

THE LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES



Comisiwn Ffiniau a  
Democratiaeth Leol  
Cymru



Local Democracy and  
Boundary Commission  
For Wales

***ANNUAL REPORT AND SUMMARY  
FINANCIAL STATEMENTS  
2015/2016***



# **LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES**

## **ANNUAL REPORT 2015/2016**

### ***Foreword***

The main focus of our review work during the period of this report has been in respect of Community Reviews where we made proposals to Welsh Ministers for changes to community areas in Rhondda Cynon Taf, Flintshire and Cardiff, and Neath Port Talbot. In respect of Electoral Reviews we have continued to plan and prepare for a programme of review work to meet the Welsh Government's proposals for local government reform. In order to ensure that the Commission is ready and able to meet future challenges we have continued to review and improve the governance of our operations. During the year we welcomed two new Commissioners; Mrs Julie May and Mr Theodore Joloza and I was also pleased that the existing members, Mr Ceri Stradling and Mr David Powell were re-appointed.

**Owen Watkin OBE DL**  
**Chair**  
**July 2016**

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# 1. INTRODUCTION

## The Commission

1.1 The Local Democracy Boundary Commission for Wales (the Commission) is a Welsh Government Sponsored Body (WGSB). The Commission was established in 1974 under the terms of the Local Government Act 1972 as the Local Government Boundary Commission for Wales and renamed under the terms of Section 2 of the Local Government (Democracy) (Wales) Act 2013 (the 2013 Act). The provisions of 2013 Act in respect of the Commission replace those of the 1972 Act.

1.2 The purpose of the Commission is:

**To monitor the areas and electoral arrangements relevant to local government in Wales for the purpose of considering whether it is appropriate to make or recommend changes. In carrying out its duties the Commission must seek to ensure effective and convenient local government.**

## Membership

1.3 Five Commission members served during the year: Mr Owen Watkin, Mr Ceri Stradling, Mr David Powell, Mrs Julie May and Mr Theodore Joloza. Mr Watkin is the Chair and his initial appointment ended on 14 June 2015. In December 2014, the Minister for Public Services, Leighton Andrews AM announced that he had reappointed Mr Watkin for a further period of four years until 14 June 2019. The Commission's Deputy Chair is Mr Ceri Stradling. Mr Stradling and Mr Powell's appointments were extended by the Welsh Government until September 2015 and then for a further four years until 31 August 2019.

During 2015-16, the Welsh Government appointed two new members to the Commission; Mrs Julie May and Mr Theodore Joloza. Both Mrs May and Mr Joloza's appointments are for three years and will end on 31 August 2018.

The Commission also appoints an Independent Audit and Risk Assurance Committee Member. The current Independent Audit and Risk Assurance Committee Member is Mrs Julie James whose appointment ended on 31 August 2015. Mrs James was re-appointed as Independent Audit and Risk Assurance Committee Member by the Commission for a further year from 1 September 2015 to 31 August 2016. The Commission's Audit and Risk Assurance Committee is chaired by Mr Stradling.

The Commissioners held membership of other public bodies. A register of the Commission members' interests can be found on the Commission's web site at:

<http://ldbc.gov.wales/about/register/>

The Commission's statutory auditor is the Auditor General for Wales.

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 Hastings House, Fitzalan Court, Cardiff. The Secretariat consisted of the posts of Chief Executive, Deputy Chief Executive, Finance Manager, Business Support Manager, four Review Officers and two Support Officers. For the first four months of the year one of the Review Officer posts was vacant.
- 1.5 Mr Steve Halsall is the Chief Executive and the Commission's designated Accounting Officer.
- 1.6 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. The sponsor department of the Boundary Commission for Wales is the Cabinet Office.

## **Statutory Duties**

- 1.7 The main duty of the Commission is to monitor the areas and electoral arrangements relevant to local government in Wales for the purpose of considering whether it is appropriate to make or recommend changes. To carry out that duty the Commission conducts such reviews as are required. In conducting reviews the Commission must seek to ensure effective and convenient local government.

## **Principal Area Boundaries**

- i) The Commission may, of its own initiative or at the request of a local authority, conduct a review of one or more principal areas.
- ii) The changes the Commission may recommend are:
  - a) Such principal area boundary changes it considers appropriate, and
  - b) In consequence of any principal area boundary changes such community boundary changes, preserved county changes, community council changes or electoral arrangements as it considers appropriate.

