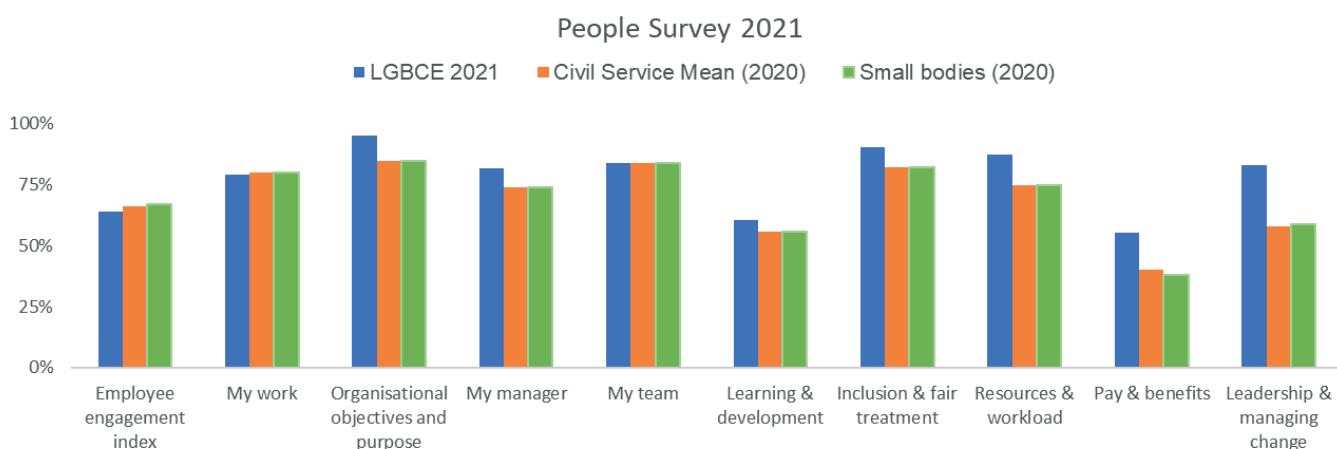
	<b>2021-22</b>	<b>2020-21</b>
General Business	<b>£0</b>	<b>£24,476</b>
HR & Payroll	<b>£6,300</b>	<b>£5,050</b>
Finance	<b>£1,092</b>	<b>£1,092</b>

<sup>20</sup> Sickness rates were high in 2020-21 due to one instance of long-term sick but also lower (in comparison to our historical trends) in both years due to the ability of staff to work remotely if travel to the office is not possible.

IT	£1,795	£0
<b>TOTAL</b>	<b>£9,187</b>	<b>£30,618</b>

### People Survey

We undertook our people survey in October 2021. We compared our results with the latest reported Annual Civil Service People Survey (CSPS) and to a subset of the CSPS for small bodies. Once again, we performed extremely well demonstrating the work we have undertaken across the organisation on values, behaviours and culture and in embedding these aims throughout our work and processes.



During the year we have continued work on our three-year People Strategy. Work this year has included:

- the development of a mental health and wellbeing online hub;
- the development of a mental health strategy;
- A new rewards and benefits structure for staff.

It was pleasing to see our scores across themes remained consistently high this year and that the results compare very favourably with both the Civil Service as a whole and, more specifically, with similar small bodies.

### Trade union membership

A proportion of our staff belong to the Public and Commercial Services Union (PCS). We have a staff representative who can use work time for official duties, and union

meetings take place in office time. Management meets at least annually with union representatives.

### *Health & Safety*

Our Health & Safety Policy is reviewed every year and is available to all our staff and commissioners. In addition, procedures, guidance and risk assessments are in place covering our core activities. Our Health & Safety Officer oversees our arrangements and reports to our Leadership Team monthly.

During 2021-22 most of our H&S work focused on the risk assessment necessary to allow staff to enter our offices and making judgements about numbers able to enter offices at one time along with the necessary signage, guidance and communications.

