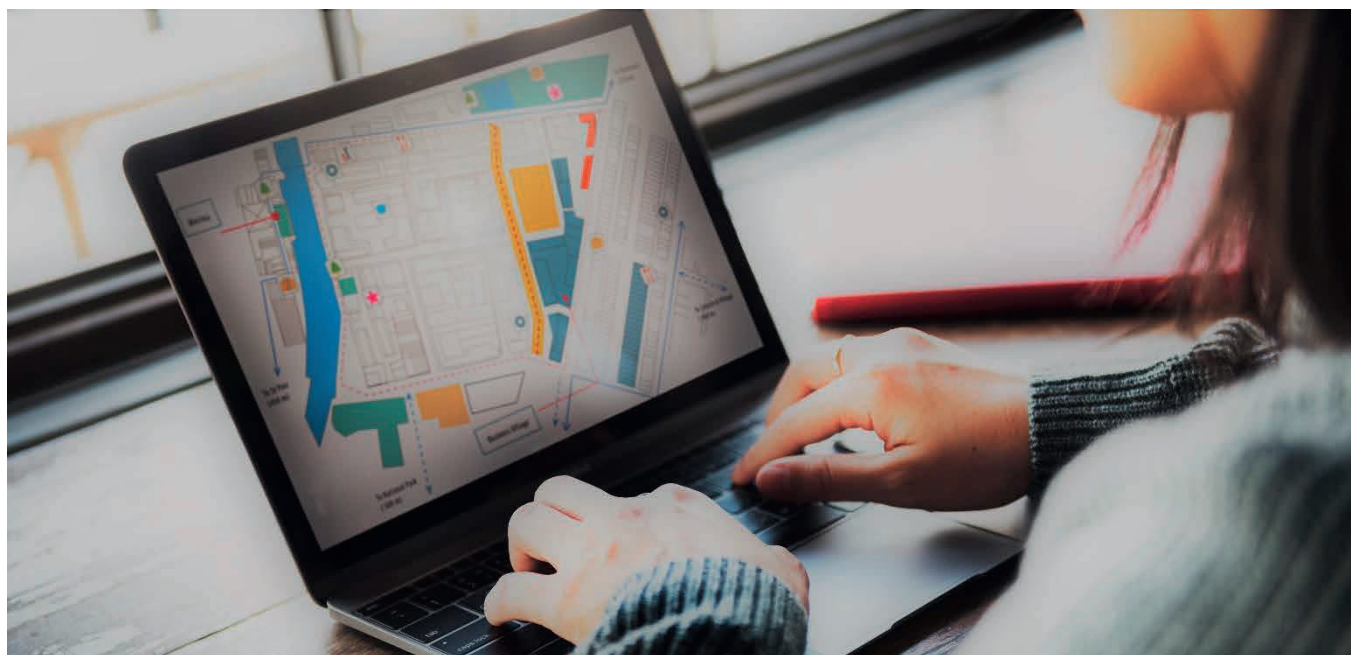


The  
Local Government  
Boundary Commission  
for England



## **Annual Report and Accounts 2019-20**

HC 391

The  
Local Government  
Boundary Commission  
for England

## **Annual Report & Accounts 2019-20**

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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# Annual Report

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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 Local Government Boundary Commission for England's Annual Report & Accounts for 2019-20.

During the year, we started 23 electoral reviews and completed reviews for 17 local authorities. The latter will deliver improved electoral equality, and support community identity, for over 2.7m electors.

Reviews are broadly of three types – those that address electoral inequality, those where a significant time has passed since the last review and requested reviews either to assist an authority change aspects of their governance arrangements or to facilitate structural change.

At any one time, we have approximately 50 reviews in progress with each normally taking an average 15 months to complete. Since the year included two unanticipated elections – the European Parliament elections in May and the UK Parliamentary General Election in December – we were required to pause aspects of our programme on both occasions in order to respect pre-election guidance.

Although this necessitated a change to some review schedules, our output will even out over time.

Whilst the primary intention of electoral reviews is to achieve fair boundary and electoral arrangements, we encourage local authorities to regard reviews as an opportunity for them to consider future governance since this will inform the size of the council.

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. Accordingly, we encourage views from individual residents and local community groups and organisations as well as from councils themselves.

Extensive use is made of social media and other channels to reach local people and, during the year, we received 6,814 submissions across our reviews. All views, irrespective of their source, receive equal consideration, and help us both to prepare Draft Recommendations and, where appropriate, modify those proposals in our Final Recommendations to Parliament.

Our total budget for the year was £2,302k. This year we had an underspend of £293k as a consequence of the programme interruptions mentioned above.

In undertaking our work, we rely upon, and receive support from, a wide range of partners. I would like, therefore, to thank local authority elected members and officers, and colleagues at the Ministry of Housing, Communities & Local Government, for their considerable support and cooperation.

As an independent body, we are accountable, through the Speaker's Committee, to the Speaker of the House of Commons. We are grateful to Mr Speaker – both Mr Bercow and, subsequently, Sir Lindsay Hoyle – and to all members of the Committee for their advice and guidance. Special thanks are due to Bridget Phillipson MP who represents the Committee in the Commons and to Lord Harris of Haringey and Earl Cathcart who perform a similar role in the House of Lords.

Finally, I am writing this introduction during the COVID-19 pandemic that impacted the final weeks of the period under review. Over the last eighteen months the Commission has put in place robust IT architecture to

enhance resilience and this has enabled the Commission to move rapidly and smoothly to 'remote working' and therefore, to operate as usual. We are, however, mindful of the capacity of local authorities to engage fully with us whilst they focus on essential services and adapt to new ways of working and, also, of modifications we might need to introduce to ensure that consultation arrangements remain appropriate and effective in these unprecedented conditions. These matters will, no doubt, feature prominently in next year's report but we will work hard to continue our commitment to ensuring that local authorities in England have fair electoral and boundary arrangements whilst being sensitive to the current circumstances of other partners.

In the meantime, it is proper that I conclude by expressing my personal thanks to fellow Commissioners and to staff for their dedication and hard work.

**Professor Colin Mellors**

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

## 1.1.2 Purpose, Activities & Risks

### Our Purpose and Activities

#### 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

- Make sure that, within an authority, each councillor represents a similar number of electors
- Create boundaries that are appropriate, and reflect community ties and identities
- 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

## Our main risks<sup>1</sup>



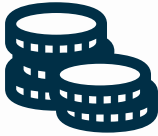
### **Information Security Management**

This environment is continually evolving and could lead to operational disruption and reputational damage.



### **Failure to gain Speaker's Committee Support**

We work directly to the Speaker's Committee who approve our Corporate Plan, Main Supply Estimate and Annual Report.



### **Failure to manage budget and poor value for money**

We are funded with public money and must ensure that we obtain value for money and use our funds effectively.



### **Failure to comply with Health & Safety legislation**

We have a duty to our staff and stakeholders to comply with relevant legislation in this area.

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<sup>1</sup> These four are our highest risks. We work hard to mitigate all risks, with sound and effective controls and assurances to ensure that our current risk scores are acceptable.



### 1.1.3 Commissioners & Independent Member

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

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



Professor Colin Mellors was appointed Chair of the Commission on 1 January 2016, following a period as Deputy Chair.

Colin is Emeritus Professor of Politics at the University of York, where he recently served for eight years as Pro-Vice-Chancellor. Previously, he held a similar position at the University of Bradford. He is a Visiting Professor at the University of Huddersfield and, earlier in his career, held academic posts at the universities of Southampton and Sheffield.

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

Although a career academic, he has devoted significant time to roles in the public sector focusing on local government, business development and capacity building with private sector and community partners.

#### **Andrew Scallan CBE Deputy Chair**



Andrew Scallan was appointed Deputy Chair of the Commission on 3 June 2019.

Andrew served as Director of Electoral Administration at the Electoral Commission for 10 years until January 2017 and was the Deputy Chief Counting Officer at the referendum on membership of the European Union in 2016. Before joining the Electoral Commission, he worked for Manchester City Council in a range of roles including democratic and regulatory services. He is also an Honorary Member of the Association of Electoral Administrators and is a former joint editor of Schofield's Election Law.

Andrew was appointed CBE in January 2016 for services to electoral democracy.

**Susan Johnson OBE  
Commissioner**



Susan Johnson was the Chief Executive at County Durham and Darlington Fire and Rescue Service until her retirement in July 2015. The appointment meant Susan was the first woman and non-uniformed chief executive to lead a Fire and Rescue Service in the United Kingdom.

Susan previously held the position of Chief Executive of the Northern Business Forum and Executive Director, Business Development for the Regional Development Agency, Yorkshire Forward. Susan has held several non-executive roles throughout her career including Greggs plc, Legacy Trust UK and was a Public Member for Network Rail. She is currently a Commissioner with the Equality and Human Rights Commission, a Non-Executive Director with the Health and Safety Executive, and a Board Member with the Sports Grounds Safety Authority.

Susan holds a first-class honours degree in Business Studies and an MBA from Durham University. Susan was awarded an OBE for services to New Deal in the North East in 2000.

**Amanda Nobbs OBE  
Commissioner**



Amanda Nobbs is a St George's Leadership Fellow. Amanda was Chair of the Thames Regional Flood and Coastal Committee for eight years, working with local councils across London and the South East, and she served on the Defra Flood Programme Board, the Mayor of London's Water Advisory Group and on the strategic programme boards for a number of major infrastructure projects. Her public service has also included advisory committee appointments relating to environmental protection, waste management, waterways and tourism.

Previously, she was Chief Executive of the Council for National Parks for 10 years, a role which included working in Parliament and with local authorities across England and Wales.

Amanda also has extensive experience of working with residents' groups providing a community perspective on engaging with local government.

Amanda was awarded an OBE in 2017 for services to flood risk management and protection of the environment.

**Peter Maddison QPM  
Commissioner**



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

Previously, Peter was Chair of the Security and Emergency Services division of Atmaana Consulting from 2013-18. He was a member of the Prison Service Pay Review Body from 2013-18, and Deputy Chair of a parish council in Northamptonshire from 2014-18. He was also one of the leaders in the development and implementation of the Police Safety and Security Strategy for the 2012 London Olympic Games from 2009-12. This Olympic work was a continuance of his police career of 34 years in which he worked in Durham, Hertfordshire and finally as the Chief Constable of Northamptonshire Constabulary. As Chief Constable, Peter led nationally on Performance Management for Policing, was the East Midlands regional Chair, and was the strategic lead for a variety of other national initiatives.

**Steve Robinson  
Commissioner**



Steve Robinson has 20 years' experience of holding senior positions in both local government and housing associations. Steve was the first chief executive of the new unitary council in Cheshire West & Chester Council established in September 2008. Before joining Cheshire West & Chester Council, he was the chief executive of Stoke-on-Trent City Council.

Steve was appointed by the Secretary of State for Housing, Communities and Local Government (MHCLG) to oversee the improvement of Birmingham City Council as a member of the Birmingham Independent Improvement Panel between 2015 and March 2019.

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

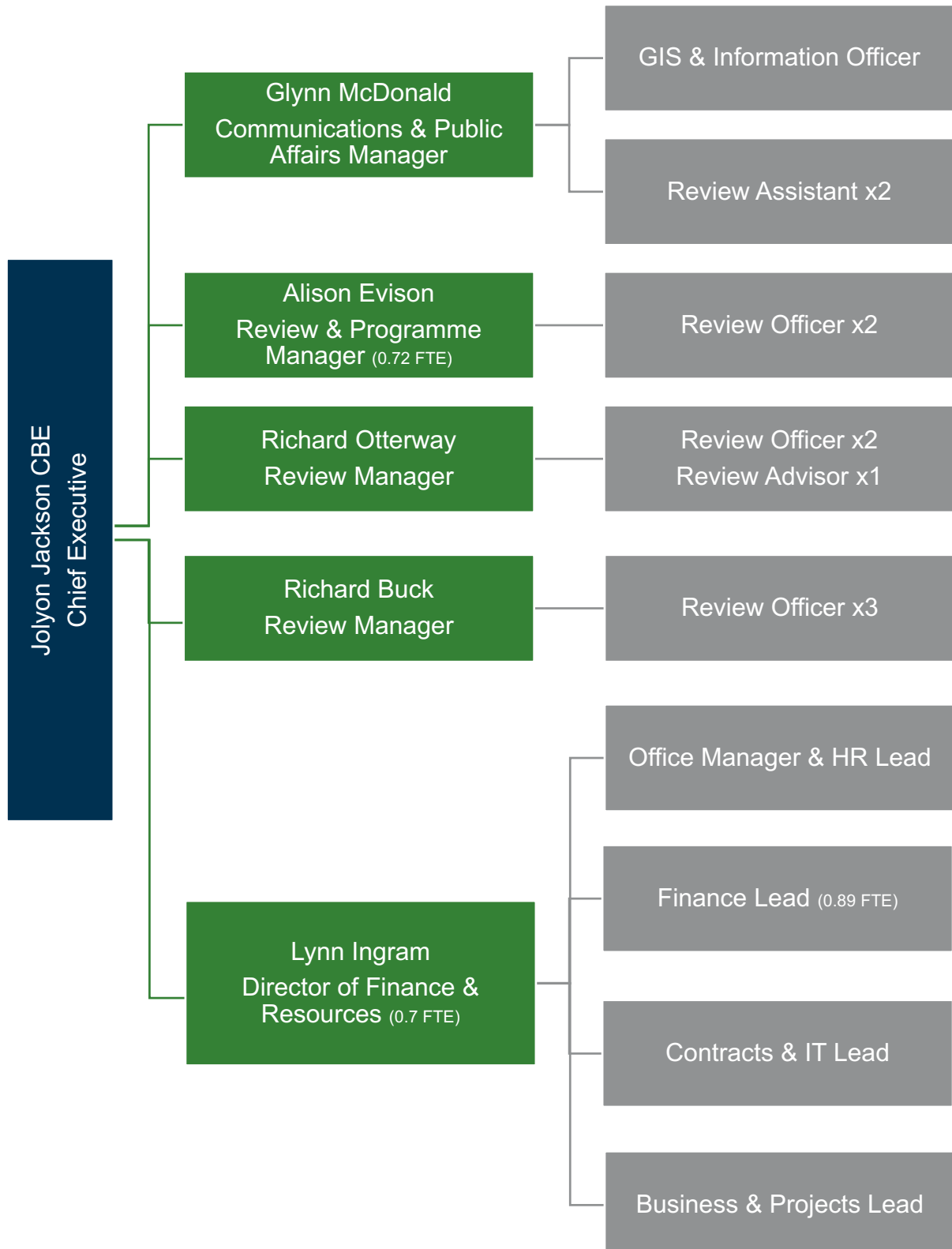


Lizzie Peers is a qualified chartered public finance accountant with over 20 years' experience as an external auditor working across the UK public sector. She worked as a senior manager for the Audit Commission and for Ernst & Young LLP, a global accountancy and consulting firm. Her expertise includes supporting and influencing boards across a wide range of public sector organisations to strengthen their strategic, governance, financial and value for money arrangements.