## **Community Boundaries**

- iii) Under specific circumstances contained in the legislation the Commission may conduct a review of one or more communities in a principal area.
- iv) The changes the Commission may recommend are:
  - a) Such community boundary changes it considers appropriate, and
  - b) In consequence of any community boundary changes such community council changes and associated changes to the electoral arrangements of the community or communities under review and the principal area as it considers appropriate.

## **Preserved Counties**

- v) The Commission may conduct a review of one or more preserved counties and may recommend such changes as it considers appropriate.

## **Principal Area Electoral Arrangements**

- vi) The Commission must conduct a review of the electoral arrangements for each principal area at least once every 10 years and must publish a programme which sets out the timetable for the reviews.
- vii) The changes the Commission may recommend are:
  - a) Such changes to the electoral arrangements for the principal area as it considers appropriate, and
  - b) In consequence of electoral arrangement changes such community boundary changes, community council changes, changes to community electoral arrangements and preserved county changes as it considers appropriate.

## **Review Procedure**

- 1.8 Chapter 4 of the 2013 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, Diversity and Remuneration Division of the Welsh Government. As a Welsh Government Sponsored Body the Commission receives an annual remit letter that sets out the Minister for Public Services' 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 Welsh Ministers for effecting changes to local government boundaries and local government electoral arrangements that seek to ensure 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. This was followed by an Independent Review of the Commission (the Mathias Review) in 2011.
- 2.3 The Commission's Corporate Plan agreed in December 2014 sets out the corporate objectives as follows:
- Ensuring principal area electoral arrangements are fit for purpose – developing a programme of electoral reviews in line with Welsh Government policy objectives.
  - Ensuring community boundaries and electoral arrangements are fit for purpose - Work with principal councils to ensure Community boundaries and electoral arrangements are regularly reviewed and coordinated with the programme of electoral reviews.
  - Ensuring the boundaries of principal council areas are fit for purpose – As appropriate review principal area boundaries.
  - Developing the effectiveness and efficiency of our business – Maintain a high level of Corporate Governance, constantly engage with stakeholders to create a reputation for excellence in all that we do and ensure that the skills of the staff are developed and maintained.
  - Ensuring that the Welsh Government's principles in respect of sustainable development, equality and diversity and the Welsh language are embedded in our work.

### Targets

- 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 Within the legislation the period for representations is defined as a period of not less than 6, nor more than 12, weeks. 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.



2.6 The Local Government (Democracy) (Wales) Act 2013 provided for a ten-year programme of electoral reviews. The Commission accordingly devised a ten-year programme of reviews the first of which was to start in January 2014. The Commission on Public Service Governance and Delivery reported to the First Minister on 20 January 2014 recommending a change to the make-up and operation of Wales' 22 Principal Councils. In order to avoid any nugatory work, the electoral review programme was suspended.

### **2015-16 Remit Letter**

2.7 The Minister for Public Services' remit letter of 26 February 2015 set out the role of the Commission in relation to the Welsh Government's strategic agenda and the deliverables expected of the Commission to help the Government achieve its goals. The remit letter set the following specific objectives for the Commission for 2015-16:

- Review policies and practices in preparation for the commencement of the Local Government (Wales) Bill;
- Support principal councils in the conduct of community reviews;
- Develop a stakeholder engagement policy to ease the transition to merged authorities;
- Contribute constructively to consultations on reforming local government;
- Continue to review corporate governance, operating practices and overall preparedness to undertake the future program of electoral reviews.

The activities that were undertaken to deliver the objectives in these areas during 2015-16 are reported in the next section.

### **3. THE WORK OF THE COMMISSION DURING 2015-16**

#### **Meetings**

- 3.1 The Commission has a programme of monthly meetings. Twelve Commission and three Audit and Risk Assurance Committee meetings were held during 2015-16.

#### **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 published a draft proposals report for the community review of Neath Port Talbot in December 2015 and final proposals reports for the community reviews of Rhondda Cynon Taf in July 2015, Flintshire in October 2015, Cardiff in February 2016 and Neath Port Talbot in March 2016.

#### **Reviews of Electoral Arrangements**

- 3.4 During 2015-16 the Commission continued planning for the future programme of review work and reviewed their future budget requirements in light of the Welsh Government's proposed reform of local government.

