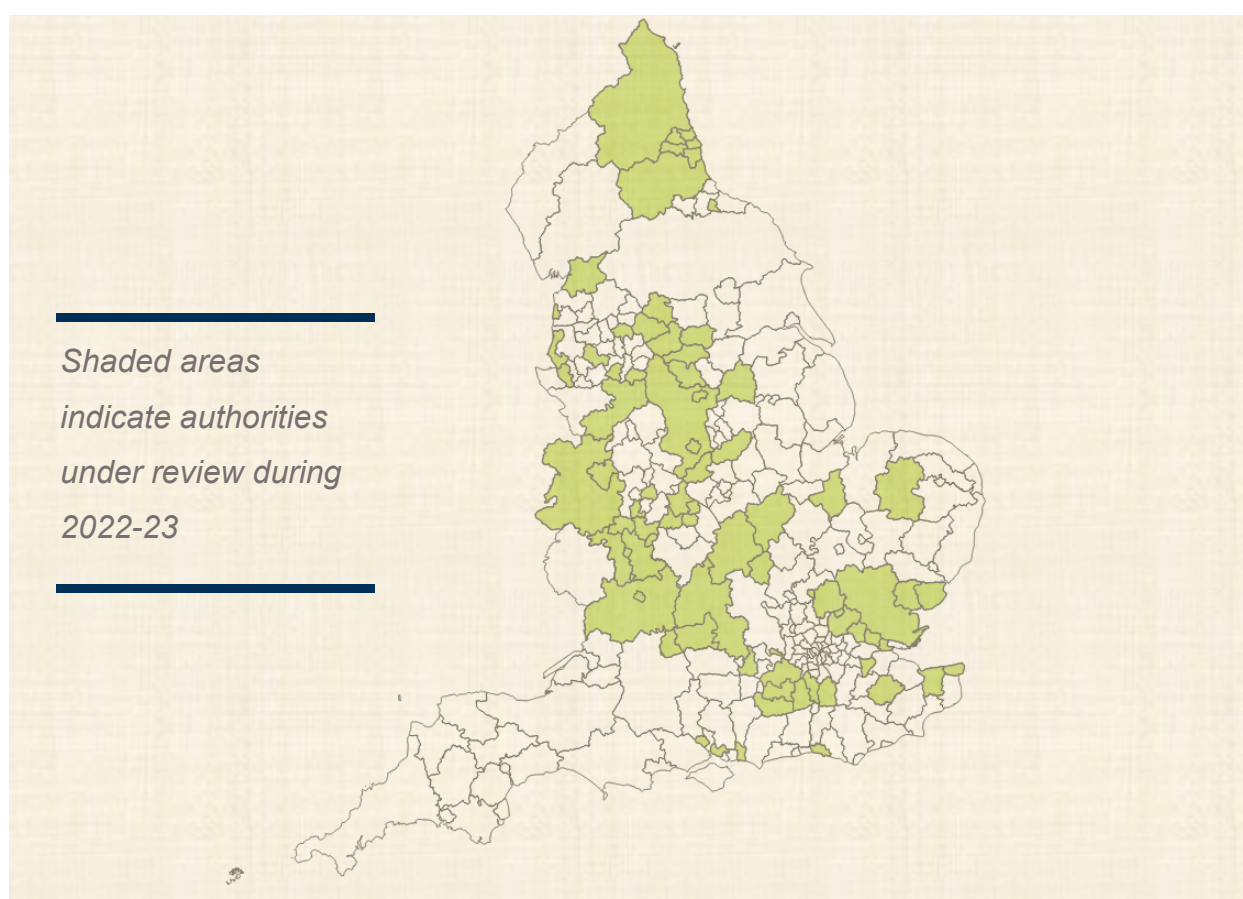


The  
Local Government  
Boundary Commission  
for England

## Annual Report & Accounts 2022-23



HC 1368



## **Annual Report & Accounts 2022-23**

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

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# 1. Performance Report

## 1.1 Overview

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

### 1.1.1 Chair's Introduction

I am pleased to present the Commission's Annual Report & Accounts for 2022-23 - a year in which we have firmly moved into a post-pandemic style of operation. Not only have we brought to successful completion those reviews where we had flexed schedules to allow local authorities to focus on their public health responsibilities, we have continued to enhance the ways that we engage with local communities when undertaking reviews. Also, we have taken the opportunity to learn from the pandemic, by incorporating on a permanent basis many of the innovative virtual and digital approaches that had enabled us to continue our business during the preceding two years.

We have now caught up with our pre-pandemic planned review programme by publishing a total of 31 electoral reviews during the year. This means that we are able to return to a steady state five-year rolling programme which will enable us to continue to fulfil our duty to recommend fair electoral and boundary arrangements for local authorities in England.

At any one time, we have around 50 reviews in progress, each of which will take around 15 months to complete. I am pleased to report that all reviews due to be completed during the year were delivered in time for implementation at the election date agreed at the start of the process.

Our commitment is to 'deliver reviews informed by local needs, views, and circumstances.' As we emphasise in our preliminary meetings with council leaders, we want to do reviews 'with' and not 'to' local councils and residents. The most successful reviews are clearly those where both local authorities and local communities engage actively, and early, with the process.

We continued our business improvement activities, including delivery of cost-saving cloud-based IT infrastructure and telephony, and use of our first annual customer

insight report to guide improvement activity. Towards the end of the financial year, we launched a new website that is intended to make it easier for local people and groups to provide us with the local insight and views that are essential to our work.

When undertaking our reviews, we encourage local authorities themselves to take the opportunity to consider their own future governance needs, including the most appropriate number of councillors. This involves reflecting on how the authority perceives the role of elected members in terms of providing strategic leadership, ensuring accountability, and securing effective community leadership. It is encouraging that many authorities do regard an electoral review as the opportunity to take a systematic look at their existing structures and governance. Whilst the Commission's own remit focuses on electoral and boundary arrangements, it is pleasing that wider benefits frequently flow from our electoral reviews. To this end, during the year, we commissioned the Centre for Governance and Scrutiny to work with us on how we might assist local authorities to make best use of an electoral review for their own purposes.

In all our reviews, we are keen to hear from those with direct local knowledge. This ensures that reviews are well informed, evidenced, and robust. We encourage views from residents and local organisations as well as from councils themselves. We make extensive use of social media and other channels to reach local people. Our website was visited 256,480 times during the year, and we received 5,850 submissions in which people and organisations gave us their views.

The influence of submissions derives from the strength, evidence and persuasiveness of the arguments being presented rather than who, or which organisation, presented them. All submissions, irrespective of their source, receive equal consideration. We use them to inform our proposals and, subsequently, to refine them. We are genuinely pleased to move away from our initial proposals when presented with new, and compelling, evidence.

Sometimes changes may result from views expressed by the local council or political parties on the council; they are equally likely to be in response to well-argued views put to us by community groups and individuals. For example, in our review of Maidstone we changed our proposals for Shepway ward following views provided by a local resident. They argued persuasively that the presence of a significant road

boundary made it more sensible to include Mote Park in Shepway than a neighbouring ward. We could not conduct our work properly without this kind of detailed local insight and we are grateful to the thousands of people each year who take part in our consultations.

As an independent body, accountable to Parliament through the Speaker's Committee, we are indebted to the Speaker of the House of Commons, the Rt Hon Sir Lindsay Hoyle MP, and to all members of the Committee for their advice and guidance. We are especially grateful to Cat Smith MP who represents the Committee in the Commons, and to Lord Harris of Haringey and Earl Cathcart who perform a similar role in the Lords.

In December, our Commissioner Peter Maddison stepped down after six years of service to the Commission. I extend my thanks to him. We also welcomed Liz Treacy as a new Commissioner in March this year and we look forward to working with her.

We have an ambitious programme of reviews and further business improvements planned for 2023-24 and I look forward to working with my fellow Commissioners, our staff team and, perhaps above all, with local authority colleagues and residents over the coming year to ensure that we deliver the role to which we are entrusted.

**Professor Colin Mellors OBE**

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



## 1.1.2 Purpose, Activities and Risks

### **Who we are**

We are an independent body accountable to Parliament

### **What we do**

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

### **We aim to**

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

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

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

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

We believe an inclusive culture enriches all we do.

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

## *Our activities*

We undertake the following forms of electoral review:

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

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

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

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

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

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

## *Risk and our risk appetite*

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

We are all responsible for having regular risk conversations that:

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

---

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

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

### Risk Appetite Scale

AVOID	CONTROL	ENGAGE	SEEK
LITTLE TO NONE	LOW	MEDIUM	HIGH
Avoidance of risk and uncertainty is a key objective.	Prefer safe options with low risk and potentially limited reward.	Consider all options and chose most likely to result in successful delivery that provide acceptable levels of reward and Value for Money.	Eager to be innovative and invest in best possible returns accepting the consequent possibility of failure.



#### Health & Safety

We avoid any activities that would put the physical or mental health of our staff at risk. Similarly, we avoid all activities that would result in serious damage to property and equipment.



#### Reputational Damage

The resource effort we expend to ensures that our operational practices and guidance instil clarity and confidence in what is inevitably a complicated process requiring careful analysis and judgement.



#### Finance

We take a proportionate view whilst ensuring all requirements are met as effectively as possible.





### Resilience

- We control risks that would have an adverse impact on staff levels, for example, we would avoid a situation where we are left with only one Review Manager.
- We engage with risk on an operational level as we maintain some capacity in the review programme to accommodate additional requests for Electoral Reviews.



### Service Quality / Business Objectives

- We control risks that would otherwise negatively impact relationships with local authority counterparts where positive engagement on electoral reviews is essential to the process.
- We control risks on external contracts and business systems where value for money and partnering with organisations with proven track records are important drivers in making decisions.
- We engage with risk when faced with a sudden change in demand of our resources by making agile and flexible business decisions.



### Legal / Regulatory

- We do not hold significant amounts of sensitive data. Our existing information security systems are proportionate to the information we do hold.
- We maintain very detailed policies and procedures and we have access to robust legal representation.
- Our Emergency Delegation Framework mitigates the risk of the Commission being unable to make decisions if Commissioner numbers fall below required quorate number.
- We have an active Equalities, Diversity & Inclusion (EDI) working group, and we have due regard to our public sector equality duty.



The top three highest rated risks are based on their current risk scores and risk appetite ratings:

Risk Category	Resilience		
Specific Risk	2B Failure to have a resilient workforce		
Strategic Objective Link	SO3: Keep our organisation fit for purpose		
Risk Appetite	<b>Control</b>		
Current Risk Score	<b>Likely</b>	<b>Major</b>	<b>9</b>
Trend	Rising		
Risk Impacts	<ul style="list-style-type: none"> <li>• Review Programme slips.</li> <li>• Staff absences.</li> <li>• Diminished productivity.</li> <li>• High stress / low morale.</li> </ul>		
Notable Assurances	<ul style="list-style-type: none"> <li>• HR Policies.</li> <li>• Training Programme.</li> <li>• SharePoint (flexible and remote working).</li> <li>• Active sickness management.</li> <li>• Mental Health &amp; Wellbeing Strategy</li> </ul>		
Commentary	<p>We have substantial experience in managing the risk impacts that staff absences and staff turnover have on our ability to deliver our review programme. We have processes in place to ensure electoral reviews continue during times of high staff turnover and take a proactive approach to monitor the health and wellbeing of staff during demanding periods. We have developed a strategy for hybrid working which ensures staff continue to receive the support they need to achieve our internal and service objectives.</p>		

Overarching Risk	Resilience		
Specific Risk	2A Operational Resilience		
Strategic Objective Link	SO1: Deliver fair electoral arrangements. SO2: High quality reviews which consult and engage with people and communities		
Risk Appetite	<b>Control</b>		
Current Risk Score	<b>Likely</b>	<b>Major</b>	<b>9</b>
Trend	Stable		
Risk Impacts	<ul style="list-style-type: none"> <li>Local authorities request delays to their electoral reviews placing pressure on the Commission to deliver its review programme.</li> <li>Review Programme slips.</li> <li>Staff availability during busy periods due to higher than usual annual leave entitlement.</li> <li>Diminished productivity.</li> <li>High stress / low morale.</li> </ul>		
Notable Assurances	<ul style="list-style-type: none"> <li>Monthly Operational Report to Commission Board (which reports on the need for urgent decisions in redirecting resources).</li> <li>Regular review and update of the Review Programme timetable.</li> <li>Staffing levels proportionate to current work demands.</li> </ul>		
Commentary	<p>This risk now has a permanent place on the risk register following the Risk Management Groups decision to reframe 'Review Programme Resilience' as an overall operational resilience risk. Whilst mitigating the risks that impact on the delivery of the Review Programme remains a priority, the reframing of this risk will enable the group to consider mitigations for all areas of the Commission's business.</p>		

Overarching Risk	Health & Safety		
Specific Risk	6A Fatality, injury, or serious damage		
Strategic Objective Link	SO3: Keep our organisation fit for purpose		
Risk Appetite	<b>Avoid</b>		
Current Risk Score	<b>Possible</b>	<b>Catastrophic</b>	<b>8</b>
Trend	Stable		
Risk Impacts	<ul style="list-style-type: none"> <li>• Fatality / serious injury.</li> <li>• Unsafe office and home working conditions.</li> <li>• Increased staff sickness.</li> <li>• Poor staff mental health &amp; wellbeing.</li> </ul>		
Notable Assurances	<ul style="list-style-type: none"> <li>• Health &amp; Safety Policies.</li> <li>• Workstation Assessments.</li> <li>• Office Reoccupation Programme.</li> <li>• Working from Home Programme.</li> <li>• Mental Health &amp; Wellbeing Strategy</li> </ul>		
Commentary	<p>The Commission developed rigorous policies to facilitate the safe return of office working and to support our new hybrid model of working. New areas of the intranet have been redesigned to support staff in the workplace. These include Office Working, Working at Home, and a Health &amp; Wellbeing Portal. Recent changes to our H&amp;S arrangements include a new H&amp;S Teams chat for colleagues to raise H&amp;S issues and awareness, the decision to make the office a 'nut free zone', further guidance and consideration on travelling for work and self-assessment training so that all staff can act as fire wardens in an emergency evacuation situation.</p>		

### 1.1.3 Commissioners and Independent Member

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



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

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

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

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





**Deputy Chair  
Andrew Scallan CBE**

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

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



**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 a number of 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 Chair for the Civil Nuclear Policy 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 Northeast in 2000.