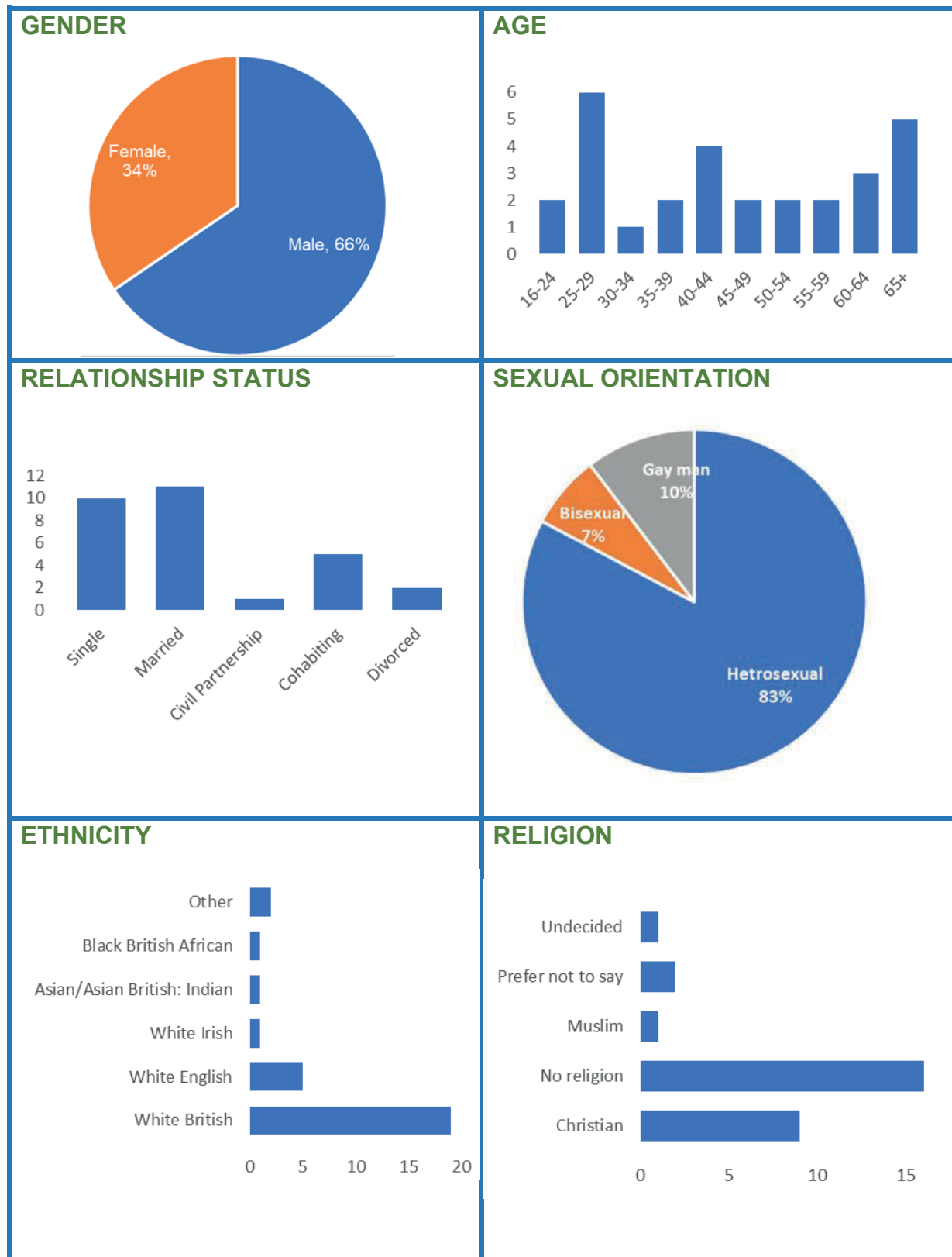
We inspect our physical working environment each month to ascertain the suitability of our current health & safety arrangements and to advise the Leadership Team on any improvements that should be made. As last year, we have made fewer physical inspections of our office accommodation but have provided staff with display screen equipment workbooks, PAT testing guidance and co-ordinated virtual inspections for use when working at home.

### *Reporting of Civil Service & other compensation schemes – exit packages (subject to audit)*

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Commission has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the exit package figures.

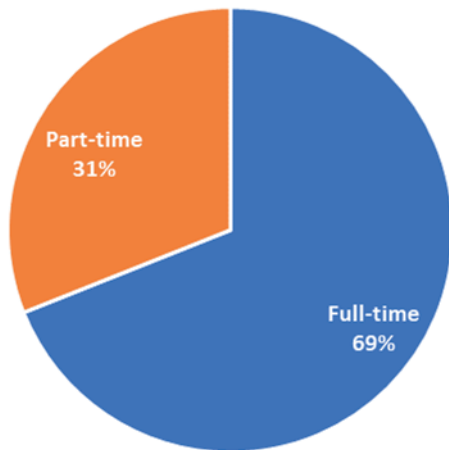
There were no departures for 2021-22 with special payments and none for 2020-21.