She is currently a non-executive board director for two NHS hospitals which are forming a group. In addition, she has independent adviser/member roles with the National Police Chiefs' Council (Vice Chair) and a national external audit procurement company. Previously she was an independent adviser for the Ministry of Justice, treasurer and trustee of a national children's charity and a university lecturer in governance and audit.

### 1.1.4 Organisational Structure (at 31<sup>st</sup> March 2020)

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



### 1.1.5 Performance Summary

#### *The year in outline*

The Commission has had another busy year, albeit one that was interrupted by two unanticipated elections – the European Parliament elections in June and the UK General Election in December – and which ended with all staff and Commissioners working remotely as a consequence of the COVID-19 pandemic. In these unprecedented circumstances, it is pleasing to report that staff, Commissioners and, crucially, the local authorities and other partners with whom we work all helped us to continue ‘business as usual’, so far as this was allowed, throughout the 12 months.

Our review programme has remained full and we continue our objective of delivering fair electoral and boundary arrangements for local authorities, and local electors, across England. The reviews of the London Boroughs, which have formed a major part of our programme during the last two years, have progressed well and we have now started reviews on the few remaining councils. In line with our statutory duty to review all local authorities from ‘time to time’, we are now moving to the metropolitan districts, beginning with those in the Greater Manchester area.

Alongside these periodic reviews, we will continue to address severe levels of electoral inequality and will be especially receptive to requests for reviews, either to help councils introduce desired governance changes or to facilitate the creation of new authorities.

In that context, it was pleasing that the five new councils reviewed during the previous year came into being last April. Parliament has now agreed to create three further unitary councils and we will look forward to working with them to put in place new electoral and boundary arrangements in time for their second round of elections in 2025.

#### *Externally: Working in partnership*

We attach considerable importance to engaging with local authorities, and communities, throughout the review process. This is stressed at our preliminary meetings with local authority leaders and chief executives and we strive to maintain this collaborative approach throughout the review.

During the year, we reviewed our purpose and aims with the intention of making them simpler and clearer. High amongst these was our commitment to ‘deliver

reviews informed by local needs, views and circumstances'. As we often say in our preliminary meetings with council leaders, we want to do reviews 'with' and not 'to' the local council and residents.

We believe that the best reviews are those where the local authority uses the opportunity of an electoral review to reflect on future governance needs, including the most appropriate number of councillors. This will be informed by how the authority perceives the role of elected members in terms of providing strategic leadership, ensuring accountability, and securing effective community leadership. To assist in this task, we produced a framework during the year to stimulate thinking and structure discussions about this aspect of the review process.

On occasions, partnership also requires us to appreciate other demands on local authorities, especially in their electoral and democratic service areas. As already mentioned, the two elections during the year punctuated some reviews and, with the pandemic, we agreed a brief pause to some other reviews to allow local authorities to focus on maintaining critical services and adjusting to new ways of remote working.

#### *Internally: Being professional and accessible*

An important piece of internal work has been considering our own values and culture. One outcome of this has been the refreshed presentation of our purpose. This is shown at 1.1.2 of the Annual Report.

We attach particular importance to the five organisational behaviors at the end – impartial, objective, responsive, transparent and professional. Through them, we intend to remain a respected organisation even though, by the nature of our work, we cannot satisfy everyone with the outcomes of our reviews. As words, of course, these are simple to list – the test is to meet and fulfill these aspirations.

Alongside this, we have been working on a new People Strategy, the aim of which is to be a 'well-led, high-performing, diverse and inclusive' Commission. We will progressively implement the key pillars and measures of this strategy over the next three years.

Although we could not have envisaged this at the time, the most significant and timely internal initiatives have been those connected with business continuity,

resilience and remote working that have been implemented over the past couple of years. They meant that, following the Government's national lockdown, we could immediately move to home-based working with every member of staff able to access all the resources needed to continue their work. By pure coincidence, we had decided in November to trial a virtual Commission meeting in March. In the event, it took place on the last working day before our offices closed.

Peter Maddison was appointed for a second term in November and the stability of the Board's membership has helped its effectiveness. As well as leading on specific electoral reviews, individual Commissioners are involved in particular aspects of Commission business, often on a task-and-finish basis. This is working well and is also valued by the staff and executive team, not least for helping cement a 'one-Commission' culture within the organisation.

#### *Working with others*

Whilst separate organisations, with different statutory frameworks, we find it helpful to share experience with our counterparts in Scotland, Wales and Northern Ireland. This is done informally and by an annual one-day workshop. This year, topics discussed included: developments in voter registration, approaches to mapping, and working with parliamentary boundary commissions.

Having assembled a large repository of material over the last decade about how local authorities approach the issue of councillor numbers, we have partnered with the Centre for Public Scrutiny to analyse the 255 council-size submissions made since our establishment in 2010. The intention is to identify key trends and themes, and the factors that underpin them. The work is now well advanced, and we will disseminate our findings to the local government community and others when complete.

#### *Looking ahead*

Alongside our core work, which we are now planning on a three- to five-year rolling basis, there are some specific activities that we will pursue such as progressively implementing our new People Strategy, making our technical guidance easier to understand, and reviewing the 'customer journey' as a way of bringing greater accessibility to the totality of our review process.



Clearly, however, the consequences of COVID-19 and how this will affect our work in the future will overshadow all these things. We were able to move to remote working at pace, and we want now to respond to the challenges of delivering the same quality of reviews in whatever becomes the 'new normal'. In the short term, this probably means working with local authorities in slightly different ways and, very importantly, assuring ourselves that local consultation is not compromised by the restrictions on meetings that are currently in force.

Through the energy and investment that we have put into our website, our portal, and other means of facilitating local engagement, we think that this will be possible, and we are already finding creative ways of addressing these challenges. Indeed, we have already learned that some things implemented out of necessity may well be of lasting value and we very much hope that, by next year, we can report on how we have continued our work successfully and, hopefully, even enhanced public consultation through a landscape where many new networks are coming to life.

In summary, this has been a year of unexpected events, but we intend to learn from all these challenges in order to continue to deliver, perhaps in different ways, fair electoral and boundary reviews for local councils and local electors across England.

**Colin Mellors**

**Chair**

**Jolyon Jackson**

**Chief Executive**

**In 2019-20,**

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## 30 Review Meetings with Local Authority Leaderships

Our Chair and Chief Executive meet with Chief Executives and Leaders prior to the start of every review to explain our process and agree the review schedule.



## Started 23 Reviews

Eleven of these 23 reviews were in local authority areas to address electoral inequality; a further 11 were part of our programme of periodic electoral reviews (PERs); and one was specifically requested by the local authority, two fewer than we had anticipated.



## Launched 48 Consultations

Engaging with local residents and organisations, as well as local authorities, is an important part of our process. Each phase of consultation takes around 10 to 12 weeks and we undertake up to three in each review.



## Undertook Further Consultation for 6 Reviews

Some reviews are more complex than others and, on occasions, generate conflicting evidence. Where necessary, we are prepared to undertake a limited period of further consultation if we feel that this will produce a better outcome.



## Received 6,814 Local Submissions

These are crucial to ensuring that our eventual 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 17 Local Authority Areas

Commissioners and review staff visit all local authorities as part of the review process in order to consider proposed ward boundaries on the ground.



## Made 17 Orders

We lay our final recommendations to establish and name ward and division boundaries in both Houses of Parliament for 40 sitting days under the 'negative resolution procedure'. All these Orders were subsequently made law.



## New Boundaries for 2.7m Electors

A total of 2.7m voters will have improved electoral arrangements as a result of the reviews completed during the year.



## Received 182 Survey Responses

We received feedback on our performance from 182 members of the public or groups – we always look to improve our performance and accessibility where we can.



## Cost of Average District or Borough Review: £70k

We record and monitor review costs (staffing and other expenditure) carefully throughout the duration of every review. Unit costs obviously differ – reviewing a large county council costs significantly more than a compact district council – but this information helps us to understand cost drivers and how we might achieve efficiencies.



## Spent £2,019k

We are conscious of our responsibility to be prudent, pursue efficiencies and achieve good value for money whilst not compromising the quality or output of reviews. This year we underspent by £293k (£266k revenue and £27k capital) largely through interruptions to our programme and savings due to staff turnover.

## 1.2 Performance Analysis

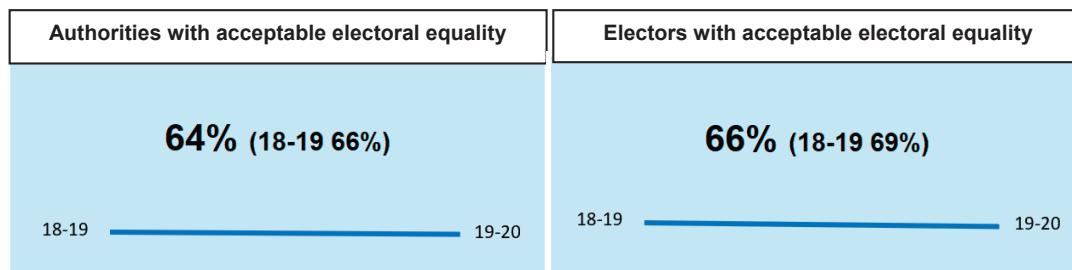
### 1.2.1 Performance Review

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

An important consideration for the Commission is the level of electoral balance 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>2</sup>

A variety of factors that affect electoral equality – e.g. population growth, migration, development, level of individual electoral registration, and student populations – are, of course, outside of the Commission’s control. However, seeking to achieve acceptable levels of electoral equality alongside reviewing all local authorities on a continuing basis to identify appropriate electoral boundaries, forms the statutory basis of our work. Levels of electoral equality also inform the shape of our work programme – the blend of (i) periodic, (ii) intervention and (iii) requested reviews – given that some authorities experience more rapid changes in number and distribution of electors and, therefore, necessitate more frequent reviews. We assemble data on levels of electoral equality annually and construct a work programme that 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, one in terms of the proportion of local authorities with acceptable<sup>3</sup> levels of electoral equality and the other showing the proportion of local electors enjoying acceptable levels of 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 electorate forecasts are published and, therefore, the graphs only change annually.



<sup>2</sup> We use these metrics as the basis of our Intervention criteria.

<sup>3</sup> Acceptable is defined as avoiding the levels of inequality (see above) that trigger our intervention criteria.

The Commission has a statutory duty to review all local authorities ‘from time to time’ through periodic electoral reviews (PERs) and, since there are many authorities that have not been reviewed since the last comprehensive series of reviews was completed in 2003, such authorities will represent a growing proportion of our annual programme. We are also committed to meeting requests for reviews seeking to update their governance arrangements. Consequently, there may be less scope for intervention reviews to address electoral inequalities over the next few years although the Commission will monitor closely the overall levels of electoral equality in order that they do not become unacceptable.

### *Key Performance Indicators (KPIs)*

#### **Introduction**

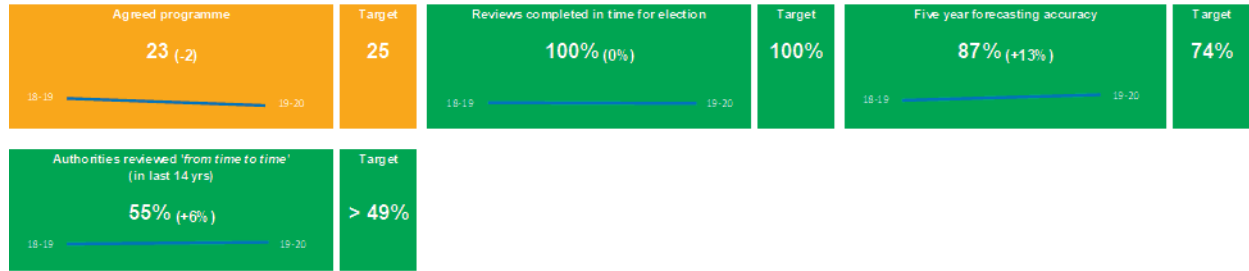
The 2019-20 KPI outcomes are shown below. Each is accompanied by an explanation together with an overall commentary.

This is the second year that the Commission has used the new KPIs developed during 2017-18 and we want to use consistent assessment criteria in order to understand performance and trends.

By way of context, of course, 2019-20 activity was affected by the unanticipated European Parliament election in May and the unscheduled General Election in December. Pre-election protocols required us to interrupt our work programme on both occasions. More recently, the COVID-19 outbreak, whilst not itself affecting the Commission’s own capacity to work remotely, will also impact on our programme whilst local authorities prioritise the delivery of essential services and adapt to new ways of working. Indeed, it affected some work during the final weeks of the year under review. It is inevitable that this will cause further delays through to 2020-21. Nevertheless, we will work hard to find innovative ways of minimising any delays wherever possible.

## Scorecard<sup>4</sup>

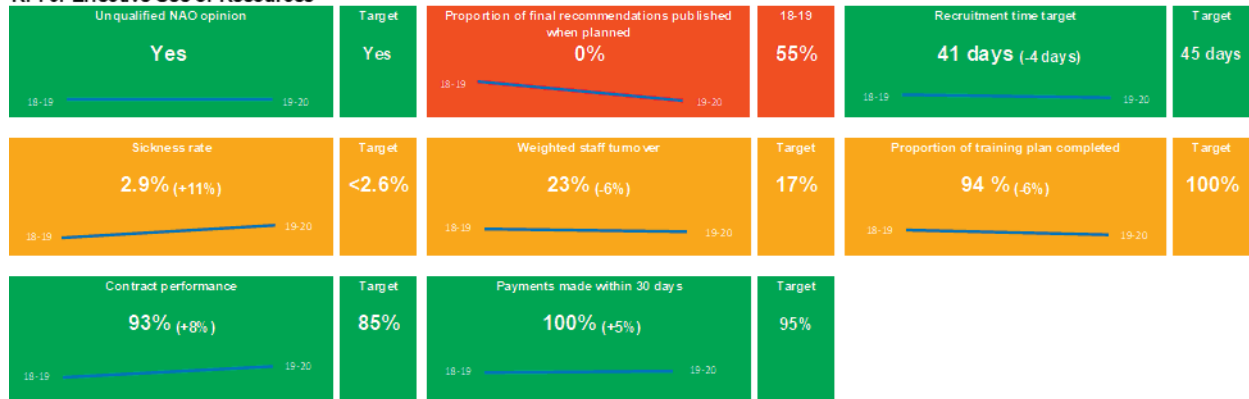
### KPI 1: Electoral Reviews



### KPI 2: Stakeholder Satisfaction



### KPI 3: Effective Use of Resources



The Commission has continued to monitor KPIs using our new indicators, some of which, of course, are more within our control than others.