*Appointed February 2018. Current term expires February 2026.*



**Peter Maddison QPM**  
**Commissioner (left during the year)**

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

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

*Appointed January 2016. Reappointed November 2019.*

*Left the Commission on 31 December 2022.*



**Amanda Nobbs OBE**  
**Commissioner**

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

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

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



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

A 40-year career in local government and housing associations saw Steve act as Chief Executive for both Stoke-on-Trent City Council and the newly formed unitary Cheshire West & Chester Council. He was appointed to oversee the improvement of Birmingham City Council as part of the Birmingham Independent Improvement Panel.

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



**Liz Treacy**  
**Commissioner**

Liz has spent most of her career as a solicitor in several Greater Manchester authorities. Her focus in those roles was public law, adult social care, employment and education law. In an innovative move she became responsible for the legal and democratic services across Salford City Council, Manchester City Council and the Greater Manchester Combined Authority. Liz has also been a deputy returning officer for Greater Manchester Mayoral and Manchester City Council elections.

*Appointed March 2023. Current term expires March 2027*



**David Horne**  
**Independent Member, Audit & Risk Committee**

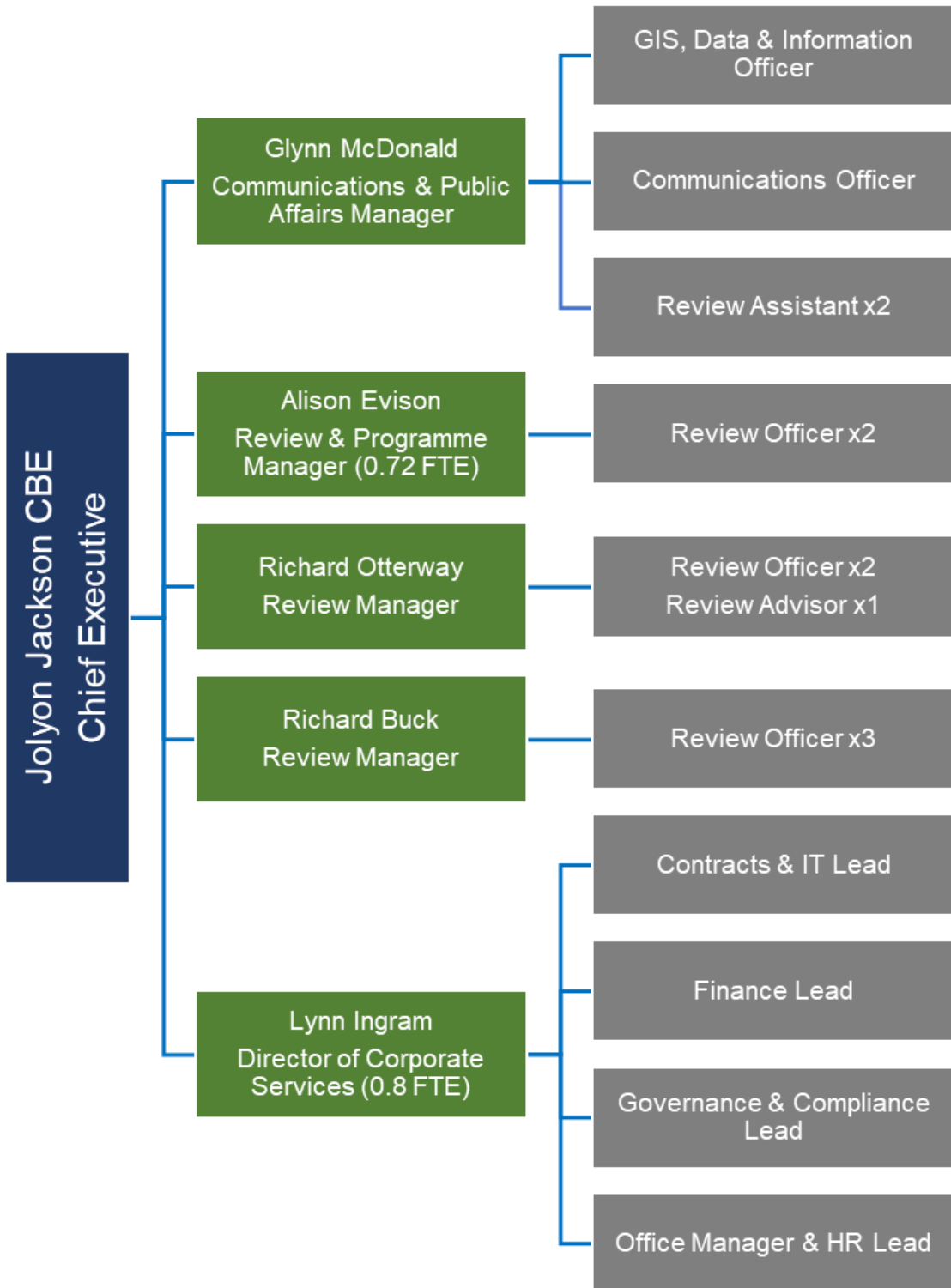
David is a chartered public finance accountant and has worked in central government, local government, and policing.

An independent member of audit and risk committees in the public and voluntary sectors, David has also been an Associate Inspector of Constabulary and Fire & Rescue Services.

*Appointed August 2022. Current term expires September 2025.*

### 1.1.4 Organisational Structure (on 31 March 2023)

Our organisational structure to support the Commission Board in its work is set out below.



### 1.1.5 Performance Summary

The year 2022-23 saw us addressing the legacy effects to our work programme resulting from the pandemic and returning to a steadier state in our work. We have retained some of the positive features from our pandemic work practices, including making more extensive use of technology in our day-to-day operations and deploying a wider and more proactive range of techniques and materials to engage with local areas and people.

Our review programme has remained full, and we continue our objective of delivering fair electoral and boundary arrangements for local authorities across England. In line with our statutory duty to review all local authorities from 'time to time', all authorities that have not been reviewed for over 14 years are now included in our five-year forward programme.

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

We have recently delivered, or are currently working on, a number of county reviews such as Essex and Surrey. We also began what will be a focus on the North East with reviews of authorities such as County Durham and North Tyneside.

We have, of course, kept ourselves briefed concerning the new authorities in Somerset, Westmorland & Furness, Cumberland and North Yorkshire. We offered advice about the interim arrangements that allowed the new authorities to come into line with the Government's timetable and will now conduct full electoral reviews in time for their next elections in 2027.

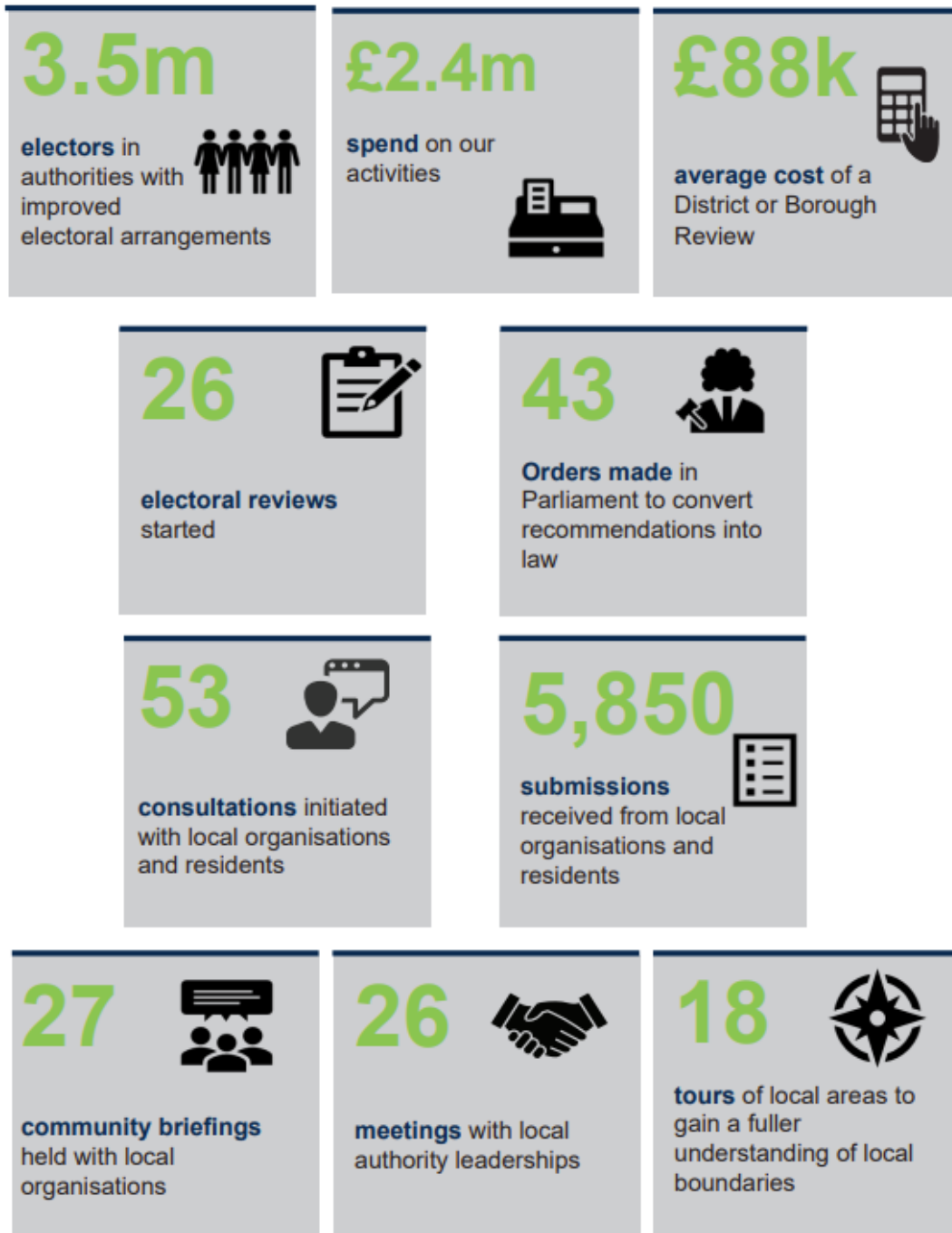
Although we are separate organisations, with different statutory frameworks, we maintain good links with our counterparts in Scotland, Wales and Northern Ireland, as well as with the parliamentary Boundary Commissions and share experience and good practice with them. This is done both informally by liaison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

Towards the end of this period, we have been discussing how we might assist the parliamentary Boundary Commission for England, especially during their fallow

periods between constituency reviews, to help them rebuild their knowledge, processes and capacity when preparing for subsequent periodic reviews. It is intended that this will be set out in a joint Memorandum of Understanding that we hope to present around the time of their completion of their current constituency reviews in Summer 2023.

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## Our year in numbers



## What else we delivered in 2022-23:

### External Engagement

<b>Review Programme</b>	<ul style="list-style-type: none"> <li>✓ All completed reviews were delivered in time for implementation at the election date agreed at the start of the process.</li> </ul>
<b>A new website.</b>	<p>Improved user experience through:</p> <ul style="list-style-type: none"> <li>✓ More attractive design, using features familiar from day-to-day life such as an interactive map showing current reviews.</li> <li>✓ Clearer access to the materials we provide through the whole review process.</li> <li>✓ Making information available in different media with clear signposting allowing people to tailor what they are viewing to the level of detail they require.</li> </ul>
<b>Satisfaction</b>	<ul style="list-style-type: none"> <li>✓ 77% of those who expressed a definite opinion about their experience of dealing with us are 'highly' or 'quite satisfied'.</li> </ul>
<b>New improved mapping software</b>	<ul style="list-style-type: none"> <li>✓ Geographic Information System. We trialled new software: ESRI's Boundary Editor. It has superior capability and will (we believe) transform our work. We began using it in March 2023.</li> </ul>

### Processes and efficiency

<b>Business improvement activities</b>	<ul style="list-style-type: none"> <li>✓ Delivery of cost-saving cloud-based IT infrastructure and telephony.</li> <li>✓ Use of our first annual customer insight report to guide improvement activity.</li> </ul>
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<p><b>Future working</b></p>	<ul style="list-style-type: none"> <li>✓ We have begun to consider options for the relocation of our office accommodation when our current lease at Windsor House expires in 2024-25.</li> <li>✓ In preparation for this move we have continued work which allows us to be a 'plug-in and go' organisation, moving away from a physical phone system to one which is Teams based.</li> </ul>
<p><b>Staff retention</b></p>	<ul style="list-style-type: none"> <li>✓ After reviewing our benefits schemes, we implemented a new rewards and recognition framework that rewards exceptional performance.</li> </ul>
<p><b>Assurance Framework</b></p>	<ul style="list-style-type: none"> <li>✓ We implemented a new framework to continuously assess our governance assurances to ensure they remain fit for purpose.</li> </ul>
<p><b>Review Programme software</b></p>	<ul style="list-style-type: none"> <li>✓ We commissioned consultancy support to help us with the in-house development of a bespoke programme to meet our specific needs. Training has taken place and we are now developing the tool.</li> </ul>

*Equalities, Diversities & Inclusion (EDI)*

As well as the Business Plan achievements highlighted above, our work on EDI has continued strongly throughout the year. Our achievements in this area are outlined below.

We believe an inclusive culture enriches all we do.

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



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

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

<b>During 2022-23 we:</b>
✓ Achieved the Disability Confident scheme in recruitment.
✓ Continued our Annual Training for staff and Commissioners on EDI
✓ Completed our third Employers Network for Equality & Inclusion (ENEI) organisational assessment increasing our score from 72% to 80%.
✓ Began to reconsider the equalities impacts of our review work beside our public sector equality duty.
✓ Implemented our new website and associated accessibility improvements.
<b>Our EDI plans for 2023-24 are:</b>
To continue to monitor our risk in this area and address any areas of concern.
To focus on our organisational assessment and take actions (balanced against the Commission's priorities) to improve in the areas we scored the lowest and maintain in the areas where we have reached the embed/sustain level.
To plan an equalities training day for all staff and commissioners.
To continue looking for ways to carry out our public sector equality duty.
As part of our customer journey work, we will continue to take forward actions to increase engagement with those affected by the digital divide
To continue to consider the equalities impacts of our review work beside our public sector equality duty.
To study sensitive data and how we use and store records within the Commission.