Diversity information <sup>21</sup>

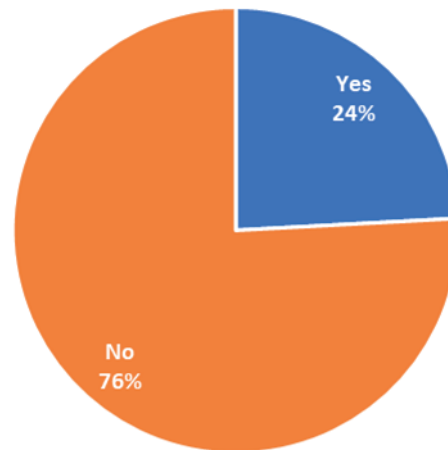


<sup>21</sup> 100% of Staff and Commissioners provided the diversity information included here

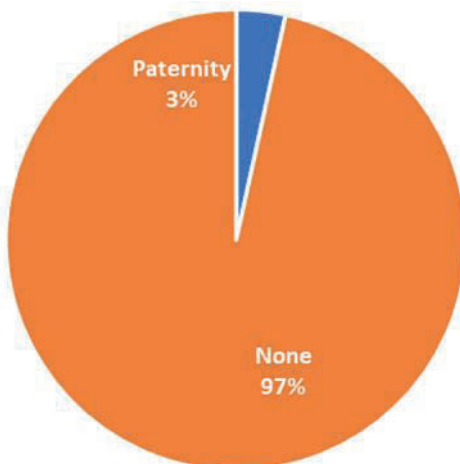
### FULL-TIME/PART-TIME



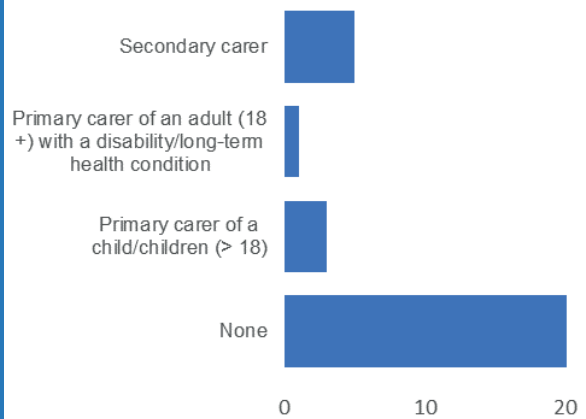
### DISABILITY



### SPECIAL LEAVE IN LAST YEAR



### CARING RESPONSIBILITIES



Jolyon Jackson CBE

Chief Executive and Accounting Officer, 19-05-2022

## 2.3 Parliamentary Accountability and Audit Report (Subject to Audit)

### Statement of Outturn against Parliamentary Supply (SOPS)

In addition to the primary statements prepared under IFRS, the *Government Financial Reporting Manual* (FReM) requires LGBCE to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes.

The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund) that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The SoPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of our budgeting framework and an explanation of key terms is provided in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The format of the SoPS mirrors the Supply Estimate, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SoPS contains a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SoCNE), to tie the SoPS to the financial statements (note 2); and a reconciliation of outturn to net cash requirement

(note 3). An analysis of income payable to the Consolidated Fund (note 4) is not presented as it is not applicable to LGBCE.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review (Section 1.2.2) in the Performance Report provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

## Statement of Outturn against Parliamentary Supply

<b>Summary Table, 2021-22, all figures presented in £000's</b>								
Type of spend	SoPs Note	Outturn		Estimate		Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total, 2020-21
		Voted	Total	Voted	Total	Voted	Total	
<b>Departmental Expenditure Limit</b>								
- Resource	1.1	2,148	2,148	2,257	2,257	109	109	2,102
- Capital	1.2	41	41	50	50	9	9	23
<b>Total</b>		<b>2,189</b>	<b>2,189</b>	<b>2,307</b>	<b>2,307</b>	<b>118</b>	<b>118</b>	<b>2,125</b>
<b>Annually Managed Expenditure</b>								
- Resource	1.1	6	6	20	20	14	14	53
- Capital	1.2	-	-	-	-	-	-	-
<b>Total</b>		<b>6</b>	<b>6</b>	<b>20</b>	<b>20</b>	<b>14</b>	<b>14</b>	<b>53</b>
<b>Total Budget</b>								
- Total Resource		2,154	2,154	2,277	2,277	123	123	2,155
- Total Capital		41	41	50	50	9	9	23
<b>Total Budget Expenditure</b>		<b>2,195</b>	<b>2,195</b>	<b>2,327</b>	<b>2,327</b>	<b>132</b>	<b>132</b>	<b>2,178</b>
<b>Non-Budget Expenditure</b>		-	-	-	-	-	-	-
<b>Total Budget and Non Budget</b>		<b>2,195</b>	<b>2,195</b>	<b>2,327</b>	<b>2,327</b>	<b>132</b>	<b>132</b>	<b>2,178</b>
<b>Net cash requirement, 2021-22, all figures presented in £000's</b>								
Item	SoPs Note	Outturn		Estimate		Outturn vs Estimate: saving/ (excess)		Prior Year Outturn Total, 2020-21
<b>Net Cash Requirement</b>	3		<b>2,166</b>		<b>2,246</b>		<b>80</b>	<b>2,014</b>
<p><i>Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual available on gov.uk, for detail on the control limits voted by Parliament. All expenditure is designated as Programme Costs and therefore there are no administration costs. The DEL Resource underspend of £109k is due to the effects of COVID-19 on travel and printing expenditure offset by additional costs spent catching up our review programme from the last two years re COVID-19.</i></p>								