**KPI 1: Electoral Reviews.** Measures our core review work.

**KPI 2: Stakeholder Satisfaction.** Listening to local views is a key aspect of all reviews.

**KPI 3: Effective Use of Resources.** These measure our internal performance and efficiency of our support and governance.

<sup>4</sup> The scorecard is visited in detail in the following pages. Green boxes indicate that targets were met and amber boxes that targets were within tolerance or due to external factors that do not merit remedial actions. Red boxes are where targets are clearly not met or need management intervention.

In interpreting the charts:

- Numbers, where included, to the right of the graphs indicate targets set at the start of this year.
- Figures in brackets within the graph indicate variations from the target.
- Lines depict trends either for the current year or, where appropriate, longer term.
- KPIs represented in 'green' meet, or exceed, targets.
- KPIs represented in 'amber', whilst not meeting targets, are within tolerance levels and result from external factors and/or do not necessitate immediate corrective action.

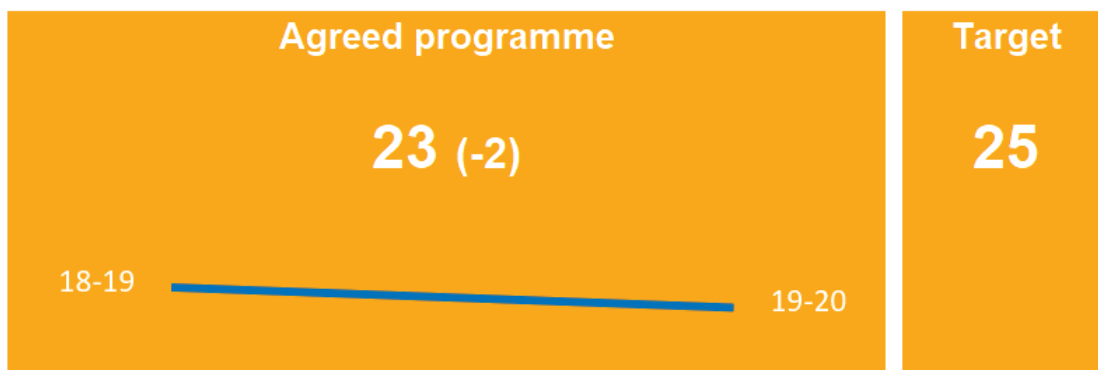
KPIs represented in 'red' fall short of targets and, unless there is an exceptional explanation, require corrective actions that are described as appropriate.

## KPI 1 Electoral Reviews

These measures indicate the delivery, and mix, of electoral reviews as agreed in our Annual Plan submitted to the Speaker’s Committee. We intentionally set ambitious targets and the challenge continues to be achieving all these targets both within own available resources and those of the local authorities that we review. We are highly dependent on their active engagement and, therefore, we work hard to develop a constructive partnership with local authorities, and local communities, during our reviews

### KPI 1A Agreed programme and mix<sup>5</sup>

Each year, we agree with the Speaker’s Committee to undertake 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, straddle financial years. The graph below indicates the number and type of review anticipated for the 2019-20 period compared with the actual numbers started within the year.



### Comment<sup>6</sup>

The Commission is now in the second year of its programme of periodic electoral reviews of those London boroughs that have not been reviewed for over 12 years. We started 11 London reviews in 2019-20 and a similar number of reviews that met the Commission’s intervention criteria. The latter included second-tier district councils,

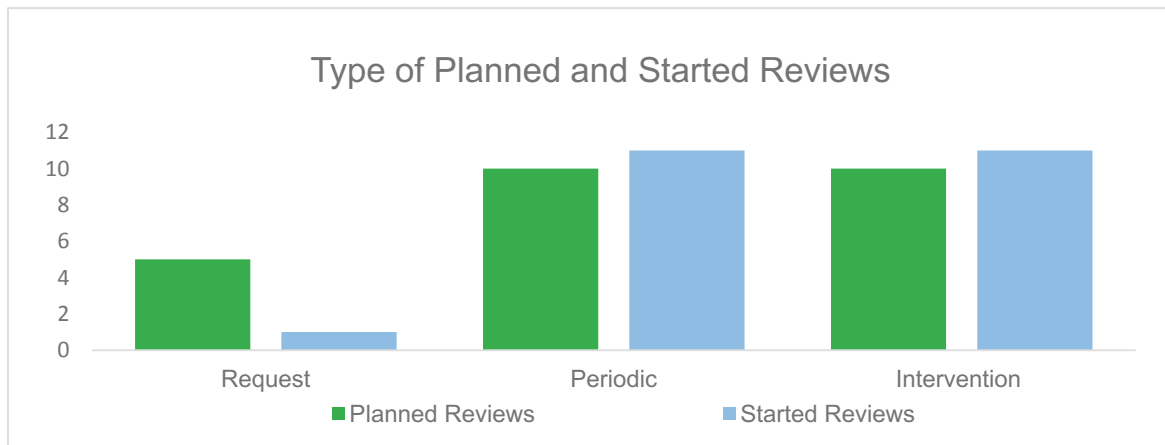
<sup>5</sup> Three reviews were both intervention and periodic but overall 25 were planned and 23 were started

<sup>6</sup> These reviews are categorised by the main reason for planning them, i.e. if an authority requests a review it is categorised as requested even though it may also meet our intervention and/or periodic criteria as well. This ensures that we do not double count a review in this KPI.

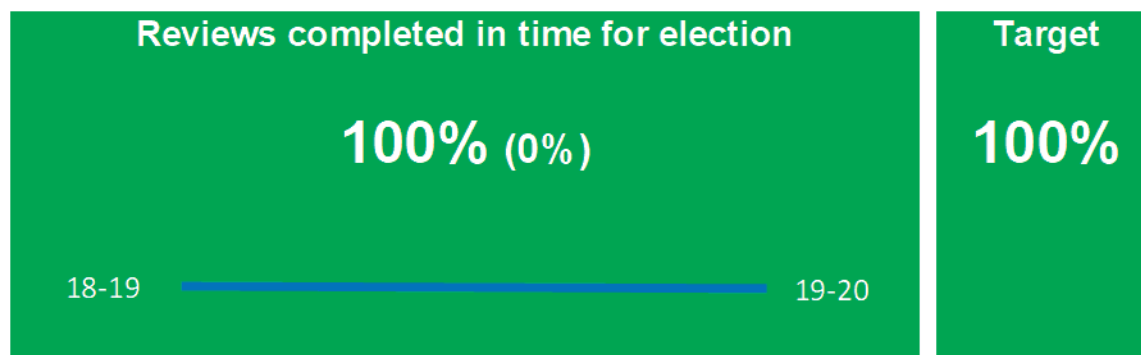


county councils and unitary authorities. We started one review from an authority that requested a review in order to reduce the number of councillors.

Clearly, we have no control over the number of requests and, where the number of requests is smaller than anticipated, we look to compensate by increasing the number of either PERs or intervention reviews. In total, the Commission started 23 reviews, two fewer than anticipated, due to the impact on local authorities of the General Election in December 2019.



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



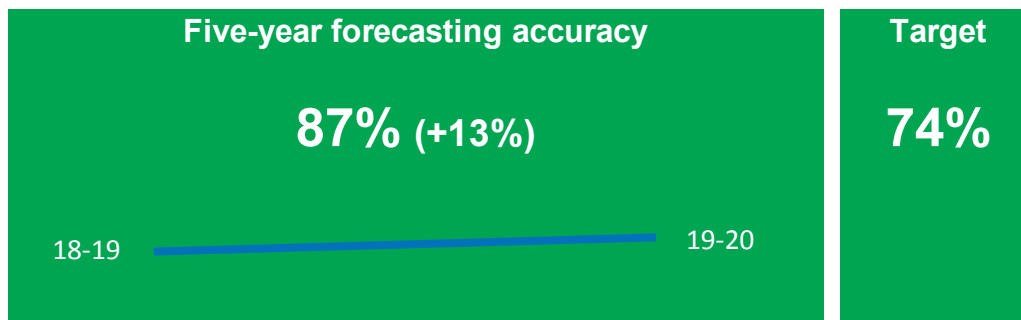
This shows the percentage of Orders made in 2019-20 that were completed in time for the election agreed at the start of the review process.

**Comment**

Our target is to complete 100% of reviews in time for implementation at the intended election identified.

## KPI 1C Forecasting

In making its recommendations, the Commission is required to take into account the forecasted number of electors five years after publication of its Final Recommendations (e.g. for reviews completed during 2019-20, the forecast would be an assessment of the projected electorate in that local authority in 2024-25). 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 KPI depicts the accuracy of forecasts and is measured at a set point (when the electoral registers are published). Our target is to improve from the previous year's figure. It should be noted that there is obviously a time lag before the accuracy can be measured (e.g. figures for 2019-20 reflect forecasts made in 2014-15). The Commission revised its forecasting methodology in 2017 so that the impact of this change will not be possible until 2022.

### Comment

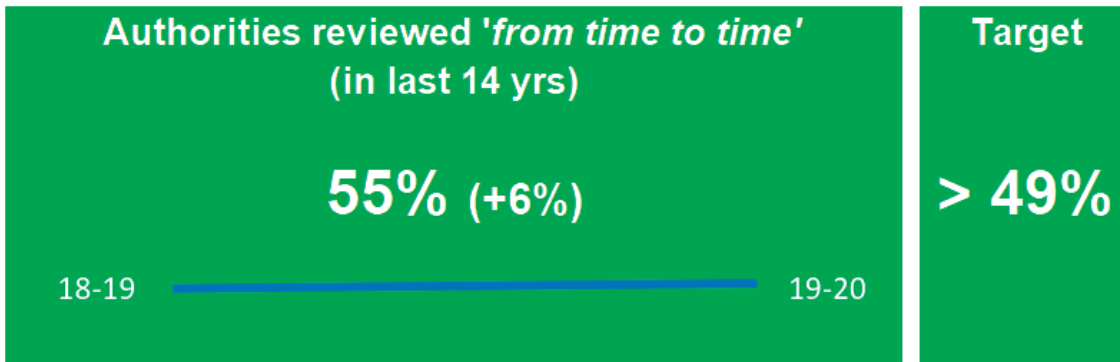
Forecasting electorate numbers is an important aspect of our work to create electoral arrangements that will stand the test of time. We work closely with local authorities and their knowledge of development and registration rates informs these forecasts.

The forecasts of electorate figures made in 2014-15 are an improvement compared to the previous year's forecasting.

## KPI 1D Reviewing authorities ‘from time to time’

The Commission has a statutory duty to undertake electoral reviews of all authorities ‘from time to time’. We refer to these reviews as ‘periodic electoral reviews’ (PERs).

This figure shows the percentage of authorities that have been reviewed in the last 14 years and is measured annually when the electoral registers are published. Our target is to improve from the previous year’s figure.



### Comment

Following the completion by our predecessor body of a comprehensive review programme in 2003, the Commission has decided to undertake more periodic reviews, starting with London boroughs and then moving on to the metropolitan districts, and this is reflected in the chart above.

## KPI 2 Stakeholder Satisfaction

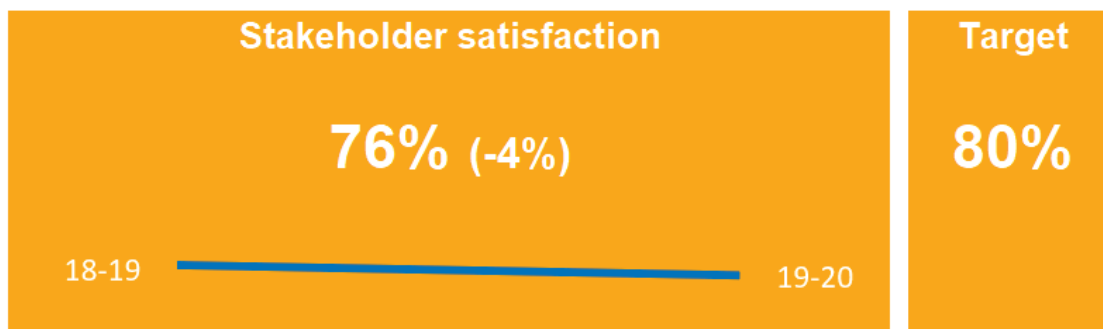
The Commission is committed to working closely with key stakeholders and to finding the most effective means of encouraging and facilitating their participation. We have built a customer-focused consultation portal and use targeted social media. This second group of KPIs is intended to help us understand the effectiveness of our approach, alongside the apparent levels of satisfaction. KPIs include response times, levels of interest, and feedback. Also, where appropriate, they are benchmarked against the Commission’s stated service standards.<sup>7</sup>

<sup>7</sup> The Commission’s Correspondence Policy is available at [www.lgbce.org.uk/](http://www.lgbce.org.uk/)

## KPI 2A Stakeholder satisfaction

Satisfaction levels are elicited through a survey tool that is attached to all outgoing emails, to email and portal acknowledgements of submissions on reviews and brought to the attention of those submitting by post. The results denote the number of 'positive' answers as a percentage of all responses.

In addition to this quantitative measure, the Commission regularly considers, learns from and act on the qualitative comments that are made as part of our satisfaction surveys.



### Comment

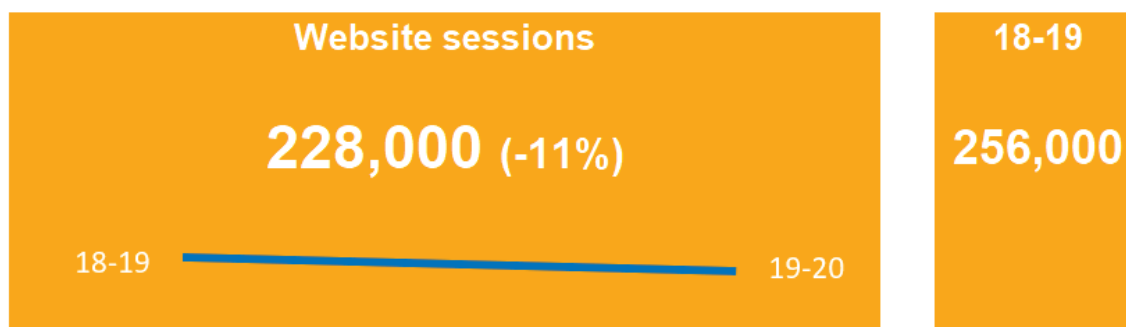
In 2019-20 overall, we were slightly below the 80 per cent target that had been achieved in 2018-19.

The Commission periodically reviews the questionnaire we use, in order to try to distinguish between views about the *quality* of our work – including our helpfulness, accessibility and professionalism – and those that essentially reflect views about our *decisions* as reflected in review outcomes. Inevitably, however, feedback is influenced by how far our recommendations aligned with the preferences of the respondent in respect of any particular review. We intend to further refine our feedback mechanisms as part of a wider project in 2020-21 about how easy we make it for stakeholders to engage with us, and how well we respond to them at each stage of our review process ('customer journey').