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

**We continued to develop our ways of working digitally.**

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

*Local engagement*

**Engagement is key to successful and durable electoral arrangements.**

- ✓ We engage extensively with local authorities. This includes initial discussions with senior officers and members; practical interactive workshops with officers on the details of the review process; briefing for full councils; and consideration of submissions from whole councils, political groups and individual councillors.
- ✓ We engage extensively with local people, communities and organisations through both digital and non-digital methods. We hold parish and community briefings; publicise consultations widely through direct communication with stakeholder groups, traditional and social media and through councils' communication channels; produce a range of materials to explain the review process and individual reviews; and carefully consider all submissions made.

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

Debates in the House of Commons on appointment, reappointment or removal of our Chair may only take place with permission of the Speaker.

The Speaker's Committee on the Electoral Commission carries out an annual scrutiny of our budget, business plan and performance, which includes a

public hearing. It also considers the periodic value-for-money report produced by the National Audit Office.

Cat Smith MP is the Committee's spokesperson in the House of Commons and answers questions from MPs relating to our activities. We have held briefing meetings with her this year.

In 2022-23 the Committee considered and approved our budget and corporate business plan.

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

Once the Commission has agreed recommendations for changes to the electoral arrangements of an authority they are laid in Parliament. If objections are raised the recommendations are debated in the Chamber in which they were raised. They cannot be altered, only accepted in full or referred back to the Commission. If objections are not raised the changes are signed into law by the Chief Executive of the Commission.

There were no objections in either the House of Commons or the House of Lords to our recommendations.

**Jolyon Jackson CBE - Chief Executive and Accounting Officer**

## 1.2 Performance Analysis

### 1.2.1 Performance Review

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

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

An important consideration for the Commission is the level of electoral equality that exists in English local government. Currently, the Commission considers that where more than 30% of wards or divisions within a local authority have variances of +/- 10% of the norm for that authority, or a single ward or division has a variance of greater than +/- 30%, then this represents a poor level of electoral equality.<sup>2</sup>

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

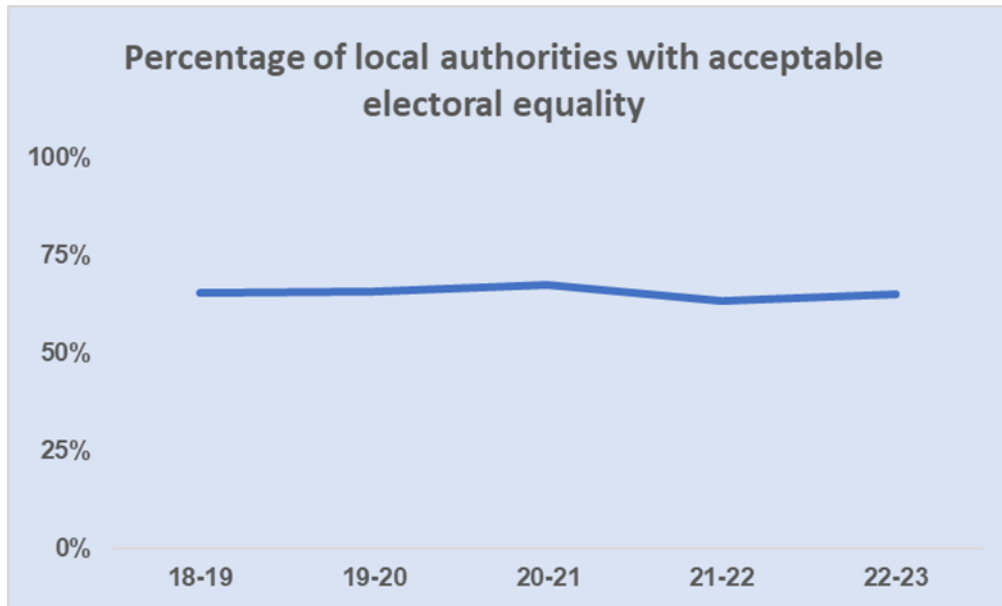
The graphs below indicate the most recent levels of electoral equality amongst English local authorities. Graph 1 shows the proportion of **local authorities** with acceptable<sup>3</sup> electoral equality and Graph 2 shows the proportion of **electors** with acceptable electoral equality. The first graph is affected by the number of local authorities that have been reviewed and the second by the size of those authorities in terms of their electorates. Data for both are gathered when electorates are published annually by the Office for National Statistics and, therefore, the graphs only change each year.

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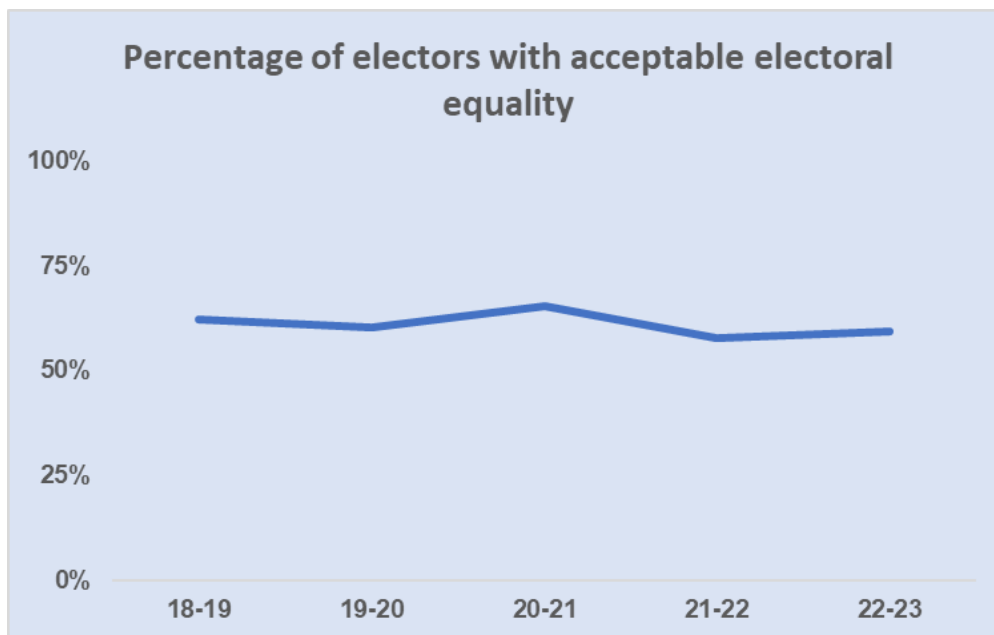
<sup>2</sup> We use these metrics as the basis of our intervention criteria.

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

Graph 1



Graph 2



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

## *Key Performance Indicators (KPIs)*

*The 2022-23 KPI outcomes are shown below with an overall commentary.*

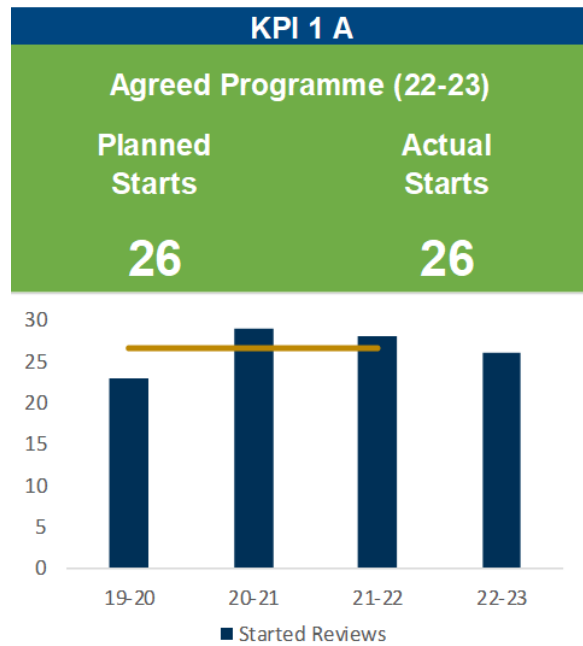
### **KPI 1 Reviews**

These measure the delivery of electoral reviews against the numbers approved in our Corporate Plan. We set stretching targets and there is always a challenge in achieving these targets within our own available resources and against the other responsibilities of the local authorities being reviewed. We are dependent on active engagement with authorities and work hard to develop constructive partnerships with those concerned.

We regret that two mistakes were made during the preparation of the Order implementing the recommendations of the Stockton-on-Tees electoral review, both concerning associated town council arrangements. The first unintentionally allocated an additional councillor to Thornaby Town Council which the council has agreed to accept. The second, and more serious, has the effect of reducing from 12 to six the number of councillors on Ingleby Barwick Town Council and which was too late to correct in time for the May 2023 elections. On discovering the errors, apologies and explanations of what happened were immediately given to both councils, and to the local communities affected, and the Commission will work closely with Ingleby Barwick Town Council, and with the Borough Council, to rectify the latter error as soon as possible after this year's elections. Officers are urgently reviewing their processes in order to prevent any recurrence of this serious mistake.

## KPI 1A Agreed Programme

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

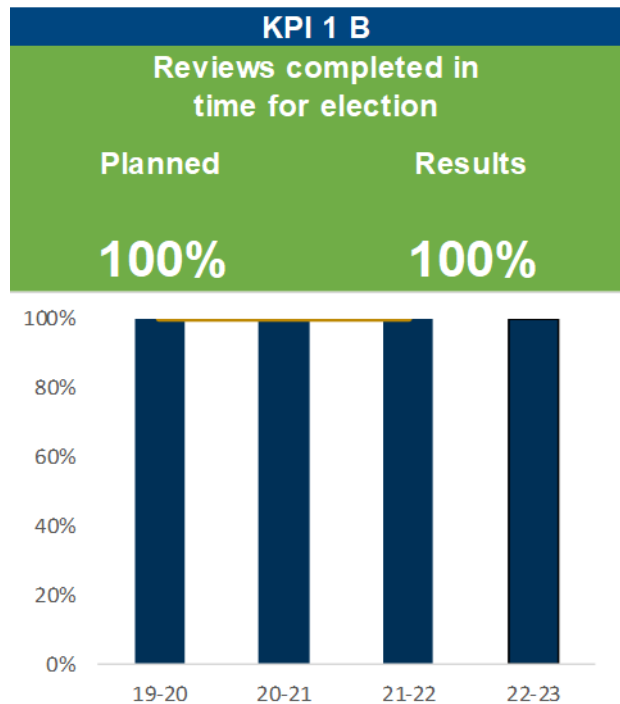


### Comment

In 2022-23, the Commission started 26 reviews, as planned.

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

This shows the percentage of Orders made in 2022-23 that were completed in time for the election agreed at the start of each review.



## KPI 2A Stakeholder satisfaction

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

The results prior to 2021-22 used a slightly different methodology so that the earlier results are estimated<sup>4</sup> and might not, therefore, provide a precise comparison.



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

### Reviews started before 31 March 2022 and continuing during 2022-23

Blaby	Guildford	Slough
Blackpool	Havant	Southampton
Brighton and Hove	Lancaster	Stevenage
Chesterfield	Liverpool	Stockport
Derby	Maidstone	Telford and Wrekin
East Hertfordshire	Malvern Hills	Trafford
Fareham	Mole Valley	Wigan
Fenland	Redditch	Wychavon
Gravesham	Rushcliffe	

<sup>4</sup> estimated figures for previous years shown are hatched.



### Reviews started in 2022-23<sup>5</sup> (\* both started and finished in 2022-23)

Basildon*	Gateshead	Shropshire
Brentwood*	Gloucestershire	Staffordshire
Castle Point*	Harlow	Surrey
Cheltenham	North Northamptonshire	Tandridge
County Durham	North Tyneside	West Northamptonshire
Derbyshire	Northumberland	Wokingham
Dudley	Nuneaton and Bedworth	Worcestershire
Epping Forest*	Oxfordshire	
Essex	Rossendale	

### Reviews completed in 2022-23<sup>6</sup> (\* both started and finished in 2022-23)

Barnsley/ Sheffield	Fareham	Rushcliffe
Basildon*	Fenland	Slough
Blaby	Gravesham	Southampton
Blackpool	Guildford	Stevenage
Brentwood*	Havant	Stockport
Brighton and Hove	Lancaster	Telford and Wrekin
Castle Point*	Liverpool	Trafford
Chesterfield	Maidstone	Wigan
Derby	Malvern Hills	Wychavon
East Hertfordshire	Mole Valley	
Epping Forest*	Redditch	

### Preliminary activity<sup>7</sup> undertaken with local authorities for reviews due to start in 2023-24

Barnsley	Coventry	South Tyneside
Bassetlaw	Kirklees	Sunderland
Bradford	Middlesbrough	Swindon
Breckland	Milton Keynes	Thanet
Bromsgrove	Newcastle upon Tyne	Vale of White Horse
Calderdale	North Warwickshire	Wakefield
Canterbury	North West Leicestershire	Walsall
Cheshire East	Sefton	
Colchester	Solihull	