Notes to the Statement of Outturn against Parliamentary Supply, 2021-2022 (£000's)

SoPS1. Outturn detail, by Estimate line

SoPS 1.1 Analysis of resource outturn by Estimate line

Type of spend (Resource)	Resource Outturn Programme			Estimate		Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2020-21
	Gross	Net	Total	Total	Total inc. Virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>							
<b>Voted expenditure</b>							
A - Estimate line 1	2,148	2,148	2,148	2,257	2,257	109	2,102
<b>Total voted DEL</b>	<b>2,148</b>	<b>2,148</b>	<b>2,148</b>	<b>2,257</b>	<b>2,257</b>	<b>109</b>	<b>2,102</b>
<b>Non-voted expenditure</b>							
<b>Total non-voted DEL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total spending in DEL</b>	<b>2,148</b>	<b>2,148</b>	<b>2,148</b>	<b>2,257</b>	<b>2,257</b>	<b>109</b>	<b>2,102</b>
<b>Spending in Annually Managed Expenditure (AME)</b>							
<b>Voted expenditure</b>							
A - Estimate line 1	6	6	6	20	20	14	53
<b>Total voted AME</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>20</b>	<b>20</b>	<b>14</b>	<b>53</b>
<b>Non-voted expenditure</b>							
<b>Total non-voted AME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total spending in AME</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>20</b>	<b>20</b>	<b>14</b>	<b>53</b>
<b>Total Resource</b>	<b>2,154</b>	<b>2,154</b>	<b>2,154</b>	<b>2,277</b>	<b>2,277</b>	<b>123</b>	<b>2,155</b>

SoPS 1.2 Analysis of capital outturn by Estimate line

	OUTTURN		Estimate		Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2020-21
	Gross	Net Total	Total	Total inc. Virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>						
<b>Voted expenditure</b>						
A - Estimate line 1	41	41	50	50	9	23
<b>Total voted DEL</b>	<b>41</b>	<b>41</b>	<b>50</b>	<b>50</b>	<b>9</b>	<b>23</b>
<b>Non-Voted:</b>						
<b>Total non-voted DEL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total spending in DEL</b>	<b>41</b>	<b>41</b>	<b>50</b>	<b>50</b>	<b>9</b>	<b>23</b>
<b>Total Capital</b>	<b>41</b>	<b>41</b>	<b>50</b>	<b>50</b>	<b>9</b>	<b>23</b>

The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on gov.uk. The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament

*SoPS 2. Reconciliation to net operating expenditure.*

*Total resource outturn in the SoPS is the same as net operating expenditure in the SoCNE, so no reconciliation is required.*



### SoPS 3

#### Reconciliation of net resource outturn to net cash requirement

	SoPs Note	Outturn total	Estimate	Outturn vs Estimate, saving/ (excess)
<b>Total Resource outturn</b>	1.1	<b>2,154</b>	<b>2,277</b>	<b>123</b>
<b>Total Capital outturn</b>	1.2	<b>41</b>	<b>50</b>	<b>9</b>
<i>Adjustments to remove non-cash items:</i>				
Depreciation		(56)	(45)	<b>11</b>
New provisions and adjustments to previous provisions		(6)	(20)	<b>(14)</b>
External audit fee		(18)	(16)	<b>2</b>
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		5	-	<b>(5)</b>
(Increase)/decrease in payables		46	-	<b>(46)</b>
<b>Total</b>		<b>(29)</b>	<b>(81)</b>	<b>(52)</b>
<b>Net cash requirement</b>		<b>2,166</b>	<b>2,246</b>	<b>80</b>

*As noted in the introduction to the SoPS overleaf, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.*

#### Parliamentary Accountability Disclosures

##### Losses and special payments (Subject to Audit)

There are no losses or special payments to report.

##### Other payments (subject to audit)

There are no other significant payments to report.

##### Remote contingent liabilities (subject to audit)

There are no remote contingent liabilities to report.

##### Fees and charges (subject to audit)

The Commission is unable to charge for services and as such there are no fees and charges to report.