## KPI 2B Website sessions

Achieving widespread local knowledge of reviews and publicising the opportunities for individuals to participate are important Commission objectives. The following graph

depicts the number of individual visits to our website where the user ‘engaged’.<sup>8</sup> The KPI reflects the cumulative position for the year and our target is 256,000 sessions (based on previous year’s figure).



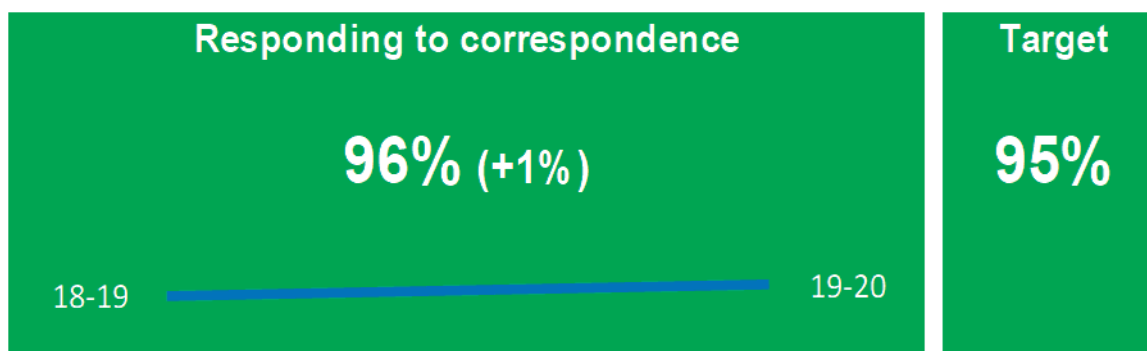
### Comment

Last year, a decline in website sessions was anticipated given fewer high-profile reviews occurring in the year. In addition, the General Election and the European Parliamentary elections have each delayed review consultations and led to a decrease in website sessions.

For 2020-21 we intend to consider how our correspondence and consultation data (website use, submissions, survey responses) interact.

### KPI 2C Responding to correspondence

This KPI measures the percentage of correspondence items responded to within our service standards (FOIs and Complaints – 20 working days: other correspondence 15 working days). The performance measured is the cumulative position for the year and our target is 95%. More detail is provided in 1.2.3 of the performance by correspondence type.



<sup>8</sup> A ‘session’ is defined as completion of a task on our website i.e. more than just opening our website.

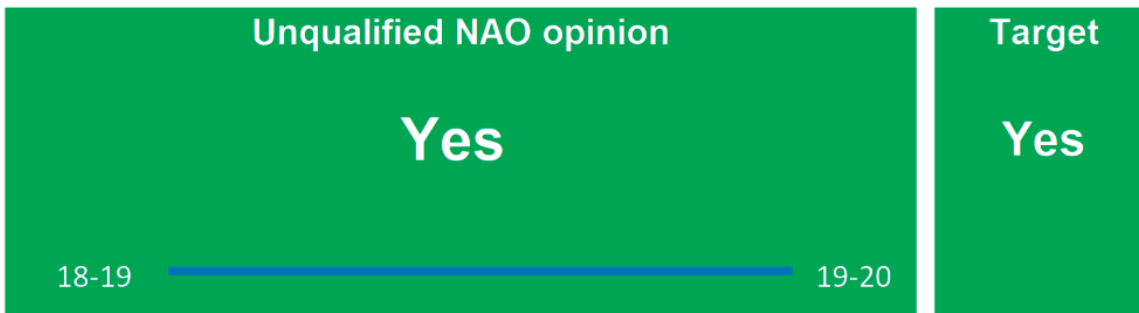
## Comment

Our performance in this area continues to be positive with 100% of complaints, 100% of Freedom of Information requests and 95% of review submissions responded to within our deadlines.

## KPI 3 Effective Use of Resources

Like every public body, the Commission is mindful of the need to be efficient and transparent in the use of our resources. The third group of KPIs, therefore, focus on the effectiveness and the efficiency of the organisation. This, by its nature, is the simplest KPI to quantify and it is pleasing that the organisation has continued to perform well in terms of governance and back-office services. This reflects the efforts made over several years to rationalise contracts and institute more internal control. Proportionality – balancing governance requirements with the modest size of the organisation – continues to challenge the Commission.

### KPI 3A NAO audit



## Comment

We seek to achieve an unqualified audit opinion on our financial statements/accounts. The annual NAO audit includes an opinion on regularity containing a positive confirmation that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals (budget) for the financial year and shows that those totals have not been exceeded. The National Audit Office are a key source of validation and assurance to the taxpayer that the resources we are provided with are used appropriately.

As for 2018-19, we were given an unqualified audit opinion this year.

### KPI 3B Review costs

Our latest figures are presented below. They are based on a three-year rolling perspective.

Review Type <sup>9</sup>			
	District/Borough	Unitary	Mergers
Average	£70k	£86k	£57k
Median	£71k	£95k <sup>10</sup>	£56k

### Comment

Since our establishment as a stand-alone body, we have significantly reduced both overall expenditure and budget, alongside the cost of individual reviews, whilst increasing the number of reviews delivered. Unit costs in our first few years reduced from £250k to £125k per review due to the efficiencies in review processes, outsourcing and insourcing where appropriate, digital developments and consultation and engagement improvements. These led both to reduced costs and allowed us to increase the number of reviews we are able to undertake.

In 2015, we took our finance function in-house and moved to a new accounting system which enabled costs to be allocated to individual reviews. We also created a time-recording system for staff. Since then we have developed unit costings using data gathered over preceding periods to calculate costs for different types of reviews.

We continue to refine our understanding of the different factors impacting on review costs and provide assurance that our Review Costs represent good value for money.

### KPI 3C Review programme as planned

We assess how far reviews are completed within the minimum time period allowed (i.e. not allowing for any extensions requested by the authority, need for data clarifications, further periods of consultation and pauses resulting from external circumstances). While we construct anticipated time profiles for each review, the

<sup>9</sup> No county reviews were fully included in this three-year period.

<sup>10</sup> The significant difference between the average and median costs is because there were only three reviews of this type during the period counted; one had higher costs due to a further consultation exercise agreed.

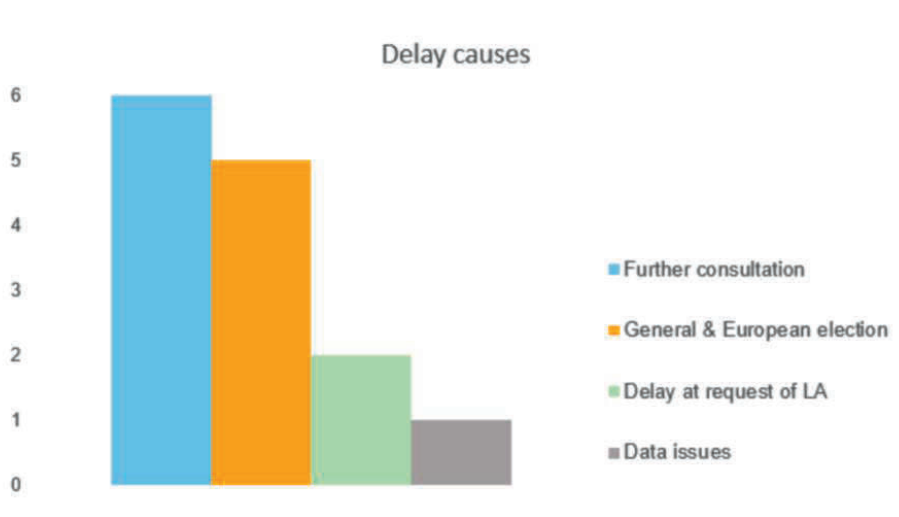
Commission itself frequently deviates from these where it is judged that doing so will result in better review outcomes. We also try to respond to requests by councils for further time to enable them to prepare fuller evidence in support of their council size proposals and robust and detailed electorate forecast data. This year was also impacted by interruptions caused by the two unanticipated elections.

The performance measured is the cumulative position for the year.



**Comment<sup>11</sup>**

This figure is significantly lower than originally envisaged. The bar chart below indicates the reasons for the delays. The majority were caused either by the Commission’s desire to seek further information or as a result of the pauses caused by the two unplanned elections. However, a third factor resulted from data issues and these are being addressed.



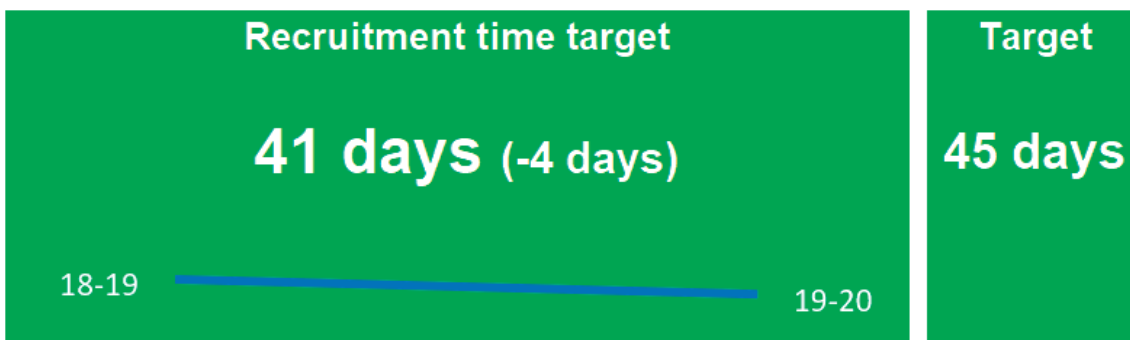
<sup>11</sup> This year’s figures (which are likely to be distorted again next year as a result of the impact of COVID-19-related interruptions) has caused the Commission to decide to look again at the construction of this metric so that it produces more valid and useful data by distinguishing between delays that were intentional (e.g. in order to undertake further consultation or in response to an unforeseeable external event) and unintentional slippages that the Commission would wish to avoid as part of effective programme management.



The Commission believes that, on occasion, further consultation and the ability to respond to local authority requests by delaying various stages (including to enable the production of accurate electorate forecasts) helps secure the most effective outcome and best electoral arrangements. We always try to accommodate such extra time provided that it does not affect the intended implementation date of the new arrangements. None of these delays impacted on the original proposed date of implementation.

### KPI 3D Recruitment

This measures the time involved in recruiting staff (i.e. the number of days from a post being approved to the issuing of an offer letter). The performance measured is the cumulative position for the year with a target of 45 days.<sup>12</sup>

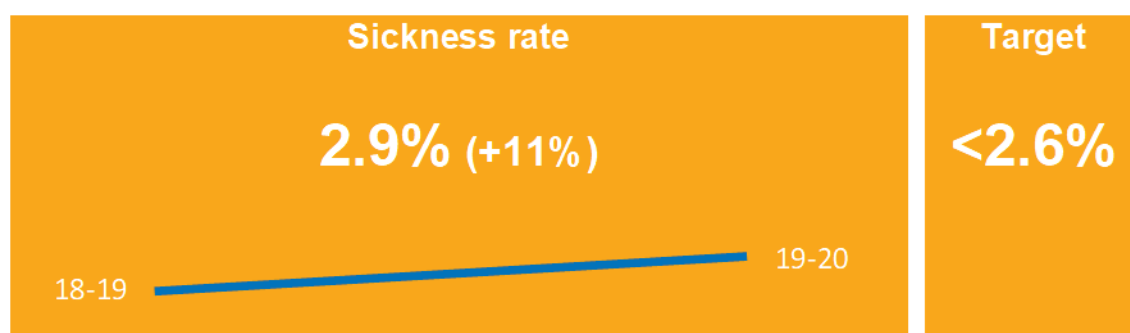


#### Comment

The Commission undertook five recruitment exercises during the year and all new recruits passed their probationary period.

### KPI 3E Sickness

This measure indicates the annual sickness rate compared to the latest public-sector benchmark. The performance measured is the cumulative position for the year and our target is to be lower than the public-sector average rate of 2.6% (ONS 2018).



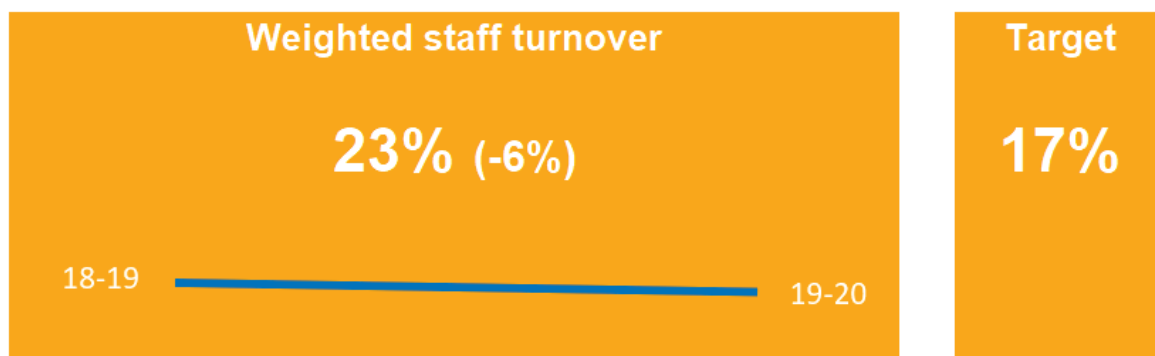
<sup>12</sup> This allows for a three-week advertising period plus admin, shortlisting and interview time.

## Comment

The rate is higher this year due to two instances of long-term sickness. As we have only 21 staff, any instance of long-term sickness has a significant effect on us.

## KPI 3F Workforce resilience (weighted staff turnover)

This measure indicates staff turnover and workforce resilience. Turnover figures are weighted to reflect the numbers of different posts and the impact on the organisation of a leaver within the different groups. Given the size of the organisation, this is a sensitive KPI as a single member of staff leaving causes the result to move by 5%.

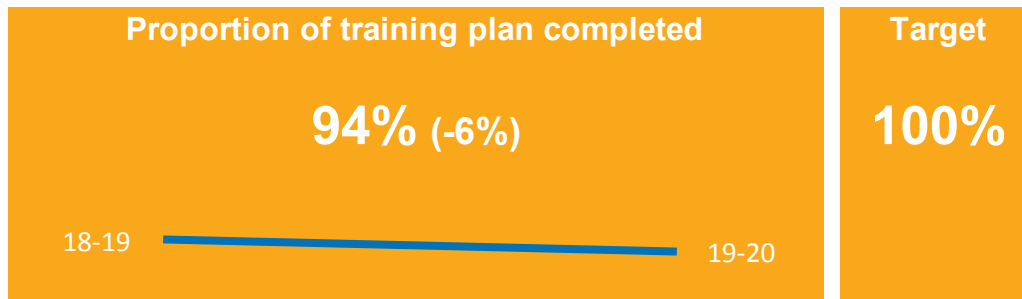


## Comment

This KPI reflects the reality of the Commission's staffing mix. We experience a fairly high turnover in review posts as postholders leave to further their career, typically within the public sector, but we do have resilience as we have larger numbers of these posts. Business staff and managers stay longer. Our recruitment, training processes and allocation of tasks take our turnover into account and this ensures we have fresh views on our processes and transferable ideas from other organisations. However, we are a small organisation and we recognise that with an expected turnover, resilience presents a challenge. The Commission will continue to monitor this area closely, the risks and the assurances. During the year we undertook a significant piece of work on our organisational culture and have agreed a new People Strategy that includes several workstreams to address the key issue we face and reflects issues raised by staff through our staff survey.