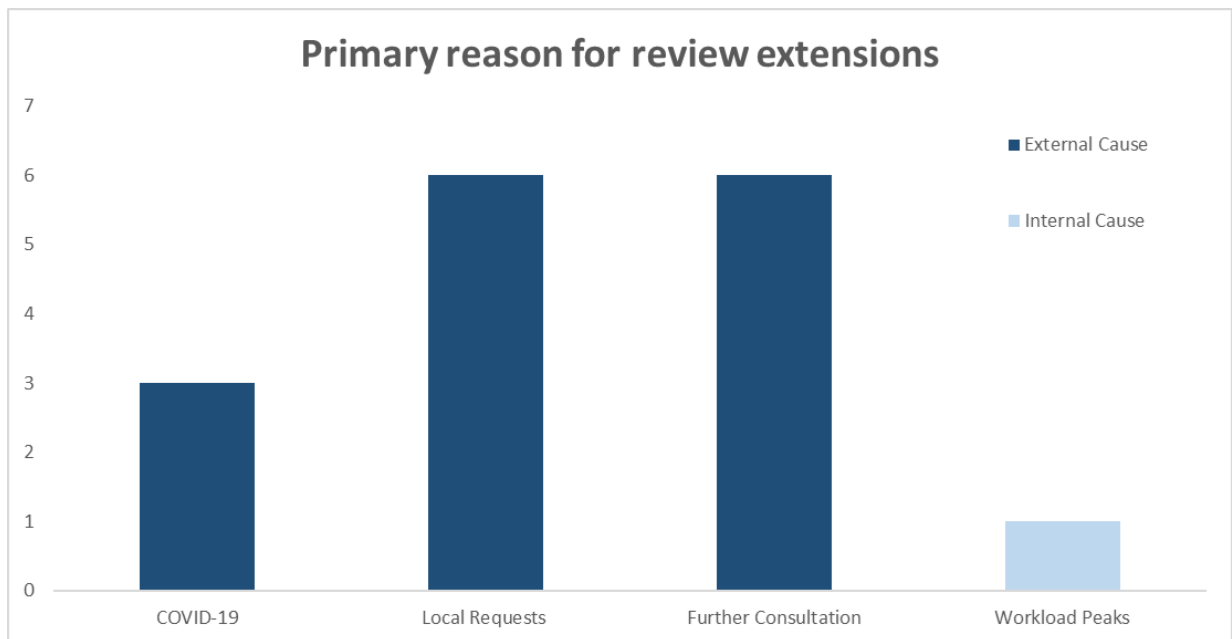
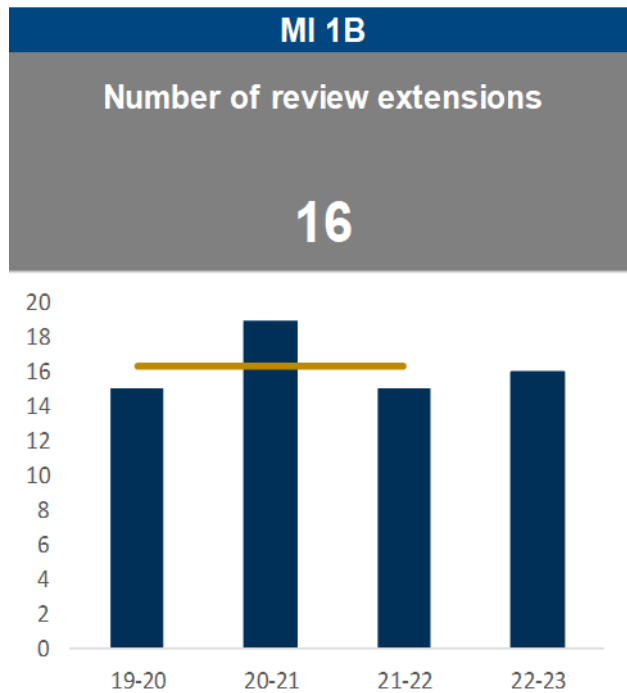
<sup>5</sup> A review 'starts' when the Commission Board takes a formal view on council size.

<sup>6</sup> Orders are laid in Parliament for a period of 40 days under the draft negative resolution procedure. The number of completed reviews will therefore be a different number than number of Orders we have made.

<sup>7</sup> Preliminary activity includes LGBCE Chair and CEO initial meeting with LA Leader and CEO; liaison with LA and briefing leaders, members, officers, town and parish council; production of information on local and community groups for consultation purposes; LA time to develop proposals for councillor numbers and electorate forecasts, initial gathering of statistics and information needed to run the review.

**Reviews extended.**

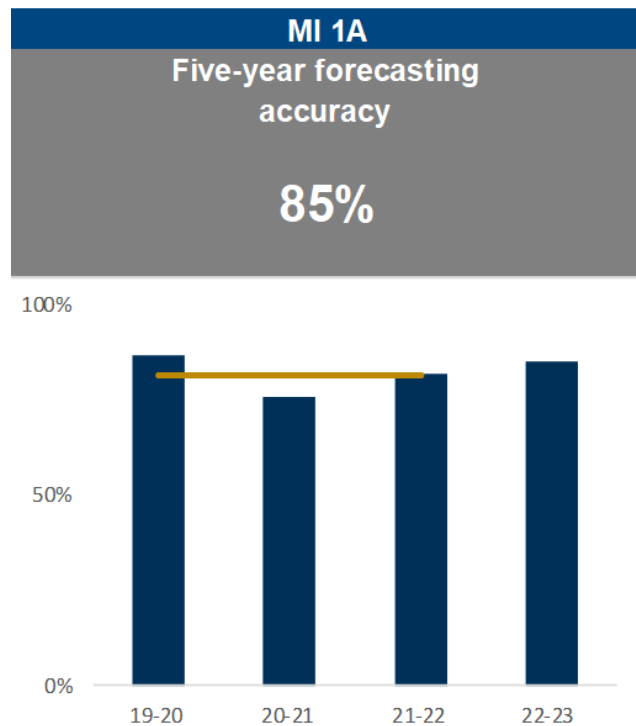
During 2022-23, half of our reviews have experienced some degree of re-programming. Although this complicates the management of the programme, we believe that our flexibility enabled authorities to engage more fully and positively with reviews whilst not distracting them from other key priorities. As part of our own internal management information, we monitor the number of final recommendations delayed and the reasons. As noted above, however, none of these delays had implications for the timing of implementation and we liaised closely with all affected local authorities in any re-scheduling.<sup>8</sup>



<sup>8</sup> We measure the number of final recommendations extended once the review has started (16 reviews in 2022-23).

## Forecasting accuracy

When we make recommendations, we are required to consider the anticipated electorate five years after the completion of the review in assessing expected levels of electoral equality. We work closely with local authorities when making such projections, which are inevitably challenging as development and economic changes are difficult to predict with certainty. The graph indicates how decisions made five years earlier, correctly anticipated electorate changes. This means it is five years before we know the accuracy of such predictions. For example, the figure of 85% in 2022-23 is the accuracy of the electorate predictions across all wards/divisions recommended in electoral reviews undertaken in 2017-18.

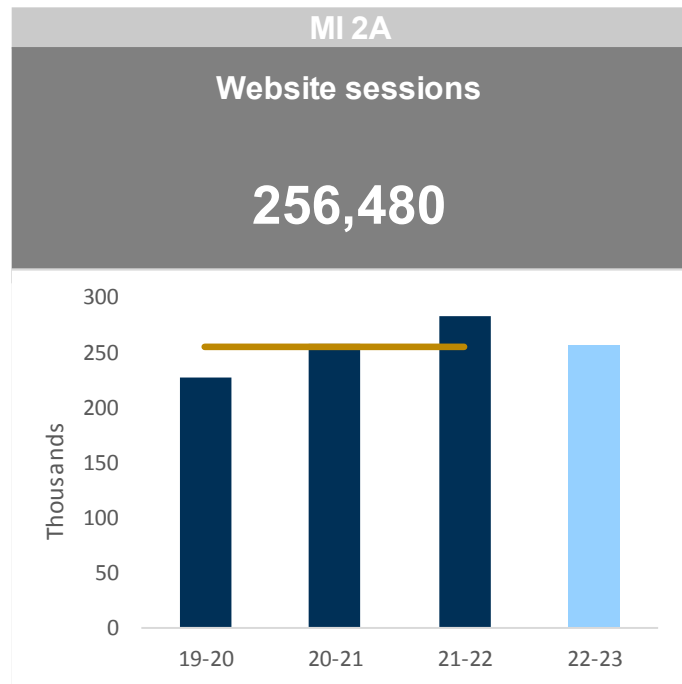


## Comment

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

## Engagement (website sessions)

Achieving widespread local knowledge of reviews and publicising the opportunities for individuals to participate are important Commission objectives.<sup>9</sup> We recorded 256,480 website sessions in 2022-23 (2021-22: 283,000)



## Social Media

	2022-23	2021-22
<b>Facebook</b> people who have seen a post	<b>1,756,981</b>	836,596
<b>Facebook</b> actions taken	<b>93,316</b>	79,259
<b>Facebook</b> conversion rate	<b>5.31%</b>	9.5%
<b>Facebook</b> costs per engagement	<b>£0.14</b>	£0.17
<b>Twitter</b> people who have seen a post	<b>44,153</b>	<b>95,642</b>

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

Our social media focus is Facebook because of its broad demographic. We use targeted advertising to encourage participation in our consultations. We measure

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

performance including engagement with our posts, which involves action other than simply viewing the post, such as liking or sharing.

## Correspondence

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

Type	Received		Target (Working Days)	Responded by Deadline		Within Deadline	
	22-23	21-22		22-23	21-22	22-23	21-22
<b>Submissions on review consultations</b>	<b>5,850</b>	7,838	15	<b>5,804</b>	7,784	<b>99%</b>	99%
<b>Complaints (stage 1)</b>	<b>6</b>	2	15	<b>6</b>	2	<b>100%</b>	100%
<b>Complaints (stage 2)</b>	<b>3</b>	2	20	<b>3</b>	2	<b>100%</b>	100%
<b>Complaints (stage 3)</b>	<b>2</b>	0	20	<b>2</b>	0	<b>100%</b>	n/a
<b>Freedom of Information requests</b>	<b>13</b>	17	20	<b>13</b>	17	<b>100%</b>	100%

## Review Costs

The latest internal costs of our reviews are presented below. The figures are calculated from a rolling average of the reviews we started and finished between April 2019 and September 2022. Average costs vary between years dependent on the mix of reviews we start.

Average		
	This year	Last year
Average cost per review	£89k	£84k
Two-Tier District	£88k	£76k
Unitary District	£80k	£81k
Metropolitan District	£71k	£73k
London Borough	£88k	£86k
Two-Tier County	£153k	£151k
Unitary County	£128k	£147k

Since our establishment in 2010, we have significantly reduced both budget and our spending, alongside the cost of individual reviews, whilst increasing the number of reviews delivered. Costs continued to fall for several years due to efficiencies in review processes and back-office services, digital developments, and consultation and engagement improvements. Our review costs are now stable and affected by price increases and the mix of reviews we undertake.

At any one time, we have around 50 reviews in progress, and this means that unit costing is not a straightforward exercise and changes to cost recording or methodology take at least a year to filter through in review costs and longer to generate comparable data between reviews.

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

## 1.2.2 Financial Review

The Commission's funding is provided by Parliament under Schedule 1(11) of the *Local Democracy, Economic Development and Construction Act 2009*. Parliamentary approval for its spending plans is through a Main Supply Estimate, presented in the House of Commons by the Speaker, specifying estimated expenditure, and requesting a vote for the necessary funds.<sup>10</sup>

The Main Supply Estimate for 2022-23<sup>11</sup> provided for a net resource requirement of £2,528k. This was made up of a Department Expenditure Limit (DEL) net resource requirement of £2,393k, an Annually Managed Expenditure Limit (AME) net resource requirement of £15k and a DEL net capital requirement of £120k. This is set out in our Corporate Plan for the period to 2026-27 and was approved by the Speaker's Committee in March 2022.

### *Use of resources*

The Statement of Outturn against Parliamentary Supply shows outturn figures for resources, capital, and cash set against the final Estimate. In 2022-23, the Commission used £2,391k of total net resources.

	Budget £000	Spend £000	Variation £000	Explanation
<b>DEL Resource</b>	2,393	2,305	(88)	Underspends on staffing, consultancy and travel expenses.
<b>AME Resource</b>	15	(11)	(26)	Dilapidations provision for office accommodation. A reduction in GPA estimate based on actual walkthrough of premises.
<b>DEL Capital</b>	120	97	(23)	New website implemented this year, but some IT spend delayed to 2023-24 due to availability of parts worldwide.
<b>Total</b>	<b>2,528</b>	<b>2,391</b>	<b>(137)</b>	

<sup>10</sup> The budgeting framework is explained in detail in the [Consolidated budgeting guidance 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101234/Consolidated_budgeting_guidance_2022_to_2023_-_GOV.UK)

<sup>11</sup> [Parliamentary authority to spend money | LGBCE](#)

## 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 £2,305k in 2022-23 to finance its activities, which was £139k less than the sum of £2,444k approved by Parliament in the Estimate.

## Accounting Officer and Auditors

In accordance with Schedule 1(16) of the *Local Democracy, Economic Development and Construction Act 2009*, the Speaker's Committee appointed Jolyon Jackson CBE, the Chief Executive, as Accounting Officer. Responsibilities as Accounting Officer are set out in Section 2.1.1.

The Comptroller and Auditor General was appointed as the Commission's external auditor under Schedule 1(15) of the *Local Democracy, Economic Development and Construction Act 2009*. A non-cash cost of £22,000 (2021-22 £17,500) was incurred on external audit. Internal audit and other services were provided by The Internal Audit Association (TIAA) at a cost of £13,500 (2021-22 £14,970).

## Payment practice

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

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

Payment practice results remain high against all targets.

	<b>Percentage paid within 30 days</b>	<b>Percentage paid within 10 days</b>
<b>2022-23</b>	<b>100.0%</b>	<b>94.3%</b>
<b>2021-22</b>	100.0%	96.8%



It takes us on average 5.2 working days to pay suppliers. We calculate this number using the number of payments run in a year and dividing this into our average value and number of daily purchases.

	<b>Supplier days</b>
<b>2022-23</b>	<b>5.2 days</b>
<b>2021-22</b>	<b>4.8 days</b>

#### *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 2022-23 there were no gifts or hospitality received.

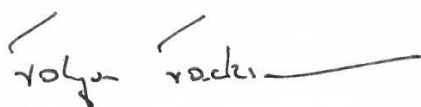
#### *Community and the environment*

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

We currently work with the Government Property Agency and Transport for London (who provide our accommodation services) and 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.

As we are now working in new ways, the environmental benefit of reduced travelling, and meeting and working virtually are still to be assessed but the Commission carefully considers the balance of benefits gained and lost from using new working practices.