#### **Corporate Governance**

- 3.5 Each quarter the Chief Executive assessed the Commission's processes for producing the Governance Statement.
- 3.6 A system of financial reporting was operated that includes:
- Monthly budget reports signed off by the Chief Executive;
  - Month end processes signed off by the Chief Executive;
  - Fixed Asset Register checking; and
  - Budget report to each Commission meeting.
- 3.7 Corporate Risks that were considered at each Commission meeting. Operational Risks were assessed at Team and Management meetings and where necessary elevated onto the Corporate Risk Register. The Audit and Risk Assurance Committee regularly assessed the risk assessment procedures. An item on Risk Management was considered at each Commission meeting and at each Audit and Risk Assurance Committee meeting. The internal audit conducted during the year gave substantial assurances for the Commission's corporate governance, risk management and budgetary control and a moderate assurance for the Commission's strategic planning.
- 3.8 During 2015-16 the Commission reviewed its Code of Practice on Access to Information, Members' Fees and Expenses Policy, Risk Management Policy, Records Management Guidance, Gifts and Hospitality Policy, Health and Safety Policy, Welsh Language Scheme and Code of Conduct for Commission Members. The Commission also adopted and published a Pay Policy Statement, and published a Welsh Language Scheme Annual Report.

- 3.9 In August 2015 The Commission retained its accreditation for the Investors in People standard and In December 2015 the Commission retained its Level 2 rating for the Green Dragon Environmental Standard.

### **Legislation**

- 3.10 On 17 August 2015 Welsh Government published Draft Directions to the Local Democracy and Boundary Commission for Wales, which was proposed to be issued following Royal Assent of the Local Government Wales Bill, directing the Commission to undertake Initial Reviews of Welsh Government's proposed merged principal councils. The Commission responded to the consultation in October 2015. On 25 November 2015 the Local Government (Wales) Act was given Royal Assent. The provisions of this Act are intended to allow for certain preparatory work to enable a programme of local government mergers and reform. The Act also amends existing legislative provision in the Local Government (Democracy) (Wales) Act 2013 relating to electoral reviews. The Commission contributed to this Act's development at every stage both formally and informally. On 24 November 2015, Welsh Government published a second draft Local Government (Wales) Bill setting out the Welsh Government's further proposals for local government reform. The Commission submitted a written response to both Welsh Government and the National Assembly for Wales' Communities, Equality and Local Government Committee in February 2016.

### **Other Meetings**

- 3.11 During the year representatives of the Commission held meetings with Leighton Andrews AM (Minister for Public Services), the Independent Remuneration Panel for Wales, the Association of Electoral Administrators, the Office for National Statistics, Pembrokeshire County Council, the Public Services Staff Commission, One Voice Wales, Welsh Local Government Association and Welsh Government. We also met with colleagues from the other UK Boundary Commissions.

### **2016-17 Remit Letter**

- 3.12 The Minister for Public Services' remit letter of 1 March 2016 sets out the role of the Commission in relation to the Welsh Government's strategic agenda and the deliverables expected of the Commission to help the Government achieve its goals. The remit letter set the following specific objectives for the Commission for 2016-17:
- To be ready to begin its review of electoral arrangements for proposed principal councils as soon as possible, if the direction is received and to complete the review in the given time frame;
  - To prepare to undertake an all Wales review of community council arrangements;
  - To continue its stakeholder engagement in preparation for any reviews;
  - Continuous review and improvement of its corporate governance.

The activities that will deliver objectives in these areas over the coming twelve months are included in Section 5, The Work of the Commission During 2016-17.

## **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 Corporate Governance Manual has been adopted and a Register of the direct or indirect pecuniary interests of Commissioners is published on the Commission's web site ([www.ldbc.gov.wales](http://www.ldbc.gov.wales)). There is also a code of conduct for Commission staff.
- 4.3 The Commission has an appointed Audit and Risk Assurance Committee, chaired by a member of the Commission. The Commission appoints an independent member of the Audit and Risk Assurance 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.ldbc.gov.wales](http://www.ldbc.gov.wales) gives information about the Commission, the progress of reviews and access to reports.
- 4.5 For each review one of the Commissioners is appointed Lead Commissioner for that review. The role of Lead Commissioner is to encourage councils to engage with the process at a high level through face-to-face meetings with senior members and staff where appropriate throughout the review process.

### **Audit**

- 4.6 The Commission is committed to achieving value for money when purchasing goods and services. 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 during 2015-16 were Deloitte LLP. The Auditor General for Wales has undertaken the external audit of the Commission's finances and the subsequent report was without caveat or qualification.

### **Welsh Language Scheme**

- 4.7 The Commission has a Welsh Language Scheme, which sets out, in detailed measures, the Commission's commitment to the principle that, in the conduct of public business in Wales, the Commission will treat the Welsh and English language on a basis of equality. A copy of the Scheme will be supplied on request or may be accessed on the Commission's bilingual website.