### KPI 3F Staff training

The Commission has a two-year training plan for each job role. The measure indicates the percentage of the training plan completed for each post to the year end in comparison to our training plan.



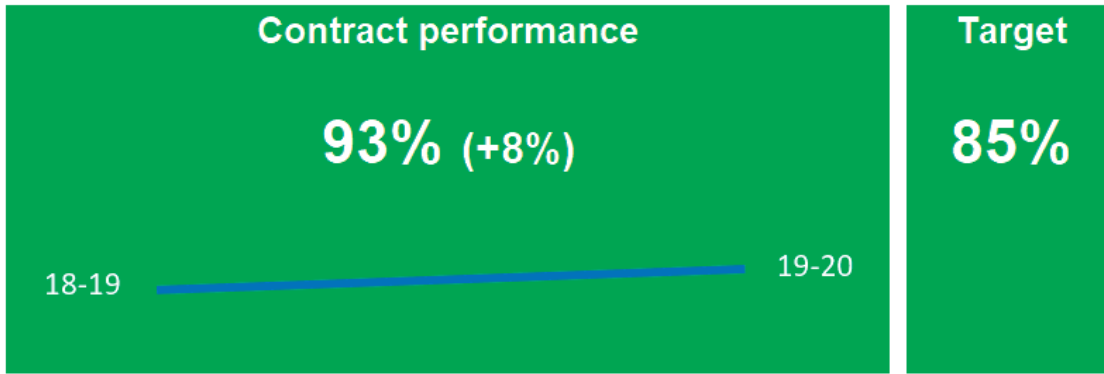
#### Comment

High turnover and the associated new staff had an impact on the completed training this year and, in comparison, to the previous year where we over-achieved our target. However, the result of 94% is a good achievement and the small number of courses not undertaken this year will be made up during 2020-21. Although performance is measured in the same way as 2018-19, we have changed the target to be 100% of what we planned to achieve rather than the proportion of the entire training plan that we aimed to achieve.

### KPI 3G Contract performance

This measure indicates how satisfied we are with contracting. It shows the observed satisfaction<sup>13</sup> with smaller contracts combined with Service Level Agreement (SLA) figures for the IT contract. The performance measured is the cumulative position for the year and the target is based on our agreed IT SLA.

<sup>13</sup> Each smaller contract is weighted, and a performance awarded (1 to 5) each month i.e. how well the photocopiers/ telephones have worked in the month.

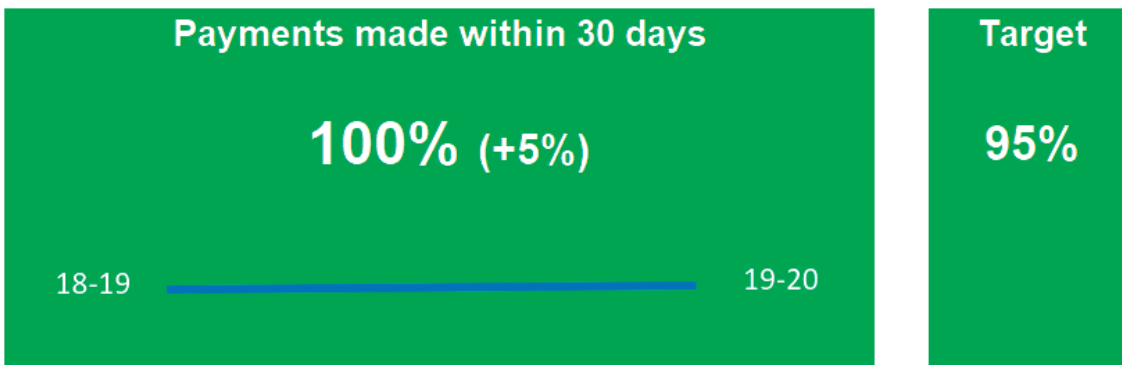


**Comment**

The Commission continues to find that our specific contracts are more resilient than our previous arrangement where all services were delivered by one external provider.

**KPI 3H Payments**

This measure indicates whether the Commission is meeting its service standard for invoice payments. The performance measured is the cumulative position for the year and our target is our Service Standard (95% within 30 days).



**Comment**

The invoices paid within service standards this year improved from 2018-19, since 99.7% of last year’s payments were made in 30 days. The percentage of invoices paid within 10 days for 2019-20 was 97.4% (18-19 98.5%).

## 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.

The Main Supply Estimate for 2019-20 provided for a net resource requirement of £2,252k. This is made up of a Department Expenditure Limit (DEL) net resource requirement of £2,192k and an Annually Managed Expenditure (AME) resource of £60k which will only be used in the event of a Judicial Review for legal costs. This is set out in our Corporate Plan Update for the period to 2023-24 and was approved by the Speaker's Committee in March 2019.

### *Use of resources*

The Statement of Parliamentary Supply shows outturn figures for resources, capital and cash set against the final Estimate. In 2019-20, the Commission used £1,986k of total net resources.

	<b>Budget £000</b>	<b>Spend £000</b>	<b>Variation £000</b>	<b>Explanation</b>
<b>Total</b>	<b>2,252</b>	<b>1,986</b>	<b>(266)</b>	Delays due to European Parliamentary elections, the December 2019 General Election and staff turnover.

### *Capital*

In 2019-20, the Commission used £23k of capital against a budget of £50k. Some IT projects were delayed towards the end of the year due to impacts of COVID-19 and will be completed during 2020/21.

### *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 £2,106k in 2019-20 to finance its activities, which was £68k less than the sum of £2,174k approved by Parliament in the Estimate. Although we have underspent against our revenue budget by considerably more than the £68k cash underspend, we have cleared invoice payments of £146k this year relating to Government Property Agency (GPA) rental charges which are now agreed.

*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 £15,600 (2018-19 £15,000) was incurred on external audit. Internal audit and other services were provided by The Internal Audit Association (TIAA) at a cost of £11,730 (2018-19 £10,710).

*Payment practice*

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

Payment practice results remain extremely high and payments within 10 days have further increased.

	<b>Percentage paid within 30 days</b>	<b>Percentage paid within 10 days</b>
<b>2019-20</b>	<b>100.0%</b>	<b>97.4%</b>
<b>2018-19</b>	99.7%	99.5%

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 5.7 days to pay suppliers.

	<b>Supplier days</b>
<b>2019-20</b>	<b>5.7 days</b>
<b>2018-19</b>	5.4 days

### *Community and the environment*

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

Working 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.

### *Equalities and diversities*

We value diversity and endeavour to achieve equality of opportunity. We oppose all forms of discrimination and strive to ensure that no job applicant or employee faces discrimination. We have policies to promote equality for staff, commissioners and customers, the impacts of which are regularly reviewed:

- Equality & Diversity in Employment
- Equal Pay Policy

Our Equality & Diversity compliance is overseen by the Audit & Risk Committee. We have two specific objectives for 2020-21:

- Providing Equality & Diversity awareness training for staff and for Commissioners and managers. This was provided in April 2019 and will be provided again during the coming year.
- Continue to make progress with our Equalities & Diversity Group. This group was relaunched during 2019-20 and will continue its work to make LGBCE a great place to work for everyone. The group will work closely with projects from our People Strategy as achieving equalities underpins our People Strategy and all its associated work.

During 2019-20 we also:

- Undertook equality impact assessments on relevant policies and procedures throughout 2019-20. In addition to arrangements for consultation and

monitoring, the assessment process helps to develop effective policies that meet the needs of all users.

- Undertook a Gender Pay Gap analysis.
- Continued to analyse and develop each recruitment process for gender bias issues.
- Reviewed and developed our job packs, job descriptions and skill requirements to ensure we attract as diverse a field of candidates as possible.

### *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 2019-20 received no gifts or hospitality.

### 1.2.3 Communication & Public Affairs

Our communication and public affairs work has focused on three areas this year:

- Supporting the review programme by publicising consultations and recommendations to maximise local authority and community involvement in our reviews and responding to enquiries.
- Delivering the legislative requirements of the *Local Democracy, Economic Development and Construction Act 2009* in relation to laying Draft Orders.
- Developing policies, procedures and products to improve the way the Commission engages with local authorities and members of the public.

Actions in this area include:

- Launch of 48 public consultations on electoral reviews.
- Consideration of 6,814 responses to consultations.
- Publication of 14 sets of Final Recommendations.
- Laying of 17 Draft Orders.
- Enhancement of our online consultations' portal.
- We attended the Local Government Association conference and three regional meetings of the Association of Electoral Administrators.
- Staff from 14 local authorities attended our programme of interactive seminars (which was curtailed because of COVID-19).



### Correspondence

Our service standards relating to correspondence, and our performance, are detailed below.

Type of Request	Requests Received		Response Service Standard (Working Days)	Responses Sent by Deadline		Percentage within Deadline	
	19-20	18-19		19-20	18-19	19-20	18-19
<b>Submissions on review consultations</b>	<b>6,814</b>	5,753	15	<b>6,451</b>	5,705	<b>95%</b>	99%
<b>Complaints (stage 1)</b>	<b>7</b>	8	15	<b>7</b>	7	<b>100%</b>	88%
<b>Complaints (stage 2)</b>	<b>0</b>	4	20	<b>0</b>	4	<b>n/a</b>	100%
<b>Complaints (stage 3)</b>	<b>0</b>	3	20	<b>0</b>	3	<b>n/a</b>	100%
<b>Freedom of Information requests</b>	<b>15</b>	22	20	<b>15</b>	22	<b>100%</b>	100%

### Website Hits

<b>2019-20</b>	540,000
<b>2018-19</b>	865,000
<b>2017-18</b>	620,000
<b>2016-17</b>	420,000

Jolyon Jackson CBE

Chief Executive and Accounting Officer,  
02-06-2020

## 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 2019-20, 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 & 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' & 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 & 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 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.

### 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 and 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, we are 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 Code for Central Government Departments*, 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*

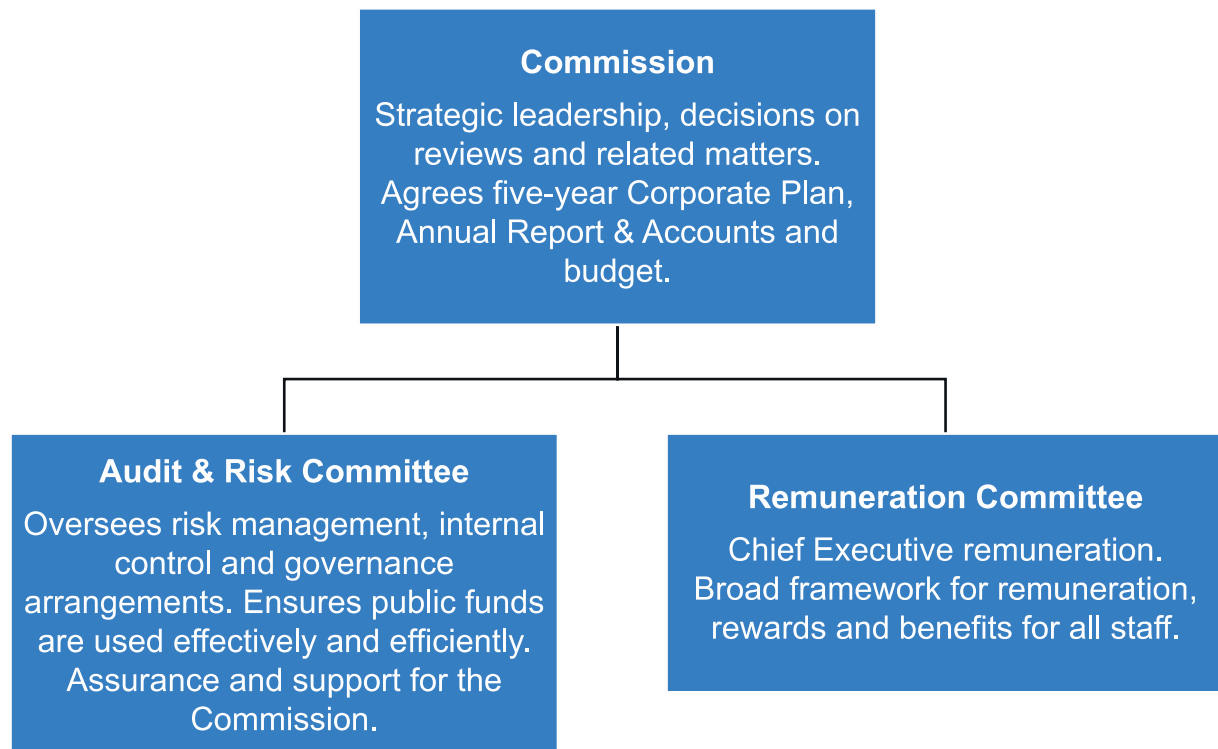
The Commission recognises its governance responsibilities but is aware that, as a small organisation, it should strike a balance between allocating resources to meet business obligations and complying with regulations, legislation and other requirements often more suited to larger organisations, with a larger corporate infrastructure. The Commission (specifically through its delegation to the Audit & Risk Committee, ARC) continually assesses whether governance activities and requirements are, in their application, proportionate to an organisation the size of the Commission. If the Commission does not feel that an action or requirement is proportionate, it seeks to make those asking aware of the possible consequences and to offer another solution.

### 2.1.3 The Governance Structure

#### *Mission & Objectives (see Section 1.1.2)*

The Commission has set out who we are and what we do that reflect our role in law and 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 five-year corporate plan, our Annual Report & Accounts and detailed budget.

