

THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES



Comisiwn Ffiniau
Llywodraeth Leol
i Gymru



Local Government
Boundary Commission
for Wales

***ANNUAL REPORT AND SUMMARY
FINANCIAL STATEMENTS
2011/2012***

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

ANNUAL REPORT 2011/2012

Foreword

This report covers the work of the Commission for the year ended 31st March 2012. During that time, much has happened at the Commission. The Independent Review into the work of the Commission by Glyn Mathias, commissioned by the Minister, set out some far reaching recommendations for the Commission and for Welsh Government.

The Review recognised the importance of working with our stakeholders at all levels of government. During the period of the Interim Commission, Commissioners and officers made great efforts to improve confidence in the independence, accuracy and validity of the Commission's work. The improvements put in place by the Interim Commission and the future programme which it identified has provided a positive legacy for continuation of the work. Looking forward, the Commission will take the opportunity offered by proposed legislative change to use our expertise and experience to advise on ways to make our recommendations link better to the ways in which people see their communities and their representatives and to make the work of the Commission more effective .

Owen Watkin OBE
Chair
July 2012

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1. INTRODUCTION

The Commission

- 1.1 The Local Government Boundary Commission for Wales (the Commission) was established in June 1974 under the terms of Section 53 of the Local Government Act 1972 (the 1972 Act). The statutory functions of the Commission are specified in Sections 54 to 78 of the 1972 Act as amended by the Local Government (Wales) Act 1994 (the 1994 Act). Schedule 8 to the 1972 Act makes provision for the Commission's constitution and proceedings. From 1 April 1995 the Commission became an advisory Non-Departmental Public Body funded by Grant-in-aid from the former Welsh Office and is now a Welsh Government Sponsored Body (WGSB).
- 1.2 The purpose of the Commission is:

To review local government areas and electoral arrangements in Wales, with a view to considering whether or not to make proposals to the Welsh Government for effecting changes which appear to the Commission to be desirable in the interests of effective and convenient local government.

Membership

- 1.3 Membership of the Commission at the start of the year was: Mr Paul Wood (Chairman), Rev Hywel Meredydd Davies BD (Deputy Chairman) and Mr John Bader (Member).

On 22 June 2011 the Welsh Government Minister for Local Government and Communities, Carl Sargeant, terminated the appointments of the Members of the Local Government Boundary Commission for Wales with effect from 22 July 2011 as a result of the findings of the Mathias Review, an independent review into the electoral reports and electoral review processes as conducted by the Local Government Boundary Commission for Wales.

The Minister subsequently appointed Interim Commissioners until 31 March 2012. Mr Max Caller was appointed as Interim Chairman and Mr Sandy Blair and Mr Owen Watkin as Interim members. At meeting of the Interim Commission on 3 October 2011 it was agreed that Mr Sandy Blair would act as Chairman of the Audit Committee.

The Interim Commissioners held membership of other public bodies.

Mr Max Caller was Chair of the Local Government Boundary Commission for England, a member of the Electoral Commission, a consultant (Solace Enterprises) for Powys County Council, a director of Max Caller Associates Ltd, a director of Manor House Estates (Bawdsey) Management Ltd, and a member of The Norwood Advisory Council.

Mr Sandy Blair was a Non Executive Director of the Health and Safety Executive, a Member of the National Assembly for Wales Independent Remuneration Board, an Independent Member of the Sports Council Wales Audit Committee, Chair of the

Monmouth Diocesan Board of Finance, a trustee of Growing Space, a trustee of the Bevan Foundation, a member of the Church in Wales Governing Body and a member of the Church in Wales Representative Body.

Mr Owen Watkin was a member of the Aberystwyth University Audit Committee, a member of the Ceredigion Local Access Forum, a member of the Ramblers Association, a member of the Committee of Aberystwyth Ramblers, a member of the Cambrian Mountains Society, a member, of the Society's Sub Committee on designation of the area as AONB. The Commission must have at least one Welsh speaker and Mr Watkin fulfilled this requirement.