**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 05-06-2023**

## 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 2022-23, including membership and organisation of our governance structures and how they support achievement of our objectives.

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

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

### 2.1 Corporate Governance Report

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

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

In preparing the accounts, the Commissioners and Accounting Officer are required to comply with the requirements of the *Government Financial Reporting Manual (FReM)*, and in particular to:

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

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

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

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

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

## 2.1.2 Governance Statement

### *Scope of responsibility*

LGBCE was established as an independent public body under the *Local Democracy, Economic Development and Construction Act 2009* on 1 April 2010. It previously formed part of the Electoral Commission as a separate Committee. We are accountable to Parliament directly through the Speaker's Committee, chaired by the Speaker of the House of Commons.

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

This statement explains how the Commission complies with its governance framework and meets the governance requirements in *Managing Public Money* published by HM Treasury.

### *The purpose of the Governance Statement*

The Commission has a Corporate Governance Framework, which sets down our purpose, aim and behaviours, how we are accountable, and how we conduct business. This is consistent with the principles of *Corporate Governance in Central Government Departments: Code of good practice*, published by HM Treasury and the Cabinet Office in April 2017 so far as is relevant, and is reviewed every two years.

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

### *Accounting Officer Assurances feeding into the Governance Statement*

We have used our Governance Assurance Framework this year to support the Accounting Officer in considering the robustness of the governance arrangements in place. The Assurance Framework (developed during 2021-22) has been considered by the Accounting Officer and his Leadership Team continuously throughout the financial year and at each meeting of our Audit & Risk Committee. The consideration

also seeks to highlight those areas where improvement is required. The Governance Assurance areas are.



*Proportionality*

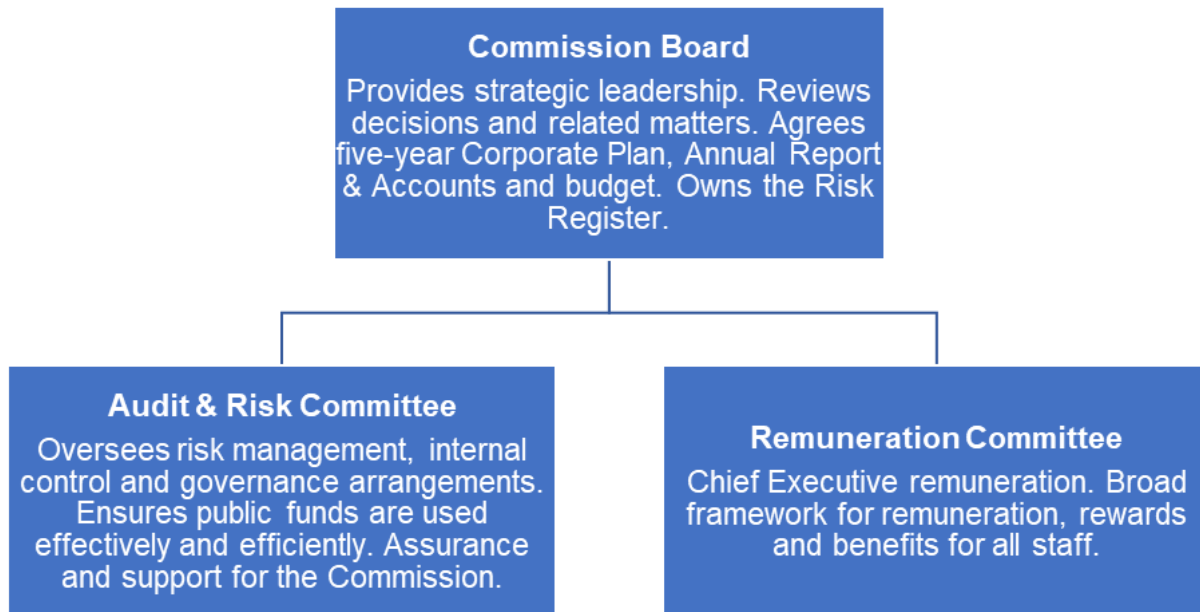
The Commission recognises and accepts the need to comply with legislation and regulations. We are also aware that as a small organisation we must carefully allocate our resources to strike an appropriate balance between meeting our governance responsibilities and delivering our operational programme.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

**2.1.3 The Governance Structure**

*Mission and objectives*

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

## Our Board and Committees



### *Accountability*

Commissioners, acting as a Board, are accountable to the Speaker's Committee and provide strategic leadership and decision-making on electoral reviews and related matters. They also agree our (rolling) five-year Corporate Plan each year, our Annual Report & Accounts, our detailed budget and own the Commission's Risk Register. The Commission Board sets the Commission's risk appetite statement each year.

### *The Speaker's Committee*

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

- Examining the annual financial estimates and laying them before the House of Commons, with or without modification.
  - Our Main Supply Estimate for 2022-23 was agreed by the Speaker's Committee on 9 March 2022 and laid before Parliament on 12 May 2022.
- Examining the five-year plan and forward resource estimates and laying them before Parliament, with or without modification.

- Our latest five-year Corporate Plan (2022-23–2026-27) was agreed in March 2022.
- Receiving the Annual Report & Accounts.
  - Our Annual Report & Accounts for 2021-22 were laid in Parliament on 25 May 2022.
- Receiving reports from the Comptroller and Auditor General on the economy, efficiency and effectiveness on our use of resources each parliamentary term.
- Designating the Commission’s Accounting Officer.
- Reporting to the House of Commons on how it has carried out its functions.

#### *Commission attendance*

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

<b>Commissioner</b>	<b>Role</b>	<b>Meetings Attendance</b>	<b>Out of</b>	<b>%</b>
<b>Colin Mellors</b>	Chair	16 Meetings	16	100%
<b>Andrew Scallan</b>	Deputy Chair	16 Meetings	16	100%
<b>Susan Johnson</b>	Commissioner	15 Meetings	16	94%
<b>Peter Maddison</b>	Commissioner	9 Meetings	12	75%
<b>Steve Robinson</b>	Commissioner	16 Meetings	16	100%
<b>Amanda Nobbs</b>	Commissioner	16 Meetings	16	100%
<b>Liz Treacy</b>	Commissioner	0 Meetings	0	-

#### *Remuneration Committee*

Members and their roles:

<b>Commissioner</b>	<b>Role</b>
<b>Steve Robinson</b>	Chair
<b>Susan Johnson</b>	Member
<b>Peter Maddison</b>	Member until December 2022

The Remuneration Committee met once in October 2022 to agree the pay award for 2022-23 (4% for staff). All members attended.

## Audit & Risk Committee (ARC)

Members and their roles:

Commissioner	Role	Meetings Attendance	Out of	%
Steve Robinson	Chair	4 Meetings	4	100%
Andrew Scallan	Member	4 Meetings	4	100%
Amanda Nobbs	Member	4 Meetings	4	100%
Lizzie Peers	Independent Member until Sept 2022	2 Meetings	2	100%
David Horne	Independent Member from August 2022	2 Meetings	2	100%

During 2022-23, the work of the ARC was informed by its Annual Plan, and its Annual Report to the Commission is summarised below.

Area	Objective	How achieved?	Outcome
<b>Audit &amp; Risk Committee</b>	<i>ARC provides assurance to the Commission and supports the Accounting Officer by ensuring that the most efficient, effective, and economic risk, control, and governance processes are in place.</i>	<ul style="list-style-type: none"> <li>• ARC is clear and transparent.</li> <li>• ARC plans and reports on its annual activities.</li> <li>• ARC reviews and considers its own performance.</li> </ul>	<ul style="list-style-type: none"> <li>• ARC plan for year was achieved.</li> <li>• ARC oversaw the introduction of a new Assurance Framework</li> <li>• Reviewed Risk scores and scrutinised deep dives of risks.</li> <li>• Reviewed the terms of Reference of the Remuneration Committee.</li> </ul>
<b>Annual Report &amp; Accounts and External Audit</b>	<i>ARC scrutinises the year end processes and production of the Commission's Annual Report in advance of formal approval by the Commission Board.</i>	<ul style="list-style-type: none"> <li>• ARC meets with our Auditors.</li> <li>• ARC reviews audit findings and outcomes.</li> <li>• ARC satisfies itself that the Commission's internal control framework and governance arrangements are robust.</li> </ul>	<ul style="list-style-type: none"> <li>• ARC held an annual meeting with auditors without officers' present.</li> <li>• Scrutinised draft and final versions of the Annual Report &amp; Accounts.</li> <li>• NAO plan and Completion Report examined and agreed.</li> </ul>
<b>Policy Reviews and Updates</b>	<i>ARC reviews and strengthens policies.</i>	<ul style="list-style-type: none"> <li>• ARC reviews the effectiveness of the Commission's policies.</li> <li>• ARC receives reports on fraud, theft, whistleblowing, bribery, health &amp; safety and information breaches as necessary.</li> <li>• ARC considers business continuity arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• ARC reviewed and strengthened policies over eight areas in line with our Annual Plan.</li> <li>• No breaches in year.</li> </ul>



<b>Internal Audit</b>	<i>ARC works closely with our Internal Auditors who provide assurances on internal controls across the organisation</i>	<ul style="list-style-type: none"> <li>• ARC agrees the risk based Internal Audit Strategy and Annual Plan.</li> <li>• ARC considers the findings of reports and oversees delivery of recommendations.</li> <li>• ARC monitors relevant internal audit performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• ARC reviewed the Internal Auditor's Annual Report.</li> <li>• IA provided substantial assurance in five areas and reasonable in one.</li> <li>• ARC oversaw Internal Audit Recommendations.</li> </ul>
<b>Scrutiny of Business Activities</b>	<i>ARC scrutinises key areas of Commission activities, adding value and expertise to work strands.</i>	<ul style="list-style-type: none"> <li>• ARC considers business arrangements.</li> <li>• ARC considers the Commission's performance framework to help ensure value for money is achieved in our use of resources.</li> </ul>	<ul style="list-style-type: none"> <li>• ARC specified and commissioned a Governance Review for 2022-23</li> <li>• ARC received regular IT and H&amp;S reports.</li> <li>• ARC oversaw the introduction of a new Commission website.</li> <li>• ARC commissioned both a Review Costings report and Budget Setting report for the Commission Board.</li> </ul>

### *Internal control questionnaires*

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

<b>2022-23</b>	<b>ACTION REQUIRED</b>
<b>Learning &amp; Development plans for all staff</b>	Fruition of appraisal training plan project
<b>Fire Warden Training</b>	Ensure all staff trained as fire wardens
<b>Business Continuity</b>	BCP staff awareness session

2021-22	ACTION TAKEN
<b>Objectives and Performance Management</b>	New appraisal forms and skills matrixes for each role
<b>Learning &amp; Development needs</b>	New appraisal form includes more details on training matrix
<b>Reporting accidents or near misses</b>	H&S Teams chat created for all staff and commissioners

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

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

### *Other policies and procedures*

The Commission has agreed policies and procedures that underpin its governance and internal control arrangements. These include but are not limited to a Code of Conduct for Commissioners, staff, and any contractors and consultants engaged by the Commission; policies on declarations of interest, gifts and hospitality; staff management and human resources; risk management; fraud and corruption; Freedom of Information; and complaints/correspondence. All policies and procedures are reviewed, and their effectiveness considered periodically.

### *Whistleblowing arrangements*

Our whistleblowing policy has been in operation throughout the year. The policy sets out the steps staff should take to raise their concerns about behaviours and practices within LGBCE. This is supported by detailed guidance on the procedures to follow when raising these concerns and has been made available to all staff. No issues were raised under the whistleblowing arrangements during 2022-23.

### *Risk management*

During the year, the Commission has revisited inherent risk scores, re-considered our Risk Appetite Statement, continued to identify controls and lines of defence, and continued our programme of 17 deep dives into our risks, assurances and control processes. These are reported to each ARC with any issues escalated to the Commission Board.

### *Assurance Framework*

During this year we revised our Risk Register to separate out assurances and developed an Assurance Framework that identifies main assurance for Governance

areas across the Commission. We now use the framework to identify assurance gaps, review assurances to ensure their controls are working and identify a work programme for the Audit & Risk Committee.

*Principal risks and uncertainties (set out in Section 1.1.2)*

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

*Internal Audit*

The Commission’s internal auditors continued to be The Internal Audit Association (TIAA Ltd). Internal audit reviews are compliant with the Public Sector Internal Audit Standards (PSIAS) 2017 and the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) 2013.

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

Internal Audits 2022-23	Recommendations <sup>12</sup>			
	Area	Rating	Urgent	Important
Business Resilience	Reasonable	0	1	2
Key Financial Controls – Procurement	Substantial	0	0	0
Payroll	Substantial	0	1	0
Governance – Strategic Control	Substantial	0	0	1
Risk Management	Substantial	0	0	2
ICT General Controls	Substantial	0	0	0
<b>Totals</b>		<b>0</b>	<b>2</b>	<b>5</b>

<sup>12</sup> All recommendations have either been completed or will be within 2023-24.

### *Internal Audit Opinion*

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

#### 2.1.4 Overall Internal Audit Opinion

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

### *Personal data-related incidents*

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

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

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

During 2022-23 we have:

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

### *Community and the environment*

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

We work with the Government Property Agency and Transport for London (who provide our accommodation), and 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

### *COVID-19*

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

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

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

The Commission Board reviewed its own effectiveness in April 2023 and widely considered both its own role and its relationships and effectiveness throughout the organisation. Examples of effective practice were considered alongside areas that could be improved and these have been taken forward and fed into workstreams as appropriate.

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

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

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

### *External Audit*

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

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

A handwritten signature in black ink, appearing to read "Jolyon Jackson", with a long horizontal line extending to the right.

**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 05-06-2023**

## 2.2 Remuneration and Staff Report

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

### 2.2.1 Remuneration Report

#### *Commissioners*

Commissioners are appointed by Royal Warrant to exercise the Commission's functions described in the *Local Democracy, Economic Development and Construction Act 2009*. Together, the Commissioners ensure that the Commission discharges its functions as set out in the Act and associated legislation. They monitor the Commission's performance and are responsible for ensuring that it acts within its statutory remits.