**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 19-05-2022**

## 2.3.1 The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

### Opinion on financial statements

I certify that I have audited the financial statements of the Local Government Boundary Commission for England (the Commission) for the year ended 31 March 2022 under the Local Democracy, Economic Development and Construction Act 2009. The financial statements comprise the Commission's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 March 2022 and its net operating cost for the year then ended; and
- have been properly prepared in accordance with the Local Democracy, Economic Development and Construction Act 2009 and HM Treasury directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure 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.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities 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 my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Commission'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 Commission'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.

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

The going concern basis of accounting for the Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires 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.

## **Other information**

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate thereafter. The Accounting Officer is responsible for the other information.

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.

In connection with my audit of the financial statements, 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 the part of the Remuneration and Staff 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.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Local Democracy, Economic Development and Construction Act 2009;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## **Matters on which I report by exception**

In the light of the knowledge and understanding of the Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Commissioners and Accounting Officer for the financial statements**

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

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Commission'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 the Commission will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Local Democracy, Economic Development and Construction Act 2009.

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.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Commission's accounting policies, key performance indicators and performance incentives.
- Inquiring of management, the Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Commission's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Commission's controls relating to the Commission's compliance with the Local Democracy, Economic Development and Construction Act 2009, Supply and Appropriation (Main Estimates) Act 2021 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Commission for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Commission's framework of authority as well as other legal and regulatory frameworks in which the Commission operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Commission. The key laws and regulations I considered in this context included Local Democracy, Economic Development and Construction Act 2009, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, employment law and applicable tax legislation.

In addition, I considered review of Commissioner meeting minutes; attending the Audit and Risk Committee meetings; enquiries of management, internal audit and those charged with governance; review of significant and unusual transactions; and review of segregation of duties.

## **Audit response to identified risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

## **Other auditor's responsibilities**

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

**Date 19/05/2022**

**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP



### 3. Financial Statements

#### Statement of Comprehensive Net Expenditure Year Ended 31 March 2022

		2021-22	2020-21
	Note	£000	
<b>Programme Expenditure:</b>			
Staff costs	2	1,388	1,333
Other costs	2	760	769
Provision expense	9	6	53
<b>Net Operating Cost for the year</b>		<b>2,154</b>	<b>2,155</b>

All expenditure relates to continuing operations and there is no other comprehensive expenditure.

*The notes on pages 81 to 91 form part of these accounts.*

## Statement of Financial Position at 31 March 2022

	Note	31-03-2022	31-03-2021
		£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	3	33	39
Intangible assets	4	76	85
<b>Total non-current assets</b>		<b>109</b>	<b>124</b>
<b>Current assets:</b>			
Trade and other receivables	6	-	-
Other current assets	6	43	38
Cash and cash equivalents	7	57	102
<b>Total current assets</b>		<b>100</b>	<b>140</b>
<b>Total assets</b>		<b>209</b>	<b>264</b>
<b>Current Liabilities</b>			
Trade and other payables	8	(89)	(135)
Accruals and earned leave liability	8	(73)	(118)
<b>Total current liabilities</b>		<b>(162)</b>	<b>(253)</b>
<b>Total assets less current liabilities</b>		<b>47</b>	<b>11</b>
<b>Non-current liabilities</b>			
Provisions	9	(59)	(53)
<b>Total non-current liabilities</b>		<b>(59)</b>	<b>(53)</b>
<b>Total assets less liabilities</b>		<b>(12)</b>	<b>(42)</b>
<b>Taxpayers' equity</b>			
General Fund		(12)	(42)
		<b>(12)</b>	<b>(42)</b>

The notes on pages 81 to 91 form part of these accounts.

Jolyon Jackson CBE

Chief Executive and Accounting Officer,  
19/05/2022

## Statement of Cash Flows for the year ended 31 March 2022

		2021-22	2020-21
	Note	£000	
<b>Cash flows from operating activities:</b>			
Net operating cost		(2,154)	(2,155)
Adjustment for non-cash transactions	2	80	108
(Increase)/decrease in trade, other receivables and other current assets	6	(5)	4
(decrease)/increase in trade, other payables and other liabilities	8	(91)	88
<i>less movements in payables not passing through the SoCNE</i>		45	(34)
<b>Net cash outflow from operating activities</b>		<b>(2,125)</b>	<b>(1,989)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	3	(5)	-
Purchase of intangible fixed assets	4	(36)	(25)
<b>Net cash outflow from investing activities</b>		<b>(41)</b>	<b>(25)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		2,121	2,050
<b>Net financing</b>		<b>2,121</b>	<b>2,050</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund</b>		<b>(45)</b>	<b>36</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	7	<b>(45)</b>	<b>36</b>
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>102</b>	<b>66</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>57</b>	<b>102</b>

The notes on pages 81 to 91 form part of these accounts.