On 27 October 2011 Mrs Julie James was appointed Interim Independent Member of the Audit Committee until 31 March 2012. This appointment has subsequently been extended to 31 August 2012. During her term of appointment Mrs Julie James was also an Independent Member of Hywel Dda Local Health Board, a Non-Executive Director of Estyn, Chairman of Brecon Beacons National Park Authority, Chairman of National Park Wales, a Health Assessor for Welsh Government's Corporate Health Standard (contracted via A2 Consulting), a member of Dyfed Powys Police Misconduct Panel, a member of Marie Curie Cancer Care Advisory Board and a Director of South West Wales Regional Tourism Partnership.

The Commission's statutory auditor is the Auditor General for Wales who has sub-contracted this function to Grant Thornton.

Contracts exist for the provision of internal audit, legal, accountancy, translation and printing services.

The Secretariat

- 1.4 The Commission's Secretariat is located in Caradog House, 1-6 St. Andrews Place, Cardiff. At the start of the year the posts of Secretary, Deputy Secretary, Finance Manager were full-time employees of the Commission and all the remaining posts were filled by secondees from other public bodies or, in the case of the Personal Assistant, a fixed-term employee. During the year the Office Manager and two Review Officer posts were changed from being secondees to employees of the Commission. A further Review Officer post will change from being a secondee to an employee of the Commission from 1 April 2012.

Mr Lewis' appointment as Secretary to the Commission was terminated by the Minister for Local Government and Communities on 29 July 2011. His designation as the Accounting Officer for the Commission was withdrawn by the Welsh Government on 12 August 2011 and that role was undertaken by the Welsh Government's Director General for Local Government and Communities.

Following the departure of the Secretary, the Deputy Secretary, Mr Halsall, was appointed by the Minister as Acting Secretary from 1 September 2011 to 31 March 2012. This was subsequently extended to 30 September 2012 or until such time as a Secretary is appointed. The post of Deputy Secretary was not filled but a part-time Review Manager on secondment from the Local Government Boundary Commission for England was appointed from November 2011 to 31 March 2012.

At the end of the year there were 11 members of staff in post.

- 1.5 From 1 January 2002 the Commission's Secretariat has also undertaken the responsibility of providing a Secretariat to the Boundary Commission for Wales for its Reviews of the Parliamentary constituencies in Wales. To manage this arrangement there is a Memorandum of Agreement between the Commissions and their respective sponsor departments. The current sponsors of the Boundary Commission for Wales are the Cabinet Office.

Statutory Duties

- 1.6 The main duties of the Commission are:

Local Government Areas

- i) To keep under review all principal areas in Wales for the purpose of considering whether or not to propose to the Welsh Government changes appearing to the Commission desirable in the interests of effective and convenient local government;
- ii) To consider requests for reviews from local authorities;
- iii) To consider reports made by principal councils in respect of community area reviews carried out by them and to make recommendations to the Welsh Government.

Electoral Arrangements

- iv) Under the provisions of the new section 64 inserted into the 1972 Act by Section 6 of the 1994 Act, as soon as practicable after the ordinary election of councillors for any of the Welsh principal areas held in 1995 the Commission was required to:
 - a) Review the electoral arrangements for those areas with a view to considering future electoral arrangements; and
 - b) Formulate proposals for those arrangements; and
- v) Not less than ten or more than fifteen years after the completion of the initial review and thereafter, at similar intervals, to review the electoral arrangements for every principal area in Wales.

Directions

- vi) The Welsh Government may direct the Commission to conduct a review of Wales as a whole, or of any one or more local government areas or parts of such areas in Wales.

Review Procedure

- 1.7 Section 60 of the 1972 Act lays down procedural guidelines to be followed when undertaking all reviews. The basic stages of a review are:
- i) An announcement of the review's commencement in which initial suggestions and comments are invited by a specified date;

- ii) The publication of the Commission's draft proposals when comments on them are similarly invited by a specified date; and
- iii) The publication of final proposals after which any further comments must be addressed to the Welsh Government.