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

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

Commissioners were paid a daily fee of £364 (2021-22 £352) for each day worked during 2022-23. The Chair was paid a daily rate of £414 (2021-22 £400).

Commissioners do not receive a salary and are not able to join LGBCE's government pension schemes. Commissioners' fees increase on 1 April each year by the percentage increase paid to High Court Judges as part of the Senior Salaries Review Body's work. In 2022-23 Commissioners received a 3.5% (2021-22 0%) fee 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	2022-23	2021-22
Colin Mellors (Chair)	£29,394	£26,500
Susan Johnson	£11,962	£15,200
Peter Maddison (left December 2022)	£8,727	£10,338
Amanda Nobbs	£20,042	£19,446
Steve Robinson	£20,436	£17,070
Andrew Scallan	£21,781	£19,404
<b>TOTAL COMMISSIONERS</b>	<b>£112,342</b>	<b>£107,958</b>
<b>Independent Member of ARC</b>		
Lizzie Peers (left September 2022)	£683	£4,356
David Horne (started August 2022)	£2,571	£0
<b>TOTAL FEES</b>	<b>£115,596</b>	<b>£112,314</b>

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

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

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

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

The information in the table is based on payments due relating to work undertaken during 2022-23. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include employer pension contributions or the cash equivalent transfer value of pensions.



**subject to audit**

<b>Single total figure of remuneration</b> (Prior year comparatives in square brackets)	<b>Salary</b> <b>£'000</b>	<b>Bonus payments</b> <b>£'000</b>	<b>Pension benefits</b> <b>(to the nearest £1,000)</b>	<b>Total £'000</b>
<b>Chief Executive</b> <b>Jolyon Jackson CBE</b> <i>Left pension scheme 01/10/19</i>	110 to 115 [110 to 115]	£0 [£0]	£0 [£0]	110 to 115 [110 to 115]
<b>Director of Corporate Services (0.8FTE)</b> <b>Lynn Ingram</b>	60 to 65 (FTE 75 to 80) [60 to 65 (FTE 75 to 80)]	£0 [£0]	24,000 [22,000]	85 to 90 [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 throughout the year on a quarterly basis. Most bonuses relate to the performance in the year they become payable to the individual, but the final quarter of the year is paid in the following financial year.

**Pay multiples (subject to audit)**

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

The banded remuneration of the highest-paid director in LGBCE in the financial year 2022-23 was £110k to £115k (2021-22 £110k to £115k). This was 3.1 times (2021-22 3.3 times) the median remuneration of the workforce, 3.1 times the 25<sup>th</sup> percentile of the workforce (2021-22 3.3 times) and 2.3 times the 75<sup>th</sup> percentile of the workforce (2021-22 2.9 times).

In 2022-23, 0 (2021-22 0) employees received remuneration more than the highest-paid director. Remuneration ranged from £29k to £115k (2021-22 £27k to £115k).

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

	<b>2022-23</b>	<b>2021-22</b>
<p><i>The total pay and benefits figure used to calculate the figures in this table for 2021-22 is the same as the salary component of total pay and benefits. The percentage pay ratio for 2022-23 is the same using either the salary component or the total remuneration figures.</i></p>		
<b>Band of highest-paid staff member (FTE)</b>	<b>£110k to £115k</b>	<b>£110k to £115k</b>
<b>25<sup>th</sup> percentile of all staff pay</b>	<b>£35,836</b> <i>salary component (£35,836)</i> <i>total remuneration (£35,836)</i>	<b>£34,457</b>
<b>25<sup>th</sup> percentile pay ratio</b>	<b>3.1</b>	<b>3.3</b>
<b>Median of all staff pay</b>	<b>£36,545<sup>13</sup></b> <i>salary component (£35,836)</i> <i>total remuneration (£36,545)</i>	<b>£34,457</b>
<b>Median pay ratio</b>	<b>3.1</b>	<b>3.3</b>
<b>75<sup>th</sup> percentile of all staff pay</b>	<b>£48,270<sup>14</sup></b> <i>salary component (£48,021)</i> <i>total remuneration (£48,270)</i>	<b>£38,769</b>
<b>75<sup>th</sup> percentile pay ratio</b>	<b>2.3</b>	<b>2.9</b>

<sup>13</sup> The 25<sup>th</sup> percentile and median percentile figures are the same because we have a fairly flat structure and seven out of 23 staff at year end were paid the same.

<sup>14</sup> The 75<sup>th</sup> percentile salary is higher this year as during 2021-22 we employed some temporary staff on a lower than median salary to deal with the impact of the pandemic on our review programme.

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

	<b>2022-23</b>	<b>2021-22</b>	<b>% Change</b>
<i>The total pay and benefits figure used to calculate the figures in this table for 2021-22 is the same as the salary component of total pay and benefits. The average percentage changes since 2021-22 for LGBCE employees bonus taken as a whole, excluding highest paid director, is 133% (2022-23 £5k bonuses paid, 2021-22 £2k bonuses paid)</i>			
<b>Band of highest-paid staff member (FTE)</b>	<b>£110k to £115k</b>	£110k to £115k	0%
<b>All employees</b>	<b>£44,512</b>	£40,714	9% <sup>15</sup>
<b>Commissioners</b>	<b>£16,777</b>	£16,045	5%

### *Civil Service Pensions*

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

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on

<sup>15</sup> The increase in staff average salary payments relate to additional temporary staff throughout 2021-22 at or below the median costs and not employed during 2022-23 plus pay award.

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

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member).

The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

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

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

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

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

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

*The real increase in the value of the CETV*

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

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Subject to audit	Accrued pension at pension age as at 31-03-23	Real increase in pension and related lump sum at pension age	CETV at 31-03-23	CETV at 31-03-22	Real increase in CETV
<b>£000</b>					
Lynn Ingram (0.8 FTE)	10 to 15	0 to 2.5	156	131	13

*LGBCE contributions*

‘The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes, but LGBCE is unable to identify its share of the underlying assets and liabilities.

The Scheme Actuary valued the PCSPS as of 31 March 2016. You can find details in the [resource accounts of the Cabinet Office: Civil Superannuation](#).

For 2022-23, employers’ contributions of £215k were payable to the PCSPS (2021-22 £219k) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the

benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0 were paid to one or more of the panels of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £0, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £0. Contributions prepaid at that date were £0.

### 2.2.2 Staff Report

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

	2022-23				2021-22
	Total	Permanently Employed Staff	Others (temporary staff)	Commissioners & Independent Member	Total
	£000				£000
Wages and salaries	957	901	56	-	945
Commissioners' fees	116	-	-	116	112
Social security costs	119	103	6	10	112
Other pension costs	215	202	13	-	219
<b>Sub total</b>	<b>1,407</b>	<b>1,206</b>	<b>75</b>	<b>126</b>	<b>1,388</b>
<b>Total net costs</b>	<b>1,407</b>	<b>1,206</b>	<b>75</b>	<b>126</b>	<b>1,388</b>

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

	2022-23				2021-22
	Total	Permanently Employed Staff	Others (temporary staff)	Commissioners & Independent Member	Total
	FTE			No	
<b>Total</b>	<b>28.5</b>	<b>20.1</b>	<b>1.5</b>	<b>6.9</b>	<b>30.2</b>

FTE staff and the number of Commissioners & the Independent Member reflect the monthly average throughout 2022-23. The numbers at 31 March 2023 were 6 Commissioners, 1 Independent Member and 22.5 (21-22, 23.2 full-time equivalent) staff.

### *Staff policies*

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

### *Disabled Persons*

The Commission gives full and fair consideration to applications for employment made by disabled persons. During the year we became a Disability Confident Employer, which we promote on the recruitment page of our website.

The Disability Confident scheme is a government scheme designed to encourage employers to recruit and retain disabled people and those with health conditions. To qualify for the scheme, the Commission commits to undertaking specific activities when recruiting staff and in the way it supports staff during their time with us. Such activities range from offering an interview to a disabled person who meets the minimum criteria, to supporting an employee with reasonable adjustments to enable them to carry out their role.

### *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>2022-23</b>	<b>67<sup>16</sup></b>	<b>3.1</b>
<b>2021-22</b>	<b>21</b>	<b>0.9</b>

### *Consultancy spend*

	<b>2022-23</b>	<b>2021-22</b>
Governance	<b>£10,441</b>	£0
HR & Payroll	<b>£600</b>	£6,300
Finance	<b>£0</b>	£1,092
IT	<b>£10,440</b>	£1,795
<b>TOTAL</b>	<b>£21,481</b>	<b>£9,187</b>

<sup>16</sup> With such small staff numbers, periods of sickness have a large overall effect. During the year we had one staff member with long-term sickness and a number of staff with COVID-19.



### People survey

We undertook our people survey in October 2022. We compared our results with the latest reported Annual Civil Service People Survey (CSPS). Once again, we performed extremely well demonstrating the work we have undertaken within our staff group on values, behaviours and culture and in embedding these aims throughout our work and processes.



### Trade union membership

A proportion of our staff belong to the Public and Commercial Services Union (PCS). We have a staff representative who can use work time for official duties, and union meetings take place in office time. Management meets at least annually with union representatives.

### Health & Safety

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

During 2022-23 most of our H&S work focused on increasing awareness of the risks to Commissioners and staff when driving for business. Work in this area has included: creating an information hub on driving for official business and re-considering our driving policy and risk assessments. The work was originated after an incident when a large tree branch fell on to a car containing a Commissioner and staff member undertaking a tour of Harlow in Essex.

We inspect our physical working environment each month to ascertain the suitability of our current H&S arrangements and to advise the Leadership Team on any

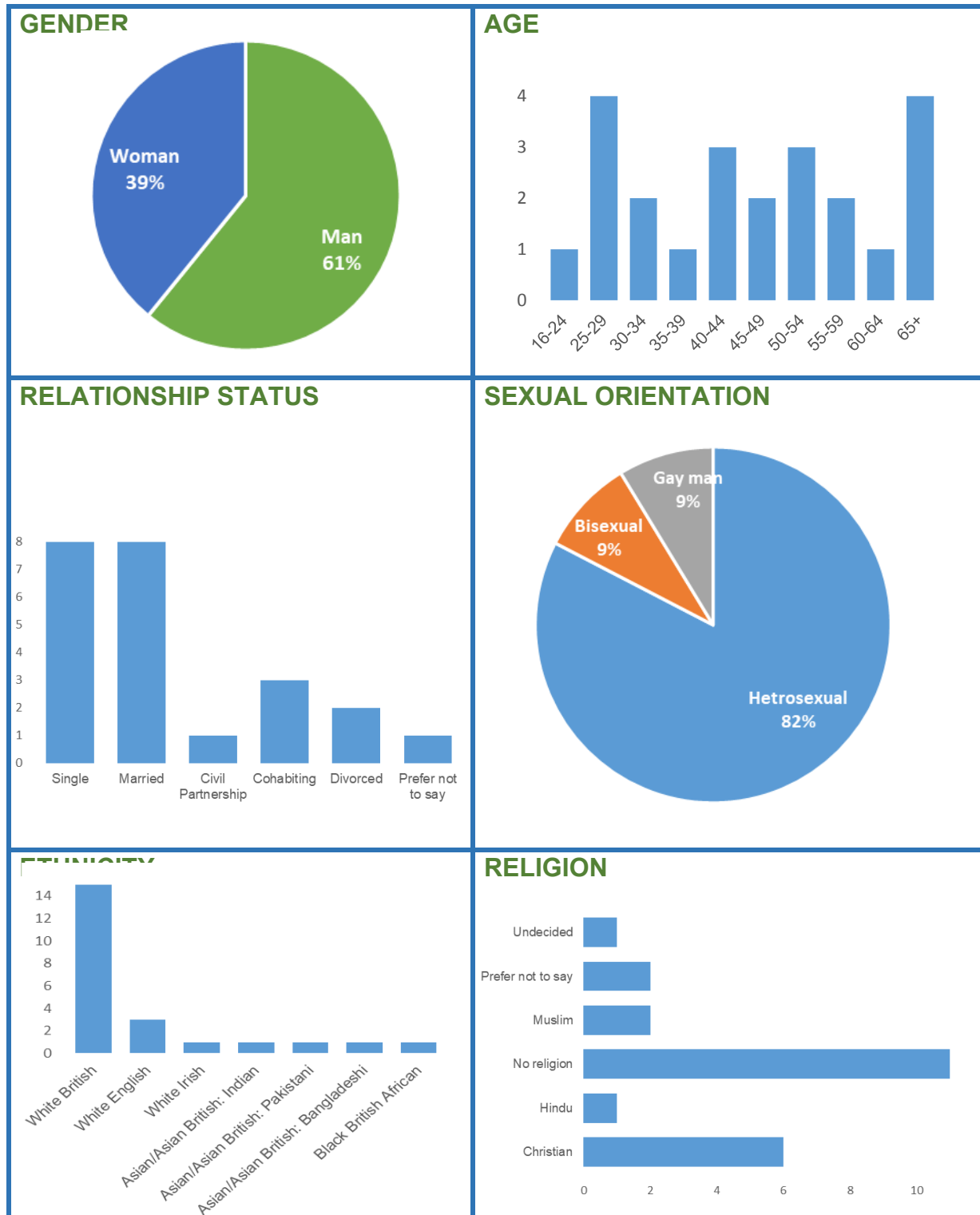
improvements that should be made. As last year, we have made fewer physical inspections of our office accommodation but have provided staff with display screen equipment workbooks, Portable Appliance Testing (PAT) guidance, the use of an organisation dedicated H&S Teams chat and co-ordinated virtual inspections for use when working at home.

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

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

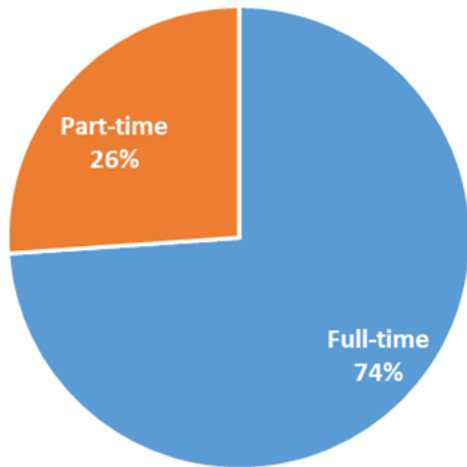
There were no departures for 2022-23 with special payments and none for 2021-22.