**Statement of Changes in Taxpayers' Equity**  
**Year ended 31-03-2022**

	Note	General Fund £000
<b>Balance at 31 March 2020</b>		<b>83</b>
Net Parliamentary Funding - deemed		66
Net Parliamentary Funding - drawn down		2,050
Supply (payable)/receivable adjustment	8	(102)
Comprehensive Net Expenditure for the year		(2,155)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	16
<b>Balance at 31 March 2021</b>		<b>(42)</b>
Net Parliamentary Funding - deemed		102
Net Parliamentary Funding - drawn down		2,121
Supply (payable)/receivable adjustment	8	(57)
Comprehensive Net Expenditure for the year		(2,154)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	18
<b>Balance at 31 March 2022</b>		<b>(12)</b>

*The notes on pages 81 to 91 form part of these accounts.*

## 3.1 Notes to the Accounts

### 1. Statement of Accounting Policies

**1.1 Introduction** – These financial statements have been prepared in a form consistent with the Accounts Direction issued by HM's Treasury in accordance with Paragraph 14 of Schedule 1 of the *Local Democracy, Economic Development and Construction Act 2009*, and in accordance with the *2021-22 Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the FReM apply International Accounting Standards 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 circumstances of the Commission for the purpose of giving a true and fair view has been selected. The 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 us 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. This Statement is included under Section 2.3 of the Annual Report (Parliamentary Accountability)

**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 Newly issued accounting standards implemented/ due to be implemented** – We provide a disclosure if we have not yet applied a new accounting standard and know or reasonably estimate relevant to the possible impact that the application of the new standard will have on the resource accounts. We have not adopted any standards early.

IFRS 17 (Insurance with effect from 01/01/2023) identifies Insurance Contracts and their reporting arrangements. The Commission does not consider that we will be affected as a Policy Holder only but will consider the standard in more detail during 2022-23.

One new standard has been issued but is not yet effective: IFRS 16 (Leases – with effect from 01/04/2022). IFRS 16 recognises rights to use assets (the only significant one for us being our office accommodation). This lease held will require the recognition of a right of use asset and a liability for the future lease payment commitments in the Statement of Financial Position. Our existing future lease commitments are disclosed in Note 11. It will also require both an interest payment and depreciation adjustment in our Statement of Comprehensive Net Expenditure (SOCNE).

We have assessed the impact of the new accounting standard (IFRS 16) on the leases held as a lessee and estimate its likely impact below.

**Right of Use Asset (at 01/04/2022) £330,279** (relates to value of lease payments at Net Present Value using a discount rate of 0.95% as advised by HM Treasury).

**Lease Liability (at 01/04/2022) £330,279** (relates to lease payments committed at Net Present Value using a discount rate of 0.95% as advised by HM Treasury).

**Interest Payment (during 2022-23) £3,138** (relates to calculated interest payment on lease using a discount rate of 0.95% as advised by HM Treasury).

**Depreciation adjustment (during 2022-23) £133,354** (relates to the depreciation charge on the Right of Use Asset for the year)

The overall impact on the SOCNE for 2022-23 is assessed as being an additional £796.

**Actual Rental Payments (during 2022-23) £135,696** (relates to the cash payment we will make during the year)

#### Subject to audit

Year	Lease Liability B/Fwd.	Interest	Amounts to pay	Lease Liability C/Fwd.
2022-23	£330,279	£3,138	£135,696	£197,721
2023-24	£197,721	£1,878	£135,696	£63,903
2024-25	£63,903	£607	£64,510	-

**1.4 Property, plant and equipment** – Presented at carrying 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 of

capitalisation of an individual tangible non-current asset is £5,000. Items below the capitalisation threshold individually acquired in each 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 based on depreciated historical cost as an approximation of fair value.

We undertake an annual review of assets and their remaining life to assess their carrying amount against the value on our balance sheet.

**1.5 Intangible assets** – Purchased computer software licences, 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. The valuation of our website and developed software is based on expenditure on these items less any accumulated amortization. The valuation is used as a proxy for current value in existing use as they are one-off products with no value on the open market. Website enhancements not yet in use are recognised as Assets under Construction (AUC).

We undertake an annual review of assets and their remaining life to assess their carrying amount against the value on our balance sheet.