- 4.8 The Chair of the Commission is a fluent Welsh speaker, and the Commission has appointed him Welsh Language Champion. He has an open remit to work with the Commission staff to raise and improve our use of the Welsh Language. The Commission's Chief Executive manages all new policies and initiatives personally and is the Scheme's monitoring officer.
- 4.9 During the year the Commission cooperated with the Welsh Language Commissioner's investigation in preparation for the implementation of Welsh Language Standards. At the end of March the Commission received a draft compliance notice in respect of the Welsh Language Standards. This will be responded to and work will take place during the coming year to ensure that the Commission is in a position to meet the required standards.
- 4.10 All of the Commission's publications and correspondence were issued either bilingually or with Welsh and English versions being published simultaneously. Separate publications were equally accessible (in hard copy and on the Commission's website), and were of the same quality, format and prominence.
- 4.11 One (10%) full-time member of staff and one (10%) part-time member of staff at the Commission's Secretariat are Welsh speakers who are available to: answer queries from colleagues pertaining to the Welsh language; answer queries from Welsh speaking members of the public; and, quality-assure Welsh language publications.
- 4.12 We are pleased that one further member of staff has committed to learning the Welsh language.

### **Training and Information Technology**

- 4.13 Essential training courses that members of staff are required to attend have continued this year and include: MapInfo Software, Sage Accounting Software, Complaints Handling, Equality and Diversity, Health and Safety, Manual Handling, Handling Requests for Information, Fire Awareness, Information Security, Welsh Language Awareness, Welsh Language Learning, Governance, Monsters & Trolls (Corporate Governance training), Leadership, Payroll, Facilities Management, Excel, Sustainable Development, Project Management. A new Review Officer also received job specific training in respect of the Commission's geographical information system, and in-house coaching was arranged and supported. Welsh Language coaching has been given on an informal basis to non Welsh speaking staff, to help them improve their pronunciation of Welsh place names.
- 4.14 The Commission is part of the Welsh Government's Atos alliance which provides the majority of the Commission's IT requirements, both hardware and software. Following the adoption of an IT strategy, several improvements have been made to the Commission's IT systems.

### **Complaints Procedure**

- 4.15 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.ldbc.gov.wales](http://www.ldbc.gov.wales)) or can be obtained from the Commission at the address below. The work of the Commission comes within the remit of the Public Services Ombudsman for Wales. All members of staff are required to attend training on complaints handling. No complaints were received during 2015-16 (for comparison purposes, no complaints were received during 2014-15).

### **Employee Policy**

- 4.16 The staff of the Commission at the end of March 2016 consisted of the Chief Executive, Deputy Chief Executive, Finance Manager, Business Support Manager, four Review Officers, a Review Assistant and Office Assistant. The Commission maintains a core of directly employed staff whose salary bands and terms and conditions of service are analogous with Welsh Government staff of corresponding grades.

Staffing requirements over and above this core are dictated by the local government 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. Members of 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.

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

### **Information Policy**

- 4.17 The Commission makes as much information publicly available as practicable through their web site and this information largely corresponds to that set out in the guidance contained in the Information Commissioner's Office Definition Document for Welsh Government Sponsored Bodies. Any information specified in the Information Commissioner's Office Definition Document not readily available on the Commission's web site will be made available on request. The Commission's Code of Practice on Public Access to Information requires all requests for information covered by the Freedom of Information Act to be met within 15 working days. In 2015-16 there were 5 requests for information all of which (100%) were responded to within 15 working days of receipt of the request. This compares to 2014-15 where there were 7 requests for information (86% of which were provided within 15 working days of receipt of the request and 1 where the reply deadline date was extended with the agreement of the requester).

## **5. THE WORK OF THE COMMISSION DURING 2016-17**

### **Reviews of Electoral Arrangements**

- 5.1 Future developments in the Welsh Government's local government reform programme are awaiting the result of the National Assembly for Wales election in May 2016. The Commission awaits the new government's decision on its vision for local government and will work with it to meet its requirements.

### **Community Reviews**

- 5.2 The Commission will undertake its role in any future community reviews to be launched by Wales' principal councils.
- 5.3 The Commission will provide advice and guidance as appropriate to principal councils undertaking Community Reviews.

### **Corporate Governance**

- 5.4 As part of the production of the Annual Report and Accounts a Governance Statement is required to be produced and this will be supplemented by the Annual Report of the Audit and Risk Assurance Committee. Each quarter the Chief Executive will assess the Commission's processes for producing the Governance Statement.
- 5.5 The Audit and Risk Assurance Committee will meet in July and November 2016 and in February 2017 to monitor and evaluate overall governance and risk management arrangements.
- 5.6 Operational Risks will be continually assessed at Team and Management meetings and where necessary will feed into the Corporate Risks that are to be considered at each Commission meeting.