#### *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 was agreed by the Speaker’s Committee in March 2019.
- Examining the five-year plan and forward resource estimates and laying them before Parliament, with or without modification.
  - Our latest five-year plan was agreed in March 2020.
- Receiving the Annual Report & Accounts.
  - Our Annual Report & Accounts for 2018-19 was laid in Parliament in June 2019.
- Receiving reports from the Comptroller and Auditor General on the economy, efficiency and effectiveness on our use of resources each parliamentary term.
  - The NAO produced a Short Guide to LGBCE which was presented to the Speaker’s Committee in March 2020 as background information for agreeing our Corporate Plan and Main Supply Estimate for 2020-21.
- 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 were:

<b>Commissioner</b>	<b>Role</b>	<b>Meetings Attendance</b>	<b>out of</b>	<b>%</b>
<b>Colin Mellors</b>	Chair	12 Meetings	12	100%
<b>Andrew Scallan</b>	Deputy Chair	12 Meetings	12	100%
<b>Susan Johnson</b>	Commissioner	11 Meetings	12	92%
<b>Peter Maddison</b>	Commissioner	11 Meetings	12	92%
<b>Steve Robinson</b>	Commissioner	11 Meetings	12	92%
<b>Amanda Nobbs</b>	Commissioner	12 Meetings	12	100%

### *Remuneration Committee*

Members and their roles were:

<b>Commissioner</b>	<b>Role</b>
<b>Susan Johnson</b>	Chair for 2019-20
<b>Peter Maddison</b>	Member for 2019-20
<b>Amanda Nobbs</b>	Member for 2019-20



The Remuneration Committee met once, in September 2019, to agree the pay award for 2019-20. All members attended. We had already made budget provision for the pay award. The Committee also discussed the development of the People Strategy.

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




Members and their roles were:

<b>Commissioner</b>	<b>Role</b>	<b>Meetings Attendance</b>	<b>out of</b>	<b>%</b>
<b>Susan Johnson</b>	Member then Chair from June 2019	4 Meetings	4	100%
<b>Peter Maddison</b>	Chair to June 2019, then Member to October 2019	2 Meetings	3	67%
<b>Andrew Scallan</b>	Member from June 2019	3 Meetings	3	100%
<b>Steve Robinson</b>	Member from February 2020	1 Meeting	1	100%
<b>Lizzie Peers</b>	Independent Member throughout the year	4 Meetings	4	100%

During 2019-20, the work of the ARC was informed by its Annual Plan, and its Annual Report to the Commission is summarised below

Area	Commentary	Outcome
<p><b>Audit &amp; Risk Committee</b></p> 	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• Appointed a permanent chair.</li> <li>• Commissioned governance training across the organisation.</li> <li>• Agreed future rotation of its membership.</li> <li>• Challenged and tested the Commission’s risks and assurance framework.</li> <li>• Considered risks scenarios against our key risks to give assurance on our risk controls.</li> <li>• Scrutinised and sought assurance on risk management arrangements on behalf of the Commission and the Accounting Officer.</li> <li>• Provided assurance to Commissioner’s and the Accounting Officer on the robustness of the control framework.</li> <li>• Commissioned Corporate Manslaughter training for the Board and Directors.</li> </ul>	<p><i>ARC is clear and transparent, plans and reports on its annual activities and reviews and considers its own performance.</i></p>
<p><b>Annual Report &amp; Accounts and External Audit</b></p> 	<p>All areas that the Committee set out to achieve were achieved:</p> <ul style="list-style-type: none"> <li>• Draft and final versions of the accounts were approved by the ARC.</li> <li>• The NAO plan and management letter were examined and agreed.</li> <li>• The Committee met with the External Auditors without management present.</li> </ul>	<p><i>ARC meets with our Auditors, reviews audit findings and outcomes and satisfies itself that the Commission’s internal control framework and governance arrangements are robust.</i></p>



<p><b>Policy Reviews and Updates</b></p> 	<p>The Committee:</p> <ul style="list-style-type: none"> <li>Reviewed and considered the effectiveness of nine policies against a plan of eight and made suggestions for additions and improvements.</li> </ul>	<p><i>ARC reviews the operation of the Commission's policies and receives reports on fraud, theft, whistleblowing, bribery, health and safety and information breaches as necessary and business continuity arrangements.</i></p>
<p><b>Internal Audit</b></p> 	<p>The Committee:</p> <ul style="list-style-type: none"> <li>Reviewed the internal auditor's Annual Statement and the results of the 2019-20 internal audits.</li> <li>Reviewed, measured and received exception reporting of audit recommendations.</li> <li>Agreed and prioritised the future internal audit plan and strategy.</li> <li>Provided assurance that internal audits were completed thoroughly and to plan.</li> </ul>	<p><i>ARC agrees the Internal Audit Strategy and annual plan and considers the benefits of reports and recommendations and relevant internal audit performance indicators.</i></p>
<p><b>Scrutiny of Business Activities</b></p> 	<p>The Committee looked in depth at several business areas including:</p> <ul style="list-style-type: none"> <li>Detailed review costs.</li> <li>IT reporting.</li> </ul>	<p><i>ARC considers new business arrangements, efficiency programmes and the Commission's performance framework.</i></p>

*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:

2019-20	ACTION REQUIRED
<b>New staff awareness of the Finance Manual</b>	Staff session on information and navigation of SharePoint
<b>New staff GDPR training</b>	Online GDPR training to be part of staff induction process
<b>Consistency of staff appraisals</b>	To be picked up in specific People Strategy project

2018-19	ACTION TAKEN
<b>Benenden Health benefits awareness</b>	Redistribute policy and details of scheme and remind staff of link on SharePoint
<b>Some staff indicated that they have not discussed Learning &amp; Development needs with their manager</b>	Planning and needs – take forward as part of Workforce Strategy plan
<b>Workplace stress management awareness</b>	Addressed as part of leadership training in 2019-20 to 2020-21

*Standing orders/delegated powers & financial policies*

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

*Other policies & procedures*

The Commission has agreed policies and procedures 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, and policies on declarations of interest, gifts and hospitality, staff management and human resources, risk management, fraud and corruption and complaints/correspondence. All policies and procedures are reviewed and amended 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 2019-20.

*Risk management*

During the year the Commission has revisited inherent risk scores and developed an assurance framework, identified controls and lines of defence and began a programme of deep dives into our control processes.

*Principal risks and uncertainties*

We regularly review and update our risks, risks scores, assurance framework and risk controls. Risk is considered by the Commission, the Audit and Risk Committee, the Leadership Team and in staff teams and staff meetings.

Sponsor Risk	Cyber Attack	Budget Risk	Health & Safety
<b>Risk description</b>			
Failure to gain support from the Speaker’s Committee	Information Security Management	Failure to manage budget and poor value for money	Failure to comply with H&S legislation
<b>Context</b>			
We work directly to the Speaker’s Committee who approve our Corporate Plan, Main Supply Estimate and Annual Report	This environment is continually evolving and could lead to operational disruption and reputational damage	We are funded with public money and must ensure that we obtain value for money and use our funds effectively	We have a duty to our staff and stakeholders to comply with relevant legislation in this area
<b>Severe but plausible scenarios</b>			
We lose support through reputational damage in other areas, we are unable to gain funds to run the organisation	Operational disruption, employee data loss, costs associated with remedial action	Accounts qualified, loss of key staff, fraud	Death, serious injury, corporate manslaughter, fines

### *Internal Audit*

The Commission's internal auditors changed in July 2019 after the original audit contract with Gateway Assure was novated to The Institute of Internal Auditors (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 their findings 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 carried out in 2019-20**

Area	Rating	Recommendations <sup>14</sup>		
		Urgent	Important	Routine
<b>Risk Management</b>	Substantial	0	0	0
<b>Key Financial Controls – Fees &amp; Expenses and Credit Cards</b>	Reasonable	0	1	1
<b>Human Resources – Appraisal and Development Processes</b>	Reasonable	0	1	1
<b>Complaints</b>	Substantial	0	0	0
<b>Communications</b>	Reasonable	0	1	2
<b>GDPR Compliance</b>	Reasonable	0	1	4
<b>Boundary Review Process</b>	Substantial	0	0	1
<b>Correspondence Tracking</b>	Reasonable	0	2	1
<b>Totals</b>		<b>0</b>	<b>6</b>	<b>10</b>

<sup>14</sup> All recommendations have either been completed or will be within 2020-21.

### *Internal Audit Opinion*

The 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:

TIAA is satisfied that, for the areas reviewed during the year, Local Government Boundary Commission 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 Local Government Boundary Commission for England from its various sources of assurance.

### *External Audit*

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

### *Personal data-related incidents*

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

### *General Data Protection Regulations (GDPR)*

The Commission introduced new processes, procedures and policies in May 2018 in order to meet the requirement of GDPR. An internal audit was carried out in 2019-20, resulting in reasonable assurance. The review noted that overall it appeared that information governance arrangements had been put in place to ensure compliance with GDPR requirements. However, there were certain areas where we intend to strengthen controls during 2020-21:

- Data flows, data security measures, and data flow risks will be formally reviewed and documented.
- The Information Security Incident Management Procedure will be updated with disposal guidance.
- GDPR and cyber security training will be provided to all new staff and Commissioners as part of their induction.

### *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 ARC. The effectiveness of policies and procedures is regularly reviewed and updated by both the ARC and the Commission.

The Commission finds the quality of the data used by the Board acceptable as any changes to information received are explained clearly and management information produced is summarised from detailed data which is available if required. The ARC is tasked with ensuring that the Commission can rely on the processes, procedures and information the Commission uses.

### *COVID-19*

Like most organisations in the UK, our working practices changed dramatically from the last few weeks of March because of the Government's guidance around COVID-19. Digitally, we are 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 continues, we are assessing the way we continue to undertake our Review Programme using new methods of working and engaging with Local Authorities and Communities.

### *EU Exit*

The work of LGBCE remains unaffected by the exit of the UK from the European Union.

### *Chief Executive Summary*

I am satisfied that there are no significant deficiencies in financial management, internal control, risk management or governance.

**Jolyon Jackson CBE Chief Executive and Accounting Officer, 02-06-2020**

## 2.2 Remuneration and Staff

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

### 2.2.1 Remuneration Report

#### *Commissioners*

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

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 remit.

The Chair is appointed by Her Majesty 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 for a further period. 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(6) - (8) 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 £346 (2018-19 £339) for each day worked during 2019-20. The Chair was paid a daily rate of £394 (2018-19 £386).

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 2019-20 Commissioners received a 2% 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)

Commissioner	2019-20	2018-19
Colin Mellors (Chair)	£26,201	£27,792
Susan Johnson	£8,650	£8,301
Peter Maddison	£12,110	£14,570
Amanda Nobbs (joined 15/06/18)	£14,359	£13,380
Steve Robinson	£18,165	£18,120
Andrew Scallan	£20,068	£19,648
<b>TOTAL COMMISSIONERS</b>	<b>£99,553</b>	<b>£101,811</b>
<b>Independent Member of ARC</b>		
<b>Lizzie Peers</b>	<b>£1,384</b>	<b>£2,032</b>
<b>TOTAL FEES</b>	<b>£100,937<sup>15</sup></b>	<b>£103,843</b>

### *Directors/Leadership Team*

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

In setting remuneration, 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 its output targets for the delivery of its 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 its 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. This information is covered by the Comptroller & Auditor General's audit opinion.

The information in the table is based on payments made during 2019-20. Total remuneration includes salary, non-consolidated performance-related pay and benefits

<sup>15</sup> This total includes amounts accrued at year end. Once claims had been processed, in 2018-19, actual total fees were £100,282.



in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Single total figure of remuneration	Salary		Bonus payments		Pension benefits <sup>16</sup>		Total	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Year (2019-20)	£000							
<b>Chief Executive</b>								
<b>Jolyon Jackson</b> <b>CBE</b> <i>Left scheme 01/10/19<sup>17</sup></i>	105 to 110	105 to 110	N/A	N/A	25	41	130 to 135	145 to 150
<b>Director of Finance &amp; Resources (0.7FTE)</b> <b>Lynn Ingram</b>	50 to 55 (FTE 70 to 75)	50 to 55 (FTE 70 to 75)	N/A	0 to 5	20	20	70 to 75	70 to 75
<b>Director of Comms &amp; Strategy</b> <b>Marcus Bowell</b> <i>Left 07/02/20</i>	55 to 60 (FYE 65 to 70)	60 to 65	N/A	N/A	26	25	80 to 85	85 to 90

### 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 2019-20 relate to performance in 2018-19 and the comparative bonuses reported for 2018-19 relate to the performance in 2017-18.

<sup>16</sup> The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

<sup>17</sup> We do not make contributions to any other pension scheme, besides the PCSPS, in respect of the Chief Executive.

### *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 median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in LGBCE in the financial year 2019-20 was £105k to £110k (2018-19 £105k to £110k). This was 3.3 times (2018-19 3.2 times) the median remuneration of the workforce, which was £32,766 (2018-19 £33,119).

In 2019-20, 0 (2018-19 0) employees received remuneration more than the highest-paid director. Remuneration ranged from £25k to £110k (2018-19 £25k to £110k).

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.

	2019-20	2018-19
<b>Band of highest paid staff member (FTE)</b>	<b>£105k to £110k</b>	£105k to £110k
<b>Median of all staff pay</b>	<b>£32,766</b>	£33,119
<b>Remuneration ratio</b>	<b>3.3</b>	3.2

### *Pension scheme*

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 pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. 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 ‘money purchase’ stakeholder 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 his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. 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) their pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider – Legal & General. 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 [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

*Real increase in CETV*

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

Subject to audit	Accrued pension at pension age as at 31-03-20	Real increase in pension & related lump sum at age 65	CETV at 31-03-20	CETV at 31-03-19	Real increase in CETV
<b>£000</b>					
<b>Jolyon Jackson CBE (left scheme 01-10-19)</b>	10 to 15	0 to 2.5	215	191	19
<b>Lynn Ingram (0.7 FTE)</b>	5 to 10	0 to 2.5	92	74	10
<b>Marcus Bowell (left 07/02/20)</b>	10 to 15	0 to 2.5	134	114	10

*LGBCE contributions*

For 2019-20, employers’ contributions of £199k were payable under the arrangements (2018-19 £175k) at one of three rates in the range 27.1% to 30.3% (2018-19 20.9% to 24.5%) of pensionable pay, based on salary bands. Employer contributions are reviewed every four years and changed from April 2019. The contribution rates reflect benefits as they are accrued, not when the costs are incurred, and include past experience of the scheme.

For 2019-20 employer’s contribution rates for the Civil Service rose significantly due to the latest actuarial valuation and a change in the government’s formula for calculating

the extent of pension commitments in the future. We recognised that there would be additional costs to us as an employer and the Speaker's Committee agreed this as an addition to our revenue budget from 2019-20.