Diversity information <sup>17</sup>

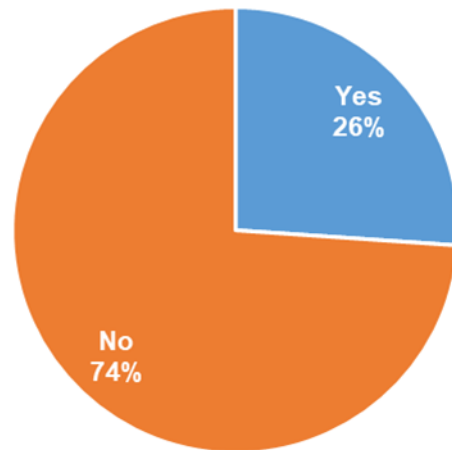


<sup>17</sup> 82% of staff and Commissioners provided the diversity information included here.

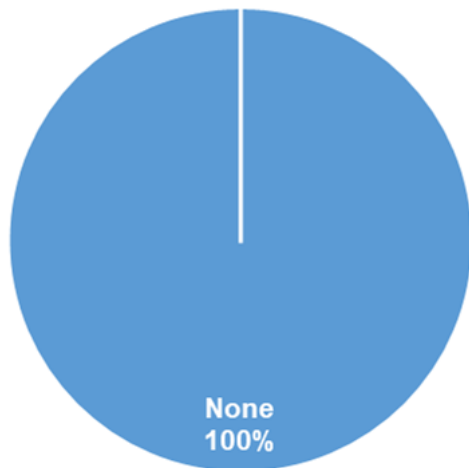
**FULL-TIME/PART-TIME**



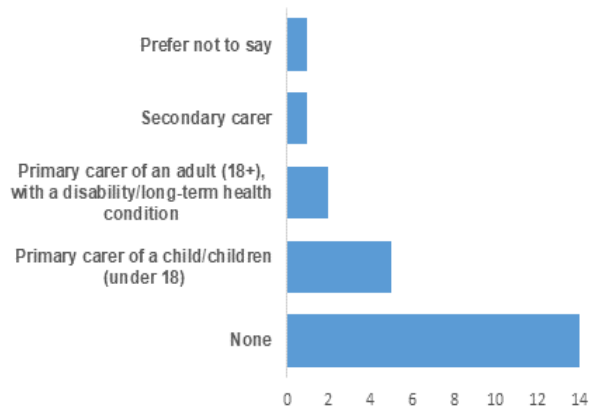
**DISABILITY**



**SPECIAL LEAVE IN LAST YEAR**



**CARING RESPONSIBILITIES**



A handwritten signature in black ink, which appears to read 'Jolyon Jackson'.

**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 05-06-2023**

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

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

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

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

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

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

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

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

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

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

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

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

### Statement of Outturn against Parliamentary Supply

<b>Summary Table, 2022-23, all figures presented in £000's</b>								
Type of spend	SoPs Note	Outturn		Estimate		Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total, 2021-22
		Voted	Total	Voted	Total	Voted	Total	
<b>Departmental Expenditure Limit</b>								
- Resource	1.1	2,305	<b>2,305</b>	2,393	<b>2,393</b>	88	<b>88</b>	2,148
- Capital	1.2	97	<b>97</b>	120	<b>120</b>	23	<b>23</b>	41
<b>Total</b>		<b>2,402</b>	<b>2,402</b>	<b>2,513</b>	<b>2,513</b>	<b>111</b>	<b>111</b>	<b>2,189</b>
<b>Annually Managed Expenditure</b>								
- Resource	1.1	(11)	<b>(11)</b>	15	<b>15</b>	26	<b>26</b>	6
- Capital		-	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Total</b>		<b>(11)</b>	<b>(11)</b>	<b>15</b>	<b>15</b>	<b>26</b>	<b>26</b>	<b>6</b>
<b>Total Budget</b>								
- Total Resource		2,294	<b>2,294</b>	2,408	<b>2,408</b>	114	<b>114</b>	2,154
- Total Capital		97	<b>97</b>	120	<b>120</b>	23	<b>23</b>	41
<b>Total Budget Expenditure</b>		<b>2,391</b>	<b>2,391</b>	<b>2,528</b>	<b>2,528</b>	<b>137</b>	<b>137</b>	<b>2,195</b>
<b>Non-Budget Expenditure</b>		-	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Total Budget and Non Budget</b>		<b>2,391</b>	<b>2,391</b>	<b>2,528</b>	<b>2,528</b>	<b>137</b>	<b>137</b>	<b>2,195</b>
<b>Net cash requirement, 2022-23, all figures presented in £000's</b>								
Item	SoPs Note	Outturn		Estimate		Outturn vs Estimate: saving/ (excess)		Prior Year Outturn Total, 2021-22
<b>Net Cash Requirement</b>	3		<b>2,305</b>		<b>2,444</b>		<b>139</b>	<b>2,166</b>
<p><i>Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual available on gov.uk, for detail on the control limits voted by Parliament. All expenditure is designated as Programme Costs and therefore there are no administration costs. The DEL Resource underspend of £88k is due to underspends on staffing, consultancy and officer and commissioner travel.</i></p>								

*SOPS 2. Reconciliation to net operating expenditure.*

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

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.

## Notes to the Statement of Outturn against Parliamentary Supply, 2022-2023 (£000's)

### SoPS1. Outturn detail, by Estimate line

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

Type of spend (Resource)	Resource Outturn Programme			Estimate		Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
	Gross	Net	Total	Total	Total inc. Virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>							
<b>Voted expenditure</b>							
A - Estimate line 1	2,305	2,305	2,305	2,393	2,393	88	2,148
<b>Total voted DEL</b>	<b>2,305</b>	<b>2,305</b>	<b>2,305</b>	<b>2,393</b>	<b>2,393</b>	<b>88</b>	<b>2,148</b>
<b>Non-voted expenditure</b>							
<b>Total non-voted DEL</b>	-	-	-	-	-	-	-
<b>Total spending in DEL</b>	<b>2,305</b>	<b>2,305</b>	<b>2,305</b>	<b>2,393</b>	<b>2,393</b>	<b>88</b>	<b>2,148</b>
<b>Spending in Annually Managed Expenditure (AME)</b>							
<b>Voted expenditure</b>							
A - Estimate line 1	(11)	(11)	(11)	15	15	26	6
<b>Total voted AME</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>15</b>	<b>15</b>	<b>26</b>	<b>6</b>
<b>Non-voted expenditure</b>							
<b>Total non-voted AME</b>	-	-	-	-	-	-	-
<b>Total spending in AME</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>15</b>	<b>15</b>	<b>26</b>	<b>6</b>
<b>Total Resource</b>	<b>2,294</b>	<b>2,294</b>	<b>2,294</b>	<b>2,408</b>	<b>2,408</b>	<b>114</b>	<b>2,154</b>

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

	OUTTURN		Estimate		Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2021-22
	Gross	Net Total	Total	Total inc. Virements		
<b>Spending in Departmental Expenditure Limit (DEL)</b>						
<b>Voted expenditure</b>						
A - Estimate line 1	97	97	120	120	23	41
<b>Total voted DEL</b>	<b>97</b>	<b>97</b>	<b>120</b>	<b>120</b>	<b>23</b>	<b>41</b>
<b>Non-Voted:</b>						
<b>Total non-voted DEL</b>	-	-	-	-	-	-
<b>Total spending in DEL</b>	<b>97</b>	<b>97</b>	<b>120</b>	<b>120</b>	<b>23</b>	<b>41</b>
<b>Total Capital</b>	<b>97</b>	<b>97</b>	<b>120</b>	<b>120</b>	<b>23</b>	<b>41</b>

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

### SoPS 3

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

	SoPs Note	Outturn total	Estimate	Outturn vs Estimate, saving/ (excess)
<b>Total Resource outturn</b>	1.1	<b>2,294</b>	<b>2,408</b>	<b>114</b>
<b>Total Capital outturn</b>	1.2	<b>97</b>	<b>120</b>	<b>23</b>
<i>Adjustments to remove non-cash items:</i>				
Depreciation		(63)	(50)	<b>13</b>
Right of use asset depreciation		(133)	(132)	<b>1</b>
Interest under lease		(3)	-	<b>3</b>
Lease liabilities		135	-	<b>(135)</b>
New provisions and adjustments to previous provisions		11	(15)	<b>(26)</b>
External audit fee		(22)	(19)	<b>3</b>
<i>Adjustments to reflect movements in working balances:</i>				
Increase/(decrease) in receivables		27	132	<b>105</b>
(Increase)/decrease in payables		(38)	-	<b>38</b>
<b>Total</b>		<b>(86)</b>	<b>(84)</b>	<b>2</b>
<b>Net cash requirement</b>		<b>2,305</b>	<b>2,444</b>	<b>139</b>

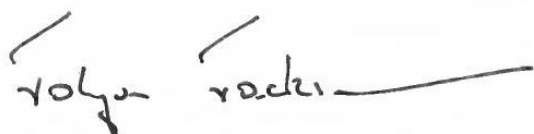
#### Parliamentary Accountability Disclosures

**Losses and special payments (subject to audit)** - There are no losses or special payments to report.

**Other payments (subject to audit)** - There are no other significant payments to report.

**Remote contingent liabilities (subject to audit)** - There are no remote contingent liabilities to report.

**Fees and charges (subject to audit)** - The Commission is unable to charge for services and as such there are no fees and charges to report.



**Jolyon Jackson CBE, Chief Executive and Accounting Officer, 05-06-2023**



## 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 2023 under the Local Democracy, Economic Development and Construction Act 2009. The financial statements comprise the Commission's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 March 2023 and its net operating cost for the year then ended; and
- have been properly prepared in accordance with the Local Democracy, Economic Development and Construction Act 2009 and HM Treasury directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

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

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

## **Conclusions relating to going concern**

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

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

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

The going concern basis of accounting for the Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## **Other Information**

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Local Democracy, Economic Development and Construction Act 2009.

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

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

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

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

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

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

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

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Local Democracy, Economic Development and Construction Act 2009;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Local Democracy, Economic Development and Construction Act 2009; and
- assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Commission will not continue to be provided in the future.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Commission's accounting policies, key performance indicators and performance incentives.
- inquired of management, Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Commission's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Commission's controls relating to the Commission's compliance with the Local Democracy, Economic Development and Construction Act 2009, Managing Public Money and Supply and Appropriation (Main Estimates) Act 2022.
- inquired of management, the Commission's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Commission's framework of authority and other legal and regulatory frameworks in which the Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Commission. The key laws and regulations I considered in this context included Local Democracy, Economic Development and Construction Act 2009, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2022, employment law and tax legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

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

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

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

## Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**

**Date**      **6 June 2023**

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

## 2 Financial Statements

### Statement of Comprehensive Net Expenditure Year Ended 31 March 2023

	Note	2022-23	2021-22
		£000	£000
<b>Programme Expenditure:</b>			
Staff costs	2	1,407	1,388
Other costs	2	898	760
Provision expense	9	(11)	6
<b>Net Operating Cost for the year</b>		<b>2,294</b>	<b>2,154</b>

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

*The notes from page 78 to page 90 form part of these accounts.*

## Statement of Financial Position at 31 March 2023

		31-03-2023	31-03-2022
	Note	£000	£000
<b>Non-current assets:</b>			
Property, plant and equipment	3	25	33
Intangible assets	4	117	76
Right of use accommodation asset	10	197	-
<b>Total non-current assets</b>		<b>339</b>	<b>109</b>
<b>Current assets:</b>			
Other current assets	6	70	43
Cash and cash equivalents	7	67	57
<b>Total current assets</b>		<b>137</b>	<b>100</b>
<b>Total assets</b>		<b>476</b>	<b>209</b>
<b>Current Liabilities</b>			
Trade and other payables	8	(92)	(89)
Accruals and earned leave liability	8	(117)	(73)
Lease liability	11	(134)	-
<b>Total current liabilities</b>		<b>(343)</b>	<b>(162)</b>
<b>Total assets less current liabilities</b>		<b>133</b>	<b>47</b>
<b>Non-current liabilities</b>			
Provisions	9	(48)	(59)
Lease liability	11	(63)	-
<b>Total non-current liabilities</b>		<b>(111)</b>	<b>(59)</b>
<b>Total assets less liabilities</b>		<b>22</b>	<b>(12)</b>
<b>Taxpayers' equity</b>			
General Fund		<b>22</b>	<b>(12)</b>
		<b>22</b>	<b>(12)</b>

The notes from page 78 to page 90 form part of these accounts.

Jolyon Jackson

Jolyon Jackson CBE, Chief Executive and Accounting Officer, 05/06/2023

## Statement of Cash Flows for the year ended 31 March 2023

		2022-23	2021-22
	Note	£000	
<b>Cash flows from operating activities:</b>			
Net operating cost		(2,294)	(2,154)
Adjustment for non-cash transactions (including lease interest)	2	210	80
(Increase)/decrease in trade, other receivables and other current assets	6	(27)	(5)
(decrease)/increase in trade, other payables and other liabilities	8	48	(91)
<i>less movements in payables not passing through the SoCNE</i>	7	(10)	45
<b>Net cash outflow from operating activities</b>		<b>(2,073)</b>	<b>(2,125)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment	3	(5)	(5)
Purchase of intangible fixed assets	4	(91)	(36)
<b>Net cash outflow from investing activities</b>		<b>(96)</b>	<b>(41)</b>
<b>Cash flows from financing activities</b>			
Increase in lease liabilities	11	197	-
<i>less balances recognised on implementation of IFRS16</i>	11	(330)	-
<i>less movements in lease liabilities not passing through the SoCNE</i>		(4)	-
From the Consolidated Fund (Supply) - current year		<b>2,316</b>	<b>2,121</b>
<b>Net financing</b>		<b>2,179</b>	<b>2,121</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund</b>		<b>10</b>	<b>(45)</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	7	<b>10</b>	<b>(45)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	7	<b>57</b>	<b>102</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>67</b>	<b>57</b>

The notes from page 78 to page 90 form part of these accounts.