**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 during construction are not depreciated. Lives are normally in the following ranges, but the useful lives of assets will be assessed during development:

Software	3 years
Websites & developed software	6 years
Software licences	life of the licence

**1.7 Operating income** – We have no operating income and rely solely on Parliamentary Supply Funding.

**1.8 Expenditure (Note 2)** – Reflects the total costs of service delivery.

**1.9 Pensions** – Past and present employees are covered by the provisions of the Civil Service pension scheme arrangements which are described in the Remuneration Report. In respect of the employers' contribution to the scheme, the Commission recognises the contributions payable for the year. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but we are

unable to determine our share of the underlying assets and liabilities. Further details about the Civil Service pension arrangements can be found on the Civil Service pensions website [www.civilservicepensionscheme.org.uk/](http://www.civilservicepensionscheme.org.uk/)

A partnership pension scheme is available for staff members to join as an alternative to the CSPS. There are currently no staff in a partnership pension scheme.

**1.10 Operating leases** – Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

**1.11 Finance leases** – We have no finance leases.

**1.12 Value added tax** – Our activities 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.

**1.13 Operating segments** – We are considered to provide a single function, undertaking electoral reviews, and in terms of IFRS 8, LGBCE is a single operating segment. Management reporting and decision-making is carried out based on a single segment and therefore it is not considered that any further segmental analysis is necessary to meet the requirements of IFRS 8.

**1.14 Going concern** – We are financed by amounts drawn from the Consolidated Fund, approved annually by Parliament to meet our net cash requirement for the year. The Statement of Financial Position as at 31 March 2022 shows negative taxpayers' equity of £12k. This reflects liabilities accounted for but not yet drawn down from the fund. As with other statutory bodies, the ongoing financing of our activities and related liabilities is met by future drawdowns from the Consolidated Fund approved annually by Parliament. Such approval for amounts required for 2022-23 has already been given, and it is therefore considered appropriate to adopt a going concern basis in the preparation of these financial statements.

**1.15 Accounting estimates and judgements** – Amortisation and depreciation estimates are included within the accounts and calculated based on our accounting policies. Accruals are included at actual values (if known or invoice received after 31 March) or estimated values if not.



The provision for the dilapidation charge is based on the best estimate of the amount required to settle the obligation following an assessment of risks and uncertainties, terms of legal agreements, and where appropriate, independent professional valuation reports. A provision is made for estimated costs based on valuations where the likelihood of settlement is material and imminent or via the use of industry standard calculations/methodologies.

## 2. Expenditure

	2021-22	2020-21
	£000	
<b>Staff costs</b>		
Wages & salaries	945	929
Commissioners fees	112	103
Social security costs	112	104
Other pension costs	219	197
	<b>1,388</b>	<b>1,333</b>
<b>Rentals under operating leases:</b>		
Buildings	134	135
	<b>134</b>	<b>135</b>
<b>Non-cash items:</b>		
Depreciation and amortisation		
- Other non-current assets	56	39
Auditor's remuneration	18	16
Increase/(Decrease) in provisions	6	53
	<b>80</b>	<b>108</b>
<b>Other expenditure:</b>		
Printing and mapping	152	88
Business costs & contracts for services	261	329
Stakeholder engagement	73	70
Legal and professional fees	21	20
Travel, subsistence and hospitality	5	0
Other staff costs	23	37
Internal audit	15	11
Statistical costs	1	23
Bank charges	1	1
	<b>552</b>	<b>579</b>
	<b>2,154</b>	<b>2,155</b>

**Note - the total non-cash items included in the Reconciliation of Net Resources Outturn to Net Cash Requirements comprise:**

	2021-22	2020-21
	£000	
Total non-cash transactions as above	80	108
Non-cash items per reconciliation of net resource outturn to net cash requirement	<b>80</b>	<b>108</b>

- Staff costs are further analysed in the Remuneration and Staffing report 2.2
- The External Auditors (the National Audit Office) provided no non-audit services

### 3. Property, plant & equipment

		Property, plant & equipment	Total
		£000	
<b>Cost or valuation</b>			
At 1 April 2021		93	93
Additions		5	5
At 31 March 2022		98	98
<b>Depreciation</b>			
At 1 April 2021		54	54
Charged in year		11	11
At 31 March 2022		65	65
<b>Net Book Value at</b>	<b>31 March 2022</b>	<b>33</b>	<b>33</b>
<b>Net Book Value at</b>	<b>31 March 2021</b>	<b>39</b>	<b>39</b>
<b>Cost or valuation</b>			
At 1 April 2020		93	93
At 31 March 2021		93	93
<b>Depreciation</b>			
At 1 April 2020		43	43
Charged in year		11	11
At 31 March 2021		54	54
<b>Net Book Value at</b>	<b>31 March 2021</b>	<b>39</b>	<b>39</b>
<b>Net Book Value at</b>	<b>31 March 2020</b>	<b>50</b>	<b>50</b>

All assets included in the notes above were owned by LGBCE. At the 31st March 2022 there were fully depreciated assets of £22k (31/03/21 £22k) included in both the total cost or valuation amounts and the total depreciation amounts. This relates to our map plotter/printer and our server which were both still in use at year end. We expect both to be disposed of early in 2022/23.