## 2.2.2 Staffing Report

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

	2019-20			2018-19
	Total	Permanently Employed Staff	Commissioners & Independent Member	Total
	£000			£000
Wages and salaries	826	826	-	844
Commissioners' fees	97	-	97	107
Social security costs	96	89	7	100
Other pension costs	199	199	-	175
<b>Sub total</b>	<b>1,218</b>	<b>1,114</b>	<b>104</b>	<b>1,226</b>
<b>Total net costs</b>	<b>1,218</b>	<b>1,114</b>	<b>104</b>	<b>1,226</b>

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

	2019-20			2018-19
	Total	Permanently Employed Staff	Commissioners & Independent Member	Total
	FTE's			No's
<b>Total</b>	<b>26.2</b>	<b>19.2</b>	<b>7.0</b>	<b>26.9</b>

FTE staff and the number of Commissioners & the Independent Member reflect the monthly average throughout 2019-20. The numbers in post at 31st March 2020 were; six Commissioners, one Independent Member and 19.3 (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 in employment policy and procedure
- Recruitment policy
- Dignity at work
- Sick pay and sickness absence management policy
- Work-related stress

#### *Off-payroll disclosures*

There is no off-payroll expenditure to report

#### *Sickness Data*

<b>Days lost to sickness</b>	<b>Days lost to sickness</b>	<b>Average PP</b>
<b>2019-20</b>	<b>139<sup>18</sup></b>	<b>7.1</b>
2018-19	144 <sup>19</sup>	6.9

#### *Consultancy Spend*

<b>Consultancy spend</b>	<b>2019-20</b>	<b>2018-19</b>
General Business	<b>£0</b>	£245
HR & Payroll	<b>£4,207<sup>20</sup></b>	£0
IT	<b>£0</b>	£0

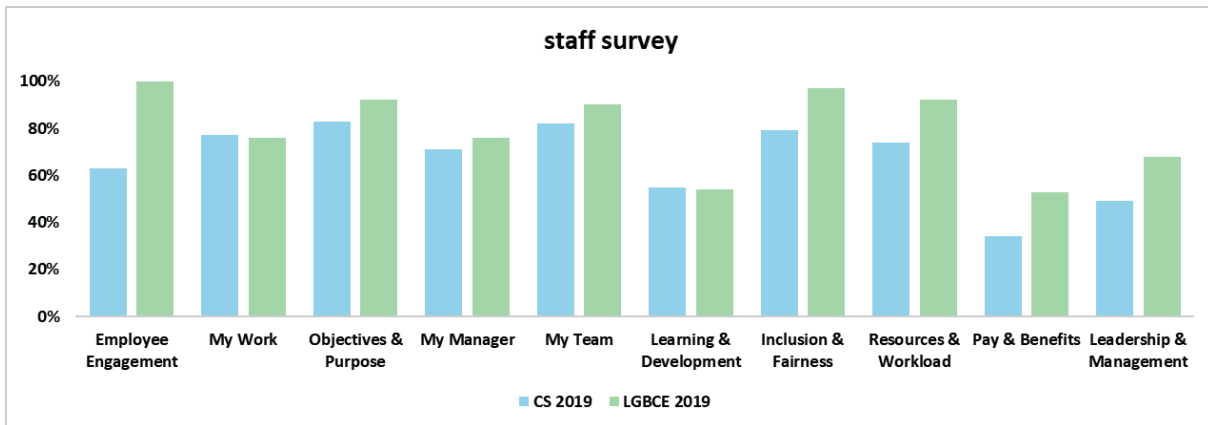
<sup>18</sup> Two members of staff had significant long-term sickness during 2019-20.

<sup>19</sup> The significant increase relates to one staff member on long-term sick.

<sup>20</sup> This relatively high expenditure reflects HR Consultancy spent developing our People Strategy.

### *Staff survey*

We undertook a staff survey for the second time in October 2019. We compared our results to the latest reported Annual Civil Service People Survey (CSPS) which has been taken regularly since 2009 across a significant number Civil Service bodies. For this year we used the same survey as the Civil Service and so could compare our results directly. Comparisons are shown below.



Following the survey, our Leadership Team (LT) developed our first People Strategy which identifies the main areas to focus activity and drive further improvement over the course of the next three years. This included:

- Discussing the results with staff and commissioners.
- Agreeing that the focus of our Business Improvement Plan for 2019-20 will be organisational culture.
- Focusing on three objectives ('Well-led', 'High Performing' and 'A Great Place to Work') and constructing seven projects to achieve during 2020-23.
- Undertaking a Myers-Briggs analysis on all staff to begin to understand differences between us.
- A Policy Session for the whole organisation in February 2020 to discuss and agree the proposed People Strategy and its projects.

### *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 meet at least annually with union representatives.



### *Occupational health and safety*

Our Health & Safety policy is reviewed bi-annually and available to all our staff. 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 Management Team monthly.

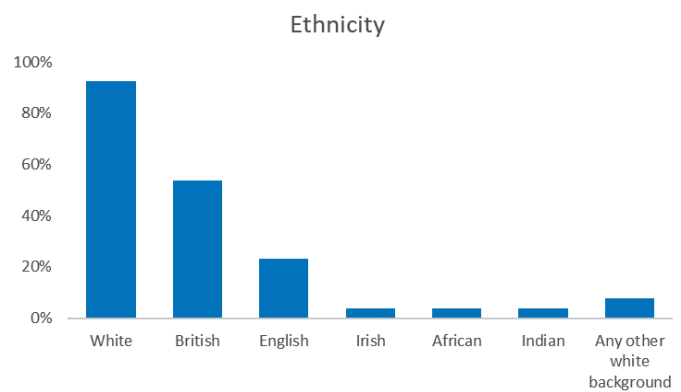
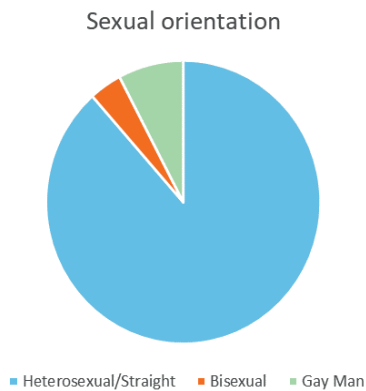
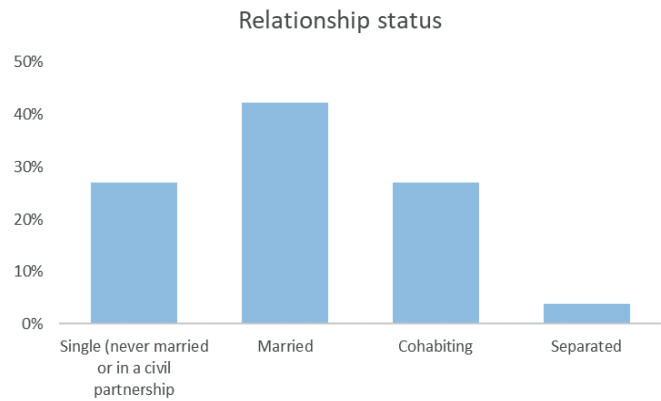
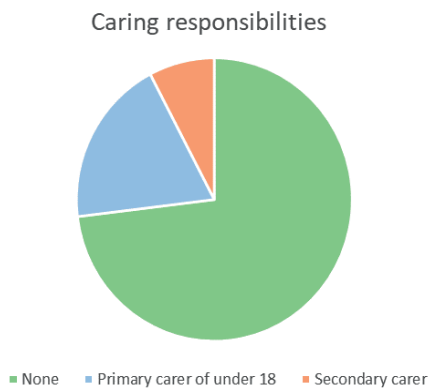
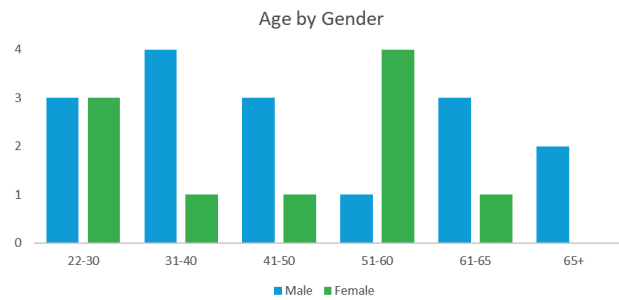
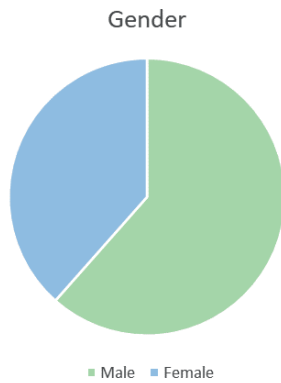
We initiate independent health and safety audits of our premises each month, which entail the inspection of the physical working environment and the review of the safety management systems in place. The intention of these audits is to ascertain the suitability of our current health and safety arrangements and to advise the health and safety group on any improvements that should be made.

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

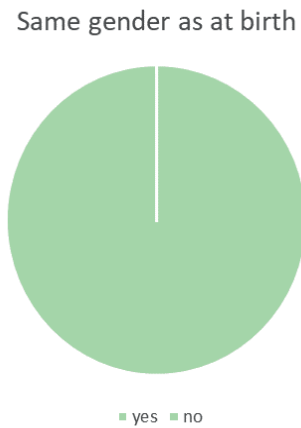
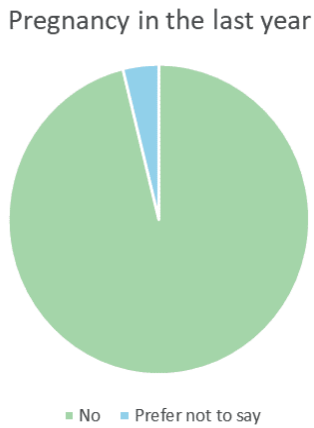
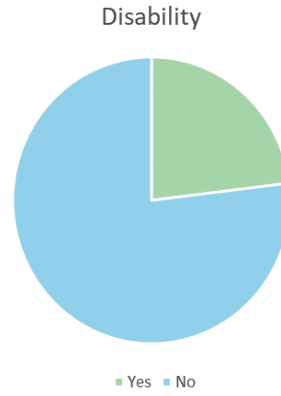
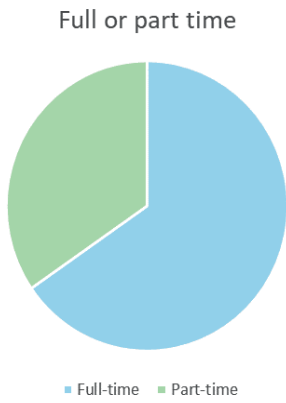
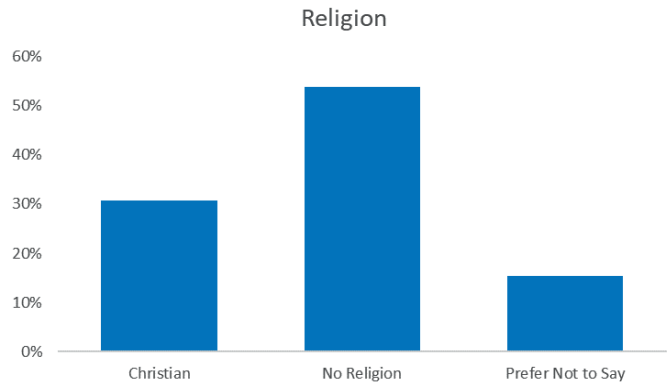
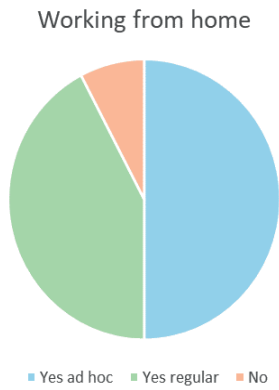
Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Commission has agreed early retirements, the additional 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 2019-20 with special payments and none for 2018-19.

## Diversity Information<sup>21</sup>



<sup>21</sup> A staff and Commissioner Survey gathered ethnicity, religion, sexual orientation, age and disability information. Of a total possible number of staff and Commissioners of 27, 100% responded.



<sup>22</sup> This information was gathered before the COVID-19 lockdown. At 31<sup>st</sup> March, all staff were working from home 100% of the time.

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

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 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 won't 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.

## Statement of Parliamentary Supply

### Summary Table, 2019-20, all figures presented in £000's

	SoPs Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total, 2018-19
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
<b>Departmental Expenditure Limit</b>										
- Resource	1.1	1,986		1,986	2,192		2,192	206	206	2,086
- Capital	1.2	23		23	50		50	27	27	5
<b>Total</b>		<b>2,009</b>		<b>2,009</b>	<b>2,242</b>		<b>2,242</b>	<b>233</b>	<b>233</b>	<b>2,091</b>
<b>Annually Managed Expenditure</b>										
- Resource	1.1	-		-	60		60	60	60	-
- Capital	1.2	-		-	-		-	-	-	-
<b>Total</b>		<b>-</b>		<b>-</b>	<b>60</b>		<b>60</b>	<b>60</b>	<b>60</b>	<b>-</b>
<b>Total Budget</b>										
- Total Resource		1,986		1,986	2,252		2,252	266	266	2,086
- Total Capital		23		23	50		50	27	27	5
<b>Total Budget Expenditure</b>		<b>2,009</b>		<b>2,009</b>	<b>2,302</b>		<b>2,302</b>	<b>293</b>	<b>293</b>	<b>2,091</b>
<b>Non-Budget Expenditure</b>										
		-		-	-		-	-	-	-
<b>Total Budget and Non Budget</b>		<b>2,009</b>	<b>-</b>	<b>2,009</b>	<b>2,302</b>	<b>-</b>	<b>2,302</b>	<b>293</b>	<b>293</b>	<b>2,091</b>

### Net cash requirement, 2019-20, all figures presented in £000's

Item	SoPs Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)	Prior Year Outturn Total, 2018-19
<b>Net Cash Requirement</b>	3	2,106	2,174	68	2,043

### Administration costs, 2019-20, all figures presented in £000's

Type of spend	SoPs Note	Outturn	Estimate	Outturn vs Estimate: saving/ (excess)	Prior Year Outturn Total, 2018-19
<b>Administration</b>	1.1	-	-	-	-
Although not a separate voted limit, any breach of the administration budget will also result in an excess vote					

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 revenue underspend of £206k is due to the effects on our program of the General Election, European Parliamentary elections, COVID-19 and staffing turnover. We have an Annually Managed Expenditure revenue budget provision of £60k which is reserved for unexpected legal expenditure.