2 OBJECTIVES

- 2.1 The Commission is a statutory body that is sponsored by the Democracy, Ethics and Partnerships Division of the Welsh Government. As a Welsh Government Sponsored Body the Commission receives an annual remit letter that sets out the Minister for Local Government and Communities' priorities for the Commission for the coming year. The Commission must also follow the statutory functions and responsibilities as set out in legislation. The Commission's main statutory function is to make recommendations to the appropriate Welsh Government Minister for effecting changes to local government boundaries and local government electoral arrangements that are in the interests of effective and convenient local government.
- 2.2 The Commission is subject to periodic Policy Reviews that provide medium term strategic and policy guidelines for the Commission's annual plans. The last Policy Review of the Commission was undertaken by the Wales Audit Office in 2008. In December 2010, the Minister announced that there would be an Independent Review of the Commission (the Mathias Review) in particular due to the delays in producing reports for a number of counties. The Minister concluded that he would not make any orders in respect of the electoral reviews for any local authorities in Wales to take effect for the 2012 elections. The Mathias Review was tasked to identify why failures have occurred in the timescales and identify actions that can be taken to ensure that the programme can be delivered efficiently and to a high standard in time for the 2016 elections. The outcome of this review is considered at 3.10 below.

Targets

- 2.3 Directions from the Welsh Government to the Commission to undertake area reviews contain directed deadlines, which are set following consideration of the complexity of each review.
- 2.4 The procedures to be followed when undertaking a review are defined by statute, requiring the Commission to inform and consult widely and take into account representations before making any final proposals to the Welsh Government.
- 2.5 There are no statutory time periods for the consultation or other stages of the procedures, which are left to the discretion of the Commission. The Commission has given careful consideration to the need to provide adequate time for the views of local authorities and other interested persons to be submitted. Targets are set within the period of a review for the stages of publicity and consultation, the production of draft and final reports and the time needed for assessing the issues involved. However, the Commission occasionally finds it necessary to take into consideration particular circumstances and, unless directed deadlines apply, are flexible in adherence to targets.

3. THE WORK OF THE COMMISSION DURING 2011-12

Meetings

- 3.1 Commission meetings are held as often as the programme of work dictates. Twelve Commission and two Audit Committee meetings were held during 2011-12.

Principal Area Reviews

- 3.2 The Commission did not undertake any reviews of boundaries between principal authorities during the year.

Community Reviews

- 3.3 The Commission completed a further review of the community boundaries in the City and County of Swansea and published its Final Proposals in September 2011.
- 3.3 The Commission completed a further review of the community boundaries in the County of Pembrokeshire and published its Final Proposals in November 2011.

Reviews of Electoral Arrangements

- 3.4 The following electoral review reports were published before the termination of the appointments of Commissioners on July 2011:

- Final Report for Ceredigion in May 2011,
- Final Report for Flintshire in June 2011,
- Final Report for Wrexham in June 2011, and
- Draft Report for Torfaen in July 2011.

These reviews were subsequently considered by the Interim Commission as noted at 3.9 below.

- 3.5 The Commission published the Draft Report for the further review of Anglesey in November 2011. Final Proposals were agreed at the Commission Meeting in March 2012 and are due to be published in May 2012.

Independent Review of the Commission

- 3.6 The independent review of the Commission, headed by Mr Glyn Mathias, reported in June 2011. The report made a number of recommendations for the Commission and Welsh Government. On 22 June 2011 in response to the report, Carl Sergeant, the Minister for Local Government and Communities announced the dismissal of the current Commissioners. Interim Commissioners were appointed to take forward the Mathias Review's recommendations. The Secretary left the Commission and the current Deputy Secretary was appointed as Acting Secretary in the interim period. In January 2012 the Minister issued a statement in response to the Mathias Review's recommendations and the Commission issued its response to this statement in March 2012.