#### 4. Intangible assets

	Websites & software	Total
	£000	
<b>Cost or valuation</b>		
At 1 April 2021	330	330
Additions	36	36
<b>At 31 March 2022</b>	<b>366</b>	<b>366</b>
<b>Amortisation</b>		
At 1 April 2021	245	245
Charged in year	45	45
<b>At 31 March 2022</b>	<b>290</b>	<b>290</b>
<b>Net Book Value at 31 March 2022</b>	<b>76</b>	<b>76</b>
<b>Net Book Value at 31 March 2021</b>	<b>85</b>	<b>85</b>
<b>Cost or valuation</b>		
At 1 April 2020	307	307
Additions	23	23
<b>At 31 March 2021</b>	<b>330</b>	<b>330</b>
<b>Amortisation</b>		
At 1 April 2020	217	217
Charged in year	28	28
<b>At 31 March 2021</b>	<b>245</b>	<b>245</b>
<b>Net Book Value at 31 March 2021</b>	<b>85</b>	<b>85</b>
<b>Net Book Value at 31 March 2020</b>	<b>90</b>	<b>90</b>

At the 31st March 2022 there were fully amortised assets of £170k (31/03/21 £161k) included in both the total cost or valuation amounts and the total amortisation amounts. This relates to our website/consultation portal, our Geographic Information System and our telephone system which were still in use at the year end. These assets will be disposed off during 2022/23.

## 5. Financial instruments

All cash requirements are met through the Estimates process and are drawn down from the Consolidated Fund, and financial instruments play a limited role in creating risk. Most financial instruments relate to contracts for non-financial items in line with the Commission's expected purchase and usage requirements and the Commission is therefore not exposed to significant credit, liquidity, or market risk.

## 6. Trade, other receivables, and other current assets

£000	31/03/22	31/03/21
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	43	38
<b>Total receivables</b>	<b>43</b>	<b>38</b>

## 7. Cash and cash equivalents

£000	31/03/22	31/03/21
Balance at 1 April	102	66
Net change in cash and cash equivalent balances	(45)	36
<b>Balance at 31 March</b>	<b>57</b>	<b>102</b>
The following balances at 31 March were held at:		
Government Banking Service accounts	57	102
<b>Balance at 31 March</b>	<b>57</b>	<b>102</b>

## 8. Trade payables and other liabilities

£000	31/03/22	31/03/21
<b>Amounts falling due within one year:</b>		
Trade payables	32	33
Accruals and deferred income	40	61
Short-term staff benefits (earned leave liability)	33	57
Amounts issued from the Consolidated Fund for supply not spent at year end	57	102
<b>Total Payables</b>	<b>162</b>	<b>253</b>

## 9. Provisions for liabilities and charges

£000	31/03/22	31/03/21
Balance at 1 <sup>st</sup> April	53	-
Provided in year <sup>22</sup>	6	53
<b>Balance at 31<sup>st</sup> March</b>	<b>59</b>	<b>53</b>

## 10. Capital and contractual commitments

The total undiscounted future minimum payments to which we are committed, analysed by the period during which the payments will be made, are shown below:

£000	Capital		Contractual		
	2021-22	2020-21	2021-22	2020-21	
Not later than one year	7	-	109	125	Website, IT Contract, Internal Audit Contract
Later than one year and not more than five years	-	-	59	96	IT Contract, Internal Audit Contract
Later than five years	-	-	-	-	
<b>Total</b>	<b>7</b>	<b>-</b>	<b>168</b>	<b>221</b>	

## 11. Commitments under operating leases

Total future minimum lease payments under operating leases are set out below:

£000	2021-22	2020-21
Not later than one year	135	135
Later than one year and not more than five years	198	333
Later than five years	-	-
<b>Total</b>	<b>333</b>	<b>468</b>

<sup>22</sup> This relates to a dilapidation provision for Windsor House due on or after September 2024.

**12. Related party transactions** – The Commission is an Independent Statutory 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, the Chief Executive and the Director of Corporate Services attend the Speaker’s Committee once or twice a year 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 except for remuneration which is reported in the Remuneration Report (Section 2.2.1).

In addition to the Speaker’s Committee, the Commission had transactions with other government departments including the Department for Levelling Up, Housing and Communities (DLUHC), HM Revenue and Customs, HM Treasury, Department for Work and Pensions, The Government Legal Department; and with bodies including the National Audit Office and Ordnance Survey.

**13. 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 which is the date of the audit certificate. As of the date of the Comptroller & Auditor General’s certificate, there are no events which impact upon our financial statements for the year ended 31 March 2022 that are not disclosed.







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