## Notes to the Statement of Parliamentary Supply, 2019-2020 (£000's)

### SoPS1. Outturn detail, by Estimate line

#### SoPS 1.1 Analysis of net resource outturn by Estimate line

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2018-19
	Administration			Programme			Total	Total	Virements	Total inc. Virements		
	Gross	Income	Net	Gross	Income	Net						
<b>Spending in Departmental Expenditure Limit (DEL)</b>												
<b>Voted expenditure</b>												
A - Estimate line 1	-	-	-	1,986	-	1,986	1,986	2,192	-	2,192	206	2,086
<b>Total voted DEL</b>	-	-	-	<b>1,986</b>	-	<b>1,986</b>	<b>1,986</b>	<b>2,192</b>	-	<b>2,192</b>	<b>206</b>	<b>2,086</b>
<b>Non-voted expenditure</b>												
<b>Total non-voted DEL</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total spending in DEL</b>	-	-	-	<b>1,986</b>	-	<b>1,986</b>	<b>1,986</b>	<b>2,192</b>	-	<b>2,192</b>	<b>206</b>	<b>2,086</b>
<b>Spending in Annually Managed Expenditure (AME)</b>												
<b>Voted expenditure</b>												
A - Estimate line 1	-	-	-	-	-	-	-	60	-	60	60	-
<b>Total voted AME</b>	-	-	-	-	-	-	-	<b>60</b>	-	<b>60</b>	<b>60</b>	-
<b>Non-voted expenditure</b>												
<b>Total non-voted AME</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total spending in AME</b>	-	-	-	-	-	-	-	<b>60</b>	-	<b>60</b>	<b>60</b>	-
<b>Total Resource</b>	-	-	-	<b>1,986</b>	-	<b>1,986</b>	<b>1,986</b>	<b>2,252</b>	-	<b>2,252</b>	<b>266</b>	<b>2,086</b>

#### SoPS 1.2 Analysis of capital outturn by Estimate line

	OUTTURN				Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2018-19
	Gross	Income		Net Total	Total	Virements	Total inc. Virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>									
<b>Voted expenditure</b>									
A - Estimate line 1	23	-		23	50	-	50	27	5
<b>Total voted DEL</b>	<b>23</b>	-		<b>23</b>	<b>50</b>	-	<b>50</b>	<b>27</b>	<b>5</b>
<b>Non-Voted:</b>									
<b>Total non-voted DEL</b>	-	-		-	-	-	-	-	-
<b>Total spending in DEL</b>	<b>23</b>	-		<b>23</b>	<b>50</b>	-	<b>50</b>	<b>27</b>	<b>5</b>
<b>Total Capital</b>	<b>23</b>	-		<b>23</b>	<b>50</b>	-	<b>50</b>	<b>27</b>	<b>5</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

### SoPS2. 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>1,986</b>	<b>2,252</b>	<b>266</b>
<b>Total Capital outturn</b>	1.2	<b>23</b>	<b>50</b>	<b>27</b>
<i>Adjustments to remove non-cash items:</i>				
Depreciation		(37)	(53)	(16)
New provisions and adjustments to previous provisions		-	(60)	(60)
External audit fee		(16)	(15)	1
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		4	-	(4)
(Increase)/decrease in payables		146	-	(146)
<b>Total</b>		<b>97</b>	<b>(128)</b>	<b>(225)</b>
<b>Net cash requirement</b>		<b>2,106</b>	<b>2,174</b>	<b>68</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 does not charge for services and as such there are no fees and charges to report.

**Jolyon Jackson CBE      Chief Executive and Accounting Officer, 02/06/2020**

### 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 2020 under the *Local Democracy, Economic Development and Construction Act 2009*. The financial statements comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Commission's affairs as at 31 March 2020 and of the Commission's net operating cost for the year then ended: and
- the financial statements have been properly prepared in accordance with the *Local Democracy, Economic Development and Construction Act 2009* and HM Treasury directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2020 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 of opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) 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 2016. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit and 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**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you were:

- the Commission's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Commission have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Commission's ability to continue to adopt the going concern basis.

## **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 the preparation of the financial statements and for being satisfied that they give a true and fair view.

## **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*.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial

statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

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.

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

### **Other Information**

The Commissioners and the Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the *Local Democracy, Economic Development and Construction Act 2009*.
- 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 any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

**Date 04-06-2020**

## **Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London

### 3. Financial Statements

#### Statement of Comprehensive Net Expenditure Year Ended 31 March 2020

		2019-20	2018-19
	Note	£000	
<b>Programme Expenditure:</b>			
Staff costs	2	1,218	1,226
Other costs	2	768	860
<b>Net Operating Cost for the year</b>		<b>1,986</b>	<b>2,086</b>

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

*The notes on pages 77 to 86 form part of these accounts.*

## Statement of Financial Position at 31 March 2020

		31-03-2020	31-03-2019
	Note	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	3	50	61
Intangible assets	4	90	93
<b>Total non-current assets</b>		<b>140</b>	<b>154</b>
<b>Current assets:</b>			
Trade and other receivables	6	15	16
Other current assets	6	27	22
Cash and cash equivalents	7	66	77
<b>Total current assets</b>		<b>108</b>	<b>115</b>
<b>Total assets</b>		<b>248</b>	<b>269</b>
<b>Current Liabilities</b>			
Trade and other payables	8	(94)	(105)
Accruals and earned leave liability	8	(71)	(217)
<b>Total current liabilities</b>		<b>(165)</b>	<b>(322)</b>
<b>Total assets less current liabilities</b>		<b>83</b>	<b>(53)</b>
<b>Total assets less liabilities</b>		<b>83</b>	<b>(53)</b>
<b>Taxpayer's equity</b>			
General Fund		<b>83</b>	<b>(53)</b>
		<b>83</b>	<b>(53)</b>

The notes on pages 77 to 86 form part of these accounts.

Jolyon Jackson CBE

Chief Executive and Accounting Officer,  
02/06/2020

## Statement of Cash Flows for the year ended 31 March 2020

		2019-20	2018-19
	Note	£000	
<b>Cash flows from operating activities:</b>			
Net operating cost		(1,986)	(2,086)
Adjustment for non-cash transactions	2	53	56
(Increase)/decrease in trade and other receivables	6	(4)	29
(decrease)/increase in trade, other payables and other liabilities <i>less movements in payables not passing through the SoCNE</i>	8	(157)	(31)
		3	96
<b>Net cash outflow from operating activities</b>		<b>(2,091)</b>	<b>(1,936)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	3	-	(107)
Purchase of intangible fixed assets	4	(15)	-
<b>Net cash outflow from investing activities</b>		<b>(15)</b>	<b>(107)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		2,095	2,049
<b>Net financing</b>		<b>2,095</b>	<b>2,049</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund</b>		<b>(11)</b>	<b>6</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	8	<b>(11)</b>	<b>6</b>
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>77</b>	<b>71</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>66</b>	<b>77</b>

The notes on pages 77 to 86 form part of these accounts.

**Statement of Changes in Taxpayers' Equity**  
**Year ended 31-03-2020**

	Note	General Fund £000
<b>Balance at 31 March 2018</b>		<b>(25)</b>
Net Parliamentary Funding - deemed		71
Net Parliamentary Funding - drawn down		2,049
Supply (payable)/receivable adjustment	7	(77)
Comprehensive Net Expenditure for the year		(2,086)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	15
<b>Balance at 31 March 2019</b>		<b>(53)</b>
Net Parliamentary Funding - deemed		77
Net Parliamentary Funding - drawn down		2,095
Supply (payable)/receivable adjustment	8	(66)
Comprehensive Net Expenditure for the year		(1,986)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	16
<b>Balance at 31 March 2020</b>		<b>83</b>

*The notes on pages 77 to 86 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 Her Majesty’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 *2019-20 Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the 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 or 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.

One new standard has been issued but is not yet effective: IFRS 16 (Leases – with effect from 01/04/2021). 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 10.

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

**Right of Use Asset (at 01/04/2021) £454,422** (relates to value of lease payments at Net Present Value using a discount rate of 1.27% as advised by HM Treasury)

**Lease Liability (at 01/04/2021) £454,422** (relates to lease payments committed at Net Present Value using a discount rate of 1.27% as advised by HM Treasury)

Year	Lease Liability B/Fwd.	Interest	Amounts to pay	Lease Liability C/Fwd.
2021-22	£454,422	£5,771	£134,549	£325,644
2022-23	£325,644	£4,136	£134,549	£195,231
2023-24	£195,231	£2,479	£134,549	£63,161
2024-25	£63,161	£802	£63,963	-

**1.4 Property, plant & 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.

**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 depreciation. 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).

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

Intangible assets	Up to 3 years
Websites & developed software	Up to 6 years
Technology	Up to 3 years
Equipment	Up to 10 years
Software licences	Over the 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), known as alpha 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/)

**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 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 IFRS8.

**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 2020 shows taxpayer’s equity of £83k. 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 2020-21 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<sup>st</sup> March) or estimated values if not.

## 2 Expenditure

	2019-20	2018-19
	£000	
<b>Staff costs</b>		
Wages & salaries	826	844
Commissioners fees *	97	107
Social security costs	96	100
Other pension costs	199	175
	<b>1,218</b>	<b>1,226</b>
<b>Rentals under operating leases:</b>		
Buildings	133	143
	<b>133</b>	<b>143</b>
<b>Non-cash items:</b>		
Depreciation and amortisation		
- Other non-current assets	37	41
Auditor's remuneration	16	15
	<b>53</b>	<b>56</b>
<b>Other expenditure:</b>		
Printing and mapping	85	134
Business costs & contracts for services	304	336
Stakeholder engagement	81	88
Legal and professional fees	19	34
Travel, subsistence and hospitality	37	35
Other staff costs	36	21
Internal audit	12	11
Statistical costs	7	1
Bank charges	1	1
	<b>582</b>	<b>661</b>
	<b>1,986</b>	<b>2,086</b>

\* Commissioners' fees reported in the Remuneration Report are based both on actual claims in respect of 2019-20 and a year-end accrual in respect of claims not yet submitted. As a result, the fees reported above vary slightly from the Remuneration Report figure as they reflect the difference between the accrual and the actual claims made, resulting in a £3.6k difference in 2019-20.

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

	2019-20	2018-19
	£000	
Total non-cash transactions as above	53	56
Non-cash items per reconciliation of resources to net cash requirement	53	56

### 3 Property, plant & equipment

		Property, plant & equipment	Total
		£000	
<b>Cost or valuation</b>			
	<b>At 1 April 2019</b>	103	103
	Additions	-	-
	Disposals (write down)	(10)	(10)
	<b>At 31 March 2020</b>	93	93
<b>Depreciation</b>			
	<b>At 1 April 2019</b>	42	42
	Charged in year	11	11
	Disposals (write down)	(10)	(10)
	<b>At 31 March 2020</b>	43	43
<b>Net Book Value at</b>	<b>31 March 2020</b>	50	50
<b>Net Book Value at</b>	<b>31 March 2019</b>	61	61
<b>Cost or valuation</b>			
	<b>At 1 April 2018</b>	98	98
	<b>Additions</b>	46	46
	Disposals (write down)	(41)	(41)
	<b>At 31 March 2019</b>	103	103
<b>Depreciation</b>			
	<b>At 1 April 2018</b>	31	31
	Charged in year	11	11
	<b>At 31 March 2019</b>	42	42
<b>Net Book Value at</b>	<b>31 March 2019</b>	61	61
<b>Net Book Value at</b>	<b>31 March 2018</b>	67	67
		Property, plant & equipment	Total
		£000	
<b>Asset Financing</b>			
<b>2019 Owned</b>		50	50
<b>Net Book Value at</b>	<b>31 March 2020</b>	50	50
<b>2018 Owned</b>		61	61
<b>Net Book Value at</b>	<b>31 March 2019</b>	61	61

At the 31st March 2020 there were fully depreciated assets of £22k included in both the total cost or valuation amounts and the total depreciation amounts. These assets were still in use at the year end.

## 4 Intangible assets

	Websites & software	Total
	£000	
<b>Cost or valuation</b>		
At 1 April 2019	305	305
Additions	23	23
Disposals (write down)	(21)	(21)
<b>At 31 March 2020</b>	<b>307</b>	<b>307</b>
<b>Amortisation</b>		
At 1 April 2019	212	212
Charged in year	26	26
Disposals (write down)	(21)	(21)
<b>At 31 March 2020</b>	<b>217</b>	<b>217</b>
<b>Net Book Value at 31 March 2020</b>	<b>90</b>	<b>90</b>
<b>Net Book Value at 31 March 2019</b>	<b>93</b>	<b>93</b>
<b>Cost or valuation</b>		
At 1 April 2018	305	305
At 31 March 2019	305	305
<b>Amortisation</b>		
At 1 April 2018	182	182
Charged in year	30	30
At 31 March 2019	212	212
<b>Net Book Value at 31 March 2019</b>	<b>93</b>	<b>93</b>
<b>Net Book Value at 31 March 2018</b>	<b>123</b>	<b>123</b>
<p>At the 31st March 2020 there were fully amortised assets of £161k included in both the total cost or valuation amounts and the total amortisation amounts. These assets were still in use at the year end.</p>		

## 5 Financial Instruments

All cash requirements are met through the Estimates process, 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 and other receivables

	31-03-2020	31-03-2019
	£000	
<b>Amounts falling due within one year:</b>		
Other receivables	15	16
Prepayments and accrued income	27	22
<b>Total receivables</b>	<b>42</b>	<b>38</b>

## 7 Cash and cash equivalents

	2019-20	2018-19
	£000	
Balance at 1 April	77	71
Net change in cash and cash equivalent balances	(11)	6
<b>Balance at 31 March</b>	<b>66</b>	<b>77</b>
The following balances at 31 March were held at:		
Government Banking Service accounts:	66	77
<b>Balance at 31 March</b>	<b>66</b>	<b>77</b>

## 8 Trade payables and other current liabilities

	31-03-2020	31-03-2019
	£000	
<b>Amounts falling due within one year:</b>		
Trade payables	28	28
Accruals and deferred income	45	190
Short-term staff benefits (earned leave liability)	26	27
Amounts issued from the Consolidated Fund for supply but not spent at year end	66	77
<b>Total payables</b>	<b>165</b>	<b>322</b>



## 9. Capital and contractual commitments

We have entered non-cancellable contracts (which are not leases or PFI and other service concession arrangements) for IT services, website support and maintenance, training and internal audit services. We are committed to payments of £5,872 (2018-19 £0) in respect of capital commitments and £76,276 (2018-19 £15,249) in respect of contractual commitments. All payments are due in 2020-21.

**10. Commitments under operating leases** – Total future minimum lease payments under operating leases are set out below.

	2019-20	2018-19
	£000	
<b>Buildings</b>		
Not later than one year	134	135
Later than one year and not later than five years	465	541
Later than five years	-	64
<b>Total non-current assets</b>	<b>599</b>	<b>740</b>

**11. 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 and the Chief Executive attend the Speaker's Committee once or twice a year in order to answer any questions Committee members might have on the Commission's Corporate Plan and Annual Report.

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

**12. Contingent liabilities** – Prior to transferring Windsor House to GPA, the Cabinet Office held a provision for dilapidations in respect of Windsor House. GPA and the various occupiers, including the Commission, have since made a significant level of improvements to the property and therefore, the likelihood of a dilapidations liability arising is deemed possible but not likely, resulting in a contingent liability. We are unable to estimate the potential cost to the Commission, which may arise in September 2024 at the end of the Commission’s tenancy of Windsor House.

**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 2020 which are not disclosed.

We do not consider ourselves to be an organisation which will be adversely financially affected by COVID-19 and are considering ways to engage with local authorities once some semblance of normality is achieved.

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