3.7 The recommendations made by the Mathias report in respect of the Commission were as follows:

- As a matter of policy, the Commission should consult fully on the approach it proposes to take on electoral reviews, as a starting point to the review programme. The consultation should include the steps it proposes to take towards assessment of council size, the balance between the different criteria, the need for any increase in multi-member divisions, and the responses it expects from key stakeholders.
- The Commission should consult on an appropriate methodology for assessing the number of councillors for each authority. It should include consideration of the approaches taken in Scotland and England. Whatever process is adopted, it should be clear and transparent to all stakeholders.
- The Commission should ensure there is a clear audit trail, based on minutes of decisions, legal advice and public consultation, for its approach to determining the balance of the criteria they propose to implement under Schedule 11 1A(5) of the 1972 Act. It should ensure that appropriate documentation exists to demonstrate both the way it dealt with the general criteria and how they were applied in each review.
- The Commission should adopt an appropriate methodology for assessing the desirability of multi-member divisions in each authority, as required in section 3(1) of the Ministerial Directions 2009.
- The Commission should improve its assessment of the risks of not meeting the timetable set by the Government, and there should be a risk analysis on a review by review basis. The Commission should make regular assessments of the resources at its disposal to ensure they are sufficient to meet the timetable.
- The Commission should engage with all 22 local authorities to ensure as far as possible that each of them puts forward electoral schemes for their own areas as part of the evidence that informs the Commission's preparation of draft proposals.
- The Commission should review its communications strategy to ensure it engages more pro-actively with all stakeholders.

Electoral Review Procedures

3.8 In response to the Mathias recommendations the Commission reviewed its policy and practice in respect of electoral reviews by undertaking a consultation exercise with local authorities and representative bodies. The Commission's response to the consultation and the revised policy and practice document were published on 12 March 2012. The revised policy and practice will be used for future electoral reviews but will need to be reviewed in the light of any legislation changes and/or the adoption of a council size methodology (3.10).

3.9 The Commission has conducted an analysis of the electoral review work carried out by the previous Commission and its findings were reported to the Minister on 29 March 2012. These findings included a proposed forward work programme. For

those reviews the Commission considers require a further direction, a response is awaited from the Minister before work can commence.

- 3.10 The Commission has considered a methodology for determining the size of councils prior to electoral reviews. The Commission agreed a consultation document in March 2012 which is due to be published for consultation in May 2012.

Corporate Governance

- 3.11 In order to follow the best practice of other government bodies, the Commission agreed to appoint an independent member to the Audit Committee. An interim independent member was initially appointed until the end of March 2012. The interim independent member's term of office has been extended until the end of August to encompass the signing off of the annual accounts. Arrangements have been put in place for the recruitment of a new independent member. To reflect the new arrangements the Audit Committee terms of reference were updated.
- 3.12 Following the Mathias report, the Welsh Government undertook an audit of the Commission's control environment in order to ensure that the statements made in the Commission's Statement of Internal Control could be supported by evidence, and to consider the governance arrangements in place within the organisation. A report and recommendations was produced in October 2011. The progress made in adopting the recommendations has been and will continue to be reported to subsequent Commission, Audit Committee and Welsh Government liaison meetings until all of the actions have been cleared. A follow-up audit is due to take place in May 2012. From the 2011/12 accounts onwards the Statement of Internal Control is to be replaced by a Governance Statement.
- 3.13 In order to provide the Commissioners with an overview of the Commission's corporate governance framework A Corporate Governance Manual was developed. The Manual will include details from the Commissioners Code of Practice which is due to be updated following the awaited publication of Welsh Government guidance. The Corporate Governance Manual lists all of the Commission's corporate policies and procedures. The following policies have recently been reviewed:
- Commissioners Fees and Expenses Policy;
 - Gifts, Rewards and Hospitality Policy;
 - Business Continuity Plan.
- 3.14 A Framework Document which replaces the Management Statement and Financial Memorandum has been agreed with Welsh Government. The Framework Document sets out the relationship between the Welsh Government and the Commission. It defines the framework within which the Commission will operate and details the terms and conditions under which the Welsh Government provides finance to the Commission in the form of grant in aid (GIA).
- 3.15 A system of financial reporting has been put in place that includes:
- Monthly budget reports signed off by the Secretary;
 - Month end processes signed off by the Secretary;
 - Fixed Asset Register checking; and
 - Budget report to each Commission meeting.