## Statement of Changes in Taxpayers' Equity

### Year ended 31-03-2023

	Note	General Fund £000
<b>Balance at 31 March 2021</b>		<b>(42)</b>
Net Parliamentary Funding - deemed		102
Net Parliamentary Funding - drawn down		2,121
Supply (payable)/receivable adjustment	8	(57)
Comprehensive Net Expenditure for the year		(2,154)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	18
<b>Balance at 31 March 2022</b>		<b>(12)</b>
Net Parliamentary Funding - deemed		57
Net Parliamentary Funding - drawn down		2,316
Supply (payable)/receivable adjustment	8	(67)
Comprehensive Net Expenditure for the year		(2,294)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - external auditors remuneration	2	22
<b>Balance at 31 March 2023</b>		<b>22</b>

*The notes from page 78 to page 90 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 HMT in accordance with Paragraph 14 of Schedule 1 of the *Local Democracy, Economic Development and Construction Act 2009*, and in accordance with the *2022-23 Government Financial Reporting Manual (FReM)* issued by HMT. The accounting policies contained in the FReM apply International Accounting Standards as adopted or interpreted for the public sector.

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

In addition to the primary statements prepared under IFRS, the FReM also requires us to prepare a Statement of Outturn against Parliamentary Supply and supporting notes, showing outturn against Estimate in terms of the net resource requirement and the net cash requirement. This Statement is included under Section 2.3 of the Annual Report (Parliamentary Accountability)

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

**1.3 Newly issued accounting standards implemented/ due to be implemented -**

We provide a disclosure if we have not yet applied a new accounting standard and know or reasonably estimate the possible impact that the application of the new standard will have on resource accounts. We have not adopted any standards early.

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. The EU adopted the standard in November 2021, but the Financial Reporting Advisory Board has agreed to delay the mandatory adoption of the standard until 2025-26 and should be included in the 2025-26 FReM at the earliest. The Commission does not consider that we will be affected as a Policy Holder only but will consider the standard in more detail during the coming years.

One new standard is now effective: IFRS 16 (Leases – with effect from 01/04/2022). See Note 1.10.

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

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

**1.5 Intangible assets** – Purchased computer software licences, costs associated with website enhancement and the associated costs of implementation are capitalised as intangible assets where expenditure of £5,000 or more is incurred. The valuation of our website and developed software is based on expenditure on these items less any accumulated amortisation. The valuation is used as a proxy for current value in existing use as they are one-off products with no value on the open market. Website enhancements not yet in use are recognised as Assets under Construction (AUC).

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

**1.6 Depreciation** – Depreciation is provided at rates calculated to write assets down to estimated residual value on a straight-line basis over their estimated useful lives.

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

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

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

**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 (Section 2.2.1). In respect of the employers' contribution to the scheme, the Commission recognises the contributions payable for the year. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but we are unable to determine our share of the underlying assets and liabilities. Further details about the Civil Service pension arrangements can be found on the Civil Service pensions website [www.civilservicepensionscheme.org.uk/](http://www.civilservicepensionscheme.org.uk/)

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

### **1.10 Operating Leases**

**LGBCE as a lessee** - In accordance with IFRS 16 Leases, contracts, or parts of contracts that convey the right to control the use of an asset for a period of time are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. If so, the relevant part of the contract is treated as a lease.

**Initial Measurement** - IFRS 16 recognises rights to use assets (the only significant one for us being our office accommodation). We have recognised a right of use asset and a liability for the future lease payment commitments in the Statement of Financial Position. We have also included an interest payment and a depreciation adjustment in our Statement of Comprehensive Net Expenditure (SoCNE).

On the date of transition to IFRS 16, (01/04/2022), we recognised the right-of-use asset and a lease liability. The lease liability was measured at the value of the remaining lease payments, discounted by the incremental rate of borrowing. This rate is advised annually by HM Treasury (0.95% for leases recognised in 2022).

The right-of-use asset was measured at the value of the lease liability, adjusted for any lease payments made before the commencement date and any lease incentives received.

HM Treasury has withdrawn the option to reassess whether a contract is, or contains, a lease at the date of initial application. The LGBCE therefore initially applied IFRS 16 to any contracts previously identified as a lease, or containing a lease, under IAS 17 and did not apply IFRS 16 to any contracts not previously identified as such.

The overall impact on the SoCNE for 2022-23 is assessed as being an additional £2k.

### **Subsequent measurement**

After initial recognition, the right-of-use asset is measured using the cost model as LGBCE considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value, for property leases of less than five years.

The value of the asset will be adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount will be recognised in expenditure.

After initial recognition, the lease liability is adjusted for accrual of interest, repayments, reassessments, and modifications. Reassessments are reappraisals of the probability of options given by the existing lease contract, while modifications are changes to the lease contract. Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where LGBCE becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope, or at the existing discount rate where there is movement in an index or rate that will alter the cash flows.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the asset and liability was initially recognised.

**1.11 Operating leases** – Operating lease rentals for 2021-22 were charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term and from 1 April 2022 have been accounted for under IFRS16 (see above).

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

**1.13 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.

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

**1.15 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 2023 shows taxpayers' equity of £22k. This reflects liabilities accounted for but not yet drawn down from the fund. As with other statutory bodies, the ongoing financing of our activities and related liabilities is met by future drawdowns from the Consolidated Fund approved annually by Parliament. Such approval for amounts required for 2023-24 has already been given, and it is therefore considered appropriate to adopt a going concern basis in the preparation of these financial statements.

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

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

## 2. Expenditure

	2022-23	2021-22
	£000	
<b>Staff costs</b>		
Wages & salaries	957	945
Commissioners fees	116	112
Social security costs	119	112
Other pension costs	215	219
	<b>1,407</b>	<b>1,388</b>
<b>Rentals under operating leases:</b>		
Accommodation rental	-	134
	-	<b>134</b>
<b>Non-cash items:</b>		
Depreciation and amortisation		
- Other non-current assets	63	56
- Accommodation right of use asset	133	-
Interest under accommodation operating lease	3	-
Auditor's remuneration	22	18
Increase/(Decrease) in provisions	(11)	6
	<b>210</b>	<b>80</b>
<b>Other expenditure:</b>		
Printing and mapping	191	152
Business costs & contracts for services	309	261
Stakeholder engagement	73	73
Legal and professional fees	50	21
Travel, subsistence and hospitality	11	5
Other staff costs	28	23
Internal audit	14	15
Statistical costs	-	1
Bank charges	1	1
	<b>677</b>	<b>552</b>
	<b>2,294</b>	<b>2,154</b>

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

	2022-23	2021-22
	£000	
Total non-cash transactions as above	210	80
Non-cash items per reconciliation of net resource outturn to net cash requirement	<b>210</b>	<b>80</b>

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

### 3. Property, plant & equipment

		Property, plant & equipment	Total
		£000	
<b>Cost or valuation</b>			
At 1 April 2022		98	98
Additions		5	5
Disposals (write down)		(22)	(22)
At 31 March 2023		81	82
<b>Depreciation</b>			
At 1 April 2022		65	65
Charged in year		13	13
Disposals (write down)		(22)	(22)
At 31 March 2023		56	56
<b>Net Book Value at</b>	<b>31 March 2023</b>	<b>25</b>	<b>25</b>
<b>Net Book Value at</b>	<b>31 March 2022</b>	<b>33</b>	<b>33</b>
<b>Cost or valuation</b>			
At 1 April 2021		98	98
At 31 March 2022		98	98
<b>Depreciation</b>			
At 1 April 2021		54	54
Charged in year		11	11
At 31 March 2022		65	65
<b>Net Book Value at</b>	<b>31 March 2022</b>	<b>33</b>	<b>33</b>
<b>Net Book Value at</b>	<b>31 March 2021</b>	<b>39</b>	<b>39</b>

All assets included in the notes above were owned by LGBCE. At the 31st March 2022 there were no fully depreciated assets (31-03-22 £22k) included in the total cost or valuation amounts or the total depreciation amounts. 2021-22 related to our map plotter/printer and our server which were disposed of early in 2022-23.



#### 4. Intangible assets

	Websites & software £000	Total
<b>Cost or valuation</b>		
<b>At 1 April 2022</b>	366	366
<b>Additions</b>	91	91
<b>Disposals (write down)</b>	(277)	(277)
<b>At 31 March 2023</b>	<b>180</b>	<b>180</b>
<b>Amortisation</b>		
<b>At 1 April 2022</b>	290	290
<b>Charged in year</b>	50	50
<b>Disposals (write down)</b>	(277)	(277)
<b>At 31 March 2023</b>	<b>63</b>	<b>63</b>
<b>Net Book Value at 31 March 2023</b>	<b>117</b>	<b>117</b>
<b>Net Book Value at 31 March 2022</b>	<b>76</b>	<b>76</b>
<b>Cost or valuation</b>		
<b>At 1 April 2021</b>	330	330
<b>Additions</b>	36	36
<b>At 31 March 2022</b>	366	366
<b>Amortisation</b>		
<b>At 1 April 2021</b>	245	245
<b>Charged in year</b>	45	45
<b>At 31 March 2022</b>	290	290
<b>Net Book Value at 31 March 2022</b>	<b>76</b>	<b>76</b>
<b>Net Book Value at 31 March 2021</b>	<b>85</b>	<b>85</b>
<p>At the 31st March 2023 there were fully amortised assets of £277k (31-03-22 £170k) included in both the total cost or valuation amounts and the total amortisation amounts. Amounts relating to our old website, our PC based Geographic Information System and our telephone system and our old Disaster Recovery have been disposed of in 2022/23.</p>		

## 5. Financial instruments

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

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

£000	31/03/23	31/03/22
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	70	43
<b>Total receivables</b>	<b>70</b>	<b>43</b>

## 7. Cash and cash equivalents

£000	31/03/23	31/03/22
Balance at 1 April	57	102
Net change in cash and cash equivalent balances	10	(45)
<b>Balance at 31 March</b>	<b>67</b>	<b>57</b>
The following balances at 31 March were held at:		
Government Banking Service accounts	67	57
<b>Balance at 31 March</b>	<b>67</b>	<b>57</b>

## 8. Trade payables and other liabilities

£000	31/03/23	31/03/22
<b>Amounts falling due within one year:</b>		
Trade payables	26	32
Accruals and deferred income	87	40
Short-term staff benefits (earned leave liability)	30	33
Amounts issued from the Consolidated Fund for supply not spent at year end	67	57
<b>Total Payables</b>	<b>210</b>	<b>162</b>

## 9. Provisions for liabilities and charges

We have one provision relating to dilapidations on our accommodation leased from the Government Property Agency (GPA). Each year we receive an estimate from the GPA for the provision. For 2022-23 as the lease end date is within two years the estimate is based on an actual assessment through a site visit rather than a desk top exercise. We have decided to set a provision of £48k which was an earlier estimate from the GPA received during 2022-23 as we have assessed this figure as being the best and most reliable estimate based on communications from the landlord (which contained figures as low as £18k and as high as £48k) and our knowledge of the changes made to the floor space in our office. There is a certain degree of estimation uncertainty in this estimate, given the inherent uncertainty in estimating future costs of reinstating the property to its original condition, and future discussions with the landlord will mean that this estimate can be further refined.

£000	31/03/23	31/03/22
Balance at 1 April	59	53
Provided in year	-	6
Provision not required written back	(11)	-
<b>Balance at 31 March</b>	<b>48</b>	<b>59</b>

## 10. Right-of-use leased assets

	Buildings		Total
	£000	£000	£000
<b>Cost or valuation</b>			
At 1 April 2022	-	-	-
Initial recognition on implementation of IFRS16	330		330
At 31 March 2023	330		330
<b>Depreciation</b>			
At 1 April 2022	-	-	-
Charged in year	(133)		(133)
At 31 March 2023	(133)		(133)
<b>Net Book Value at 31 March 2023</b>	197		197
<b>Net Book Value at 31 March 2022</b>	-		-

## 11. Lease Liabilities

	2022-23	2021-22
	£000	
<b>Obligations under leases</b>		
Not later than one year	135	-
Later than one year and not later than five years	64	-
	<b>199</b>	<b>-</b>
Less interest element	(2)	-
<b>Present Value of obligations</b>	<b>197</b>	<b>-</b>
<b>Present Value of obligations under leases</b>		
Not later than one year	134	-
Later than one year and not later than five years	63	-
	<b>197</b>	<b>-</b>
<b>Amounts recognised in the statement of comprehensive net expenditure</b>		
Depreciation	133	-
Interest expense	3	-
	<b>136</b>	<b>-</b>
<b>Amounts recognised in the statement of cash flows</b>		
Interest expenses (non cash adjustment)	3	-
<b>Reconciliation from IAS17 to IFRS16</b>		
Operating leases disclosed at 31/03/22	333	
<b>Adjustments from IAS17 to IFRS16</b>		
Impact of IFRS16 on SOCNE		
Impact of discounting	(3)	
<b>IFRS16 Opening balance lease liability</b>	<b>330</b>	

## 12. Capital and contractual commitments

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

£000	Capital		Contractual		
	2022-23	2021-22	2022-23	2021-22	
Not later than one year	11	7	69	109	Website, IT Contract, Juniper switches Internal Audit Contract
Later than one year and not more than five years	-	-	54	59	IT Contract, Internal Audit Contract
Later than five years	-	-	-	-	
<b>Total</b>	<b>11</b>	<b>7</b>	<b>123</b>	<b>168</b>	

## 13. Related party transactions

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

The Chief Executive is appointed by the Commission. None of the Commissioners, senior management team, staff or other related parties has undertaken any material transactions with the Commission during the year except for remuneration which is reported in the Remuneration Report (Section 2.2.1).

In addition to the Speaker's Committee, the Commission had transactions with other government departments including the Department for Levelling Up, Housing and Communities (DLUHC), HM Revenue and Customs, HM Treasury, Department for

Work and Pensions, The Government Legal Department; and with bodies including the National Audit Office and Ordnance Survey.

#### **14. 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 2023 that are not disclosed.



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