- 3.16 The existing Risk Management Policy was considered and revised. A revised Risk Register was produced and agreed. An item on Risk Management is to be considered at each Commission meeting.
- 3.17 A draft communications strategy was considered and proposals made for its further development. As part of the new strategy the Commission's web site was reviewed and, with the assistances of Welsh Government, the development of a new web site has begun.

4. CORPORATE MANAGEMENT: POLICIES AND PRACTICE

Framework Document

- 4.1 The Framework Document describes the relationship between the Commission and the Welsh Government and requires the submission of Annual Operational Plans, Corporate Plans and Annual Reports and Accounts to the Welsh Government for the purposes of planning, budgeting and assessing performance. Quarterly liaison meetings are held with the sponsor division of the Welsh Government. The Commission also meets the Minister once a year to discuss progress.
- 4.2 A Code of Best Practice for Commissioners has been adopted and a Register of the direct or indirect pecuniary interests of Commissioners is published on the Commission's web site (www.lgbc-wales.gov.uk). There is also a code of conduct for Commission staff.
- 4.3 The Commission has an appointed Audit Committee, chaired by a member of the Commission. The Commission appoints an independent member of the Audit Committee.
- 4.4 Working practices have been adopted which accord with the principles of openness, consultation and helpfulness. For example, the Commission gives widespread publicity to their intention to hold each review and write to and visit the local authority concerned to discuss the review and invite their initial comments. For each review the Commission issues press releases on the draft and final proposals and sufficient copies of reports are supplied to enable free distribution to all members of principal and community councils affected by the proposals and to local libraries. A number of copies are also available for local residents on request. The Commission's web site: www.lgbc-wales.gov.uk gives information about the Commission, the progress of reviews and access to reports.

Budget and Audit

- 4.5 The net expenditure for the year amounted to £562,659 (2010-11; £686,005) and this has been transferred to the general reserve. Grant-in-Aid received from the Welsh Assembly Government amounted to £576,492 (2010-11; £679,441) and this has been credited direct to the general reserve. As Grant-in-Aid is provided on a cash basis and cannot be drawn down in advance of need and the accounts are prepared on an accruals basis this can result in a net negative reserves position. This has been the case for the last four years. The Commission is committed to achieving value for money when purchasing goods and services.
- 4.6 To ensure efficiency and value for money a comprehensive set of desk instructions relating to systems and procedures is in place. The Commission's internal auditors were Deloitte LLP. The Auditor General for Wales has undertaken the external audit of the Commission's finances.

Welsh Language Scheme

- 4.7 One of the Commissioners is nominated as the Welsh Language Champion for the Commission. They have an open remit to work with the Commission staff to raise

and improve our use of the Welsh Language. The Commission has a Welsh Language Scheme (last revised in February 2011) which sets out the Commission's commitment to the principle that in the conduct of public business in Wales, the Commission will treat the Welsh and English languages on a basis of equality. The Commission's Welsh Language Scheme contains detailed measures in support of the principle and a copy of the full report will be supplied on request or may be accessed on the Commission's web site.

Training and Information Technology

- 4.8 Essential training courses that staff are required to attend have continued this year and include: Equality & Diversity, Health & Safety, Sustainable Development and First Aid at work. In addition, staff development training has been supported by the Commission and courses attended include Report Writing and Assertiveness skills. Having had a number of staff changes, job specific training such as MapInfo Professional Introduction, and in-house coaching have been arranged and supported. Welsh Language coaching has been given to non Welsh speaking staff, to help them improve their pronunciation of Welsh place names.
- 4.9 The Commission is part of the Welsh Government's MERLIN partnership which has provided the majority of the Commission's IT requirements, both hardware and software.

Complaints Procedure

- 4.10 The Commission has a Complaints Procedure whereby complaints may be made (by letter, e-mail or telephone) by contacting the Commission. Information on how complaints are handled can be found within the Commission's Complaints Procedure document, which can be viewed on the Commission's web site (www.lgbc-wales.gov.uk) or can be obtained from the Commission at the address below.

Employee Policy

- 4.11 The Commission maintains a core of directly employed staff consisting of the Secretary, Deputy Secretary, Finance Manager, Office Manager, three Review Officers and an Administrative Support Officer. Directly employed staff have salary bands and terms and conditions of service analogous with Welsh Government staff of corresponding grades.

Staffing requirements over and above this core are dictated by the local authority and parliamentary review cycles and workloads and are met by employing inwardly seconded staff from other government departments for a fixed term of either 2 or 3 years. Staff who are seconded from other government departments remain on the salary scales and terms and conditions of their parent department whilst employed by the Commission.

With the changes that may be made to the operation of the Commission's review work as a result of changes to the legislation (see 5.18 below) there is likely to be a move to a continuous programme of review work. This will allow the Commission to

employ most if not all of its staff on a permanent basis rather than having staff on secondment to cover peak periods of work.

The Commission has an extensive range of policies which reflect current legislation, and aim to secure staff retention and motivation.

5. THE WORK OF THE COMMISSION DURING 2012-13

Reviews of Electoral Arrangements

- 5.1 Final proposals in respect of the further review of Anglesey were published on 22 May 2012.
- 5.2 Final proposals in respect of the review of Gwynedd were published on 13 June 2012.
- 5.3 Final proposals in respect of the review of Torfaen are due to be published in August 2012.
- 5.4 The review of Pembrokeshire is due to begin in July 2012.
- 5.5 With Ministerial agreement the further review of Denbighshire may begin in July 2012.
- 5.6 It is proposed to restart the review of Carmarthenshire and to publish draft proposals in January 2013.

Community Reviews

- 5.7 The Commission are currently awaiting a community review by Torfaen County Borough Council. Once a report has been received from the Council the Commission will consider the proposals before making its proposals to the Minister.
- 5.8 Flintshire County Borough Council has indicated that they will be carrying out a community review following the local government elections in May. Should the Council's report of this review be received during this year then the proposals will be considered and a report submitted to the Minister.
- 5.9 Other Councils have indicated that they are contemplating Community Reviews. The Commission will provide Councils with any advice and guidance they may require.

Electoral Review Policy

- 5.10 It is proposed to start the consultation on the methodology for determining the size of councils prior to electoral reviews in May 2012. The closing date of the consultation will be July 2012. Following consideration of the responses to this consultation the Commissioners will be able to confirm their policy in respect of council size.

Corporate Governance

- 5.11 The terms of the Interim Commissioners having come to an end the Minister appointed Mr Ceri Stradling and Mr David Powell to be Commissioners for the period 1 April 2012 to 31 March 2015 and Mr Owen Watkin was been appointed Chair of the Commission for the period 15 June 2012 to 14th June 2015.

- 5.12 The Interim Independent member of the Audit Committee's term of appointment expires at the end of August 2012. The Commission will undertake an exercise to make a new appointment by the end of August 2012.
- 5.13 The Commission will consider any further recommendations that arise from the follow-up review of the Commission's control environment that is due to take place in May 2012 by Welsh Government.
- 5.14 As part of the production of the Annual Report and Accounts a Governance Statement will be produced which will be supplemented by the Annual Report of the Audit Committee.
- 5.15 Consideration of corporate risks will be given at each Commission meeting.
- 5.16 The Records Management policy is to be updated.
- 5.17 A Corporate Plan that replaces the previous document 'Our Strategy 2009-12 is to be published by the end of December 2012.

Legislation

- 5.18 The Commission have been advised that the Welsh Government are intending to publish a White Paper outlining a Local Government Democracy (Wales) Bill. This Bill is likely to have an impact on the operation of the Commission. The Commission will provide an appropriate response to the White Paper. Following the publication of the Bill will review its policies and practice in respect of review work and make appropriate changes.

Communications

- 5.19 Further work will be undertaken on the communications strategy with a view to agreeing a final version by the end of July 2012. Development of the new web site and appropriate training for staff will be completed by the end of April 2012.

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6. SUMMARY FINANCIAL STATEMENTS

- 6.1 This Financial Statement provides a summary of the accounts of the Local Government Boundary Commission for Wales (the Commission) for the financial year ending 31 March 2012. It does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Commission. For further information the full annual accounts and auditor's report on those accounts should be consulted. A copy of the audited accounts, which contain the detailed information required by law and under best practice guidelines, can be obtained, free of charge, from the Finance Manager, Caradog House, 1-6 St. Andrews Place, Cardiff, CF10 3BE.

Report of the Auditor General for Wales to the National Assembly for Wales on the Summary Financial Statements

I have examined the summary financial statements contained in the Annual Report of the Local Government Boundary Commission for Wales' statutory financial statements set out below on pages 17 to 22.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the summary financial statements with the statutory financial statements, the report of the Secretary and Accounting Officer and the remuneration report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements, the report of the Secretary and Accounting Officer and the remuneration report of the Local Government Boundary Commission for Wales for the year ended 31 March 2012 on which I have issued an unqualified opinion.

I have not considered the effects of any events between the dates on which I signed my report on the full financial statements, 13 August 2012 and the date of this statement.

Huw Vaughan Thomas
Auditor General for Wales

13 August 2012

Wales Audit Office
24 Cathedral Road
Cardiff
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LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2012

	Notes	2012 £	2011 £
EXPENDITURE			
Staff costs	5	446,614	406,688
Depreciation		3,356	4,208
Other expenditure		245,234	289,674
Total Expenditure		695,204	700,570
INCOME			
Other non-retainable income		-	14,566
Other income		132,544	-
Total Income		132,544	14,566
Net Expenditure		(562,660)	(686,004)
Net interest (payable) / receivable		1	(1)
Net Expenditure after interest		(562,659)	(686,005)
OTHER COMPREHENSIVE EXPENDITURE			
Total Comprehensive Expenditure for the year ended 31 March 2012		(562,659)	(686,005)

All activities are classed as continuing

The notes on pages 21 to 22 form part of these accounts.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF FINANCIAL POSITION as at 31 March 2012

	31 March 2012 £	31 March 2011 £
NON-CURRENT ASSETS		
Property, Plant and Equipment	1,793	5,149
Total non-current assets	1,793	5,149
CURRENT ASSETS		
Trade and other receivables	3,090	1,670
Cash and cash equivalents	8,480	4,875
Total current assets	11,570	6,545
Total assets	13,363	11,694
CURRENT LIABILITIES		
Trade and other payables	(44,191)	(56,355)
Total current liabilities	(44,191)	(56,355)
Total assets less current liabilities	(30,828)	(44,661)
FINANCED BY:		
General reserves	(30,828)	(44,661)
	(30,828)	(44,661)

The notes on pages 21 to 22 form part of these accounts

June Milligan
Accounting Officer
31 July 2012

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF CASH FLOWS for the year ended 31 March 2012

	2012 £	2011 £
Cash flows from operating activities		
Net expenditure after interest	(562,659)	(686,005)
Adjustments for:		
Decrease / (Increase) in trade and other receivables	(1,420)	(120)
Depreciation	3,356	4,208
Increase / (Decrease) in trade payables	(12,164)	3,811
Net cash outflow from operating activities	(572,887)	(678,106)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(646)
Net cash outflow from investing activities	-	(646)
Cash flows from financing activities		
Grants from parent departments	576,492	679,441
Net financing		
Net (decrease) in cash and cash equivalents at the start of the period	3,605	689
Cash and cash equivalents at the beginning of the period	4,875	4,186
Cash and cash equivalents at the end of the period	8,480	4,875

The notes on pages 21 to 22 form part of these accounts.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF CHANGES IN TAX PAYERS' EQUITY for the year ended 31 March 2012

	Government Grant Reserve £	Total Reserves £
Balance at 31 March 2010	(38,097)	(38,097)
Changes in accounting policy	-	-
Restated balance at 1 April 2010	<u>(38,097)</u>	<u>(38,097)</u>
Changes in tax payers' equity 2010-11		
Grant in Aid from Welsh Assembly Government	679,441	679,441
Comprehensive Expenditure for the year	(686,005)	(686,005)
Balance at 31 March 2011	<u>(44,661)</u>	<u>(44,661)</u>
Changes in taxpayers' equity for 2011-12		
Grant in Aid from Welsh Assembly Government	576,492	576,492
Comprehensive Expenditure for the year	(562,659)	(562,659)
Balance at 31 March 2012	<u>(30,828)</u>	<u>(30,828)</u>

The notes on pages 21 to 22 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (IFRS based FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Local Government Boundary Commission for Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Local Government Boundary Commission for Wales are described below. These have been applied consistently in dealing with items that are consider material to the accounts.

2. Accounting Convention

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

3. Financial Results

The net expenditure for the year amounted to £562,659 (2010-11; £686,005) and this has been transferred to the general reserve. Grant-in-Aid received from the Welsh Assembly Government amounted to £576,492 (2010-11; £679,441) and this has been credited direct to the general reserve.

As Grant-in-Aid is provided on a cash basis and cannot be drawn down in advance of need and the accounts are prepared on an accruals basis this can result in a net negative reserves position. This has been the case for the last four years.

4. Going Concern

These accounts are prepared on a going concern basis. So far as I am aware the net current liabilities will be financed from resources voted by Parliament (Grant-in-Aid) in the future.

5. STAFF NUMBERS AND RELATED COSTS

	2012 Permanently employed staff £	2012 Inward Secondments £	2012 Contract Staff £	2012 Commission Members £	2012 Total £
Wages and salaries	211,764	120,704	2,765	32,074	367,307
Social security costs	14,988	8,317	-	2,042	25,347
Pension costs	37,527	19,426	-	-	56,953
Holiday pay accrual	(1,633)	(1,360)	-	-	(2,993)
Total Net Costs	262,646	147,087	2,765	34,116	446,614

Average number of persons employed

The average number of whole-time equivalent persons employed during the year by these categories was as follows:

No.	No.	No.	No.	No.
6	5	1	3	15

Comparatives:

	2011 Permanently employed staff £	2011 Inward Secondments £	2011 Contract Staff £	2011 Commission Members £	2011 Total £
Wages and salaries	141,828	158,724	931	22,600	324,083
Social security costs	11,374	10,568	-	1,068	23,010
Pension costs	27,484	29,056	-	-	56,540
Holiday pay accrual	1,986	1,069	-	-	3,055
Total Net Costs	182,672	199,417	931	23,668	406,688

Average number of persons employed

The average number of whole-time equivalent persons employed during the year by these categories was as follows:

No.	No.	No.	No.	No.
4	7	1	3	15

The emolument of the Chair of the Commission was £2,689 (2010-11: £10,756). The emolument of the Interim Chairman of the Commission was £15,748. All other Commission Members received less than £5,000 each.

The above costs include £118,143 (2010-11; £59,317) in respect of staff resources expended on behalf of the Boundary Commission for Wales. The increase in Boundary Commission for Wales costs for 2011-12 is due to the ongoing work for the 2013 Review of Parliamentary Constituencies.

6. Events After the Reporting Period

These accounts were authorised for issue on 31 July 2012 by the Accounting Officer. On 5 May 2012 the Welsh Government Minister for Local Government and Communities, Carl Sargeant, appointed two new Members of the Local Government Boundary Commission for Wales to replace the outgoing interim Members. This development did not necessitate any change to the Financial Statements in these accounts.

June Milligan
Accounting Officer
31 July 2012