### **Communications**

- 5.7 The Commission's communications strategy will be reviewed in the light of changes arising from the Local Government (Wales) Bill.

### **Procurement**

- 5.8 Existing contracts and procurement arrangements will be monitored to ensure that expenditure provides value for money.

### **Equality and Diversity**

- 5.9 The Commission will seek to prioritise equal opportunities in making appointments or secondments to the Commission's staff. As part of its policy to promote equality, Welsh Government adopts policies to take this into account and puts into practice its commitments to equality.
- 5.10 In line with this initiative, the Commission keeps under review all internal policies and procedures to ensure that they comply with best practice, reflect the Welsh Government's objectives and that the equality impact is assessed.

- 5.11 Members of staff are encouraged to improve their understanding of equality and diversity and to be aware of changes in legislation by undertaking appropriate training and to put into practice the principles they have learnt.
- 5.12 The Commission notes the Welsh Government's commitment to increase diversity in public appointments. The Commission will continue to work with Welsh Government in the pursuit of this aim in respect of the recruitment of new members to the Commission as and when they are required. This commitment will also be applied to the process of appointing an independent member to the Audit and Risk Assurance Committee.

### **Sustainable Development Principles and Well-being**

- 5.13 The Commission aims to ensure that, when making decisions, the impact of those decisions on the people living in Wales in the future will be considered – the Commission does not want their actions today to have a detrimental effect on the people of tomorrow. In making decisions, we, therefore: consider the long-term effects of our decisions; aim to work well with people, communities and each other; attempt to prevent potential problems; and, adopt a more integrated approach, by listening to what interested parties have to say.
- 5.14 There is already a commitment and awareness of sustainable procurement within the Commission, which is supported by a corporate approach to Sustainable Development. Work has been undertaken to identify sustainable procurement priorities, such as reduced resource consumption, sound environmental management and supplier development. This is underpinned by the Commission's Environmental Policy and its commitment to the Green Dragon Environmental Standard (Level 2).
- 5.15 During the forthcoming year, the Commission aims towards achieving the Small Workplace Health Award.

### **Welsh Language**

- 5.16 The Commission will publish a Welsh Language Scheme Annual Report, a copy of which will be issued to the Welsh Language Commissioner.
- 5.17 During the forthcoming year, the Commission will produce a Transition Plan to aid the move from Welsh Language Scheme to Welsh Language Standards; a Compliance Notice is anticipated from the Welsh Language Commissioner during the summer of 2016.

**Steve Halsall**  
**Chief Executive**  
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## **6. SUMMARY FINANCIAL STATEMENTS**

- 6.1 This Financial Statement provides a summary of the accounts of the Local Democracy and Boundary Commission for Wales (the Commission) for the financial year ending 31 March 2016. 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, Hastings House, Fitzalan Court, Cardiff, CF24 0BL (e-mail: [ldbc.wales@wales.gsi.gov.uk](mailto:ldbc.wales@wales.gsi.gov.uk)).

## **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 and Democracy Boundary Commission for Wales on pages 15 to 20.

### **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 and the auditable part of 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 Financial Reporting Council for use in the United Kingdom.

### **Opinion**

In my opinion the summary financial statements are consistent with the statutory financial statements and the auditable part of the remuneration report of the Local and Democracy Boundary Commission for Wales for the year ended 31 March 2016 on which I have issued an unqualified opinion.

Huw Vaughan Thomas  
Auditor General for Wales  
28 July 2016

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# LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2016

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	Notes	2016 £	2015 £
Income		<u>(120,051)</u>	<u>(90,424)</u>
<b>Total Operating Income</b>		<u><b>(120,051)</b></u>	<u><b>(90,424)</b></u>
<b>COSTS</b>			
Staff costs	6	<b>392,091</b>	333,611
Other operating expenditure		<u><b>192,270</b></u>	<u>199,410</u>
<b>Total Operating Expenditure</b>		<u><b>584,361</b></u>	<u>533,021</u>
<b>Net Operating Expenditure</b>		<u><u><b>464,310</b></u></u>	<u><u>442,597</u></u>
<b>Comprehensive Net Expenditure for the Year</b>		<u><u><b>464,310</b></u></u>	<u><u>422,597</u></u>

All activities are classed as continuing

The notes on pages 19 and 20 form part of these accounts.

# LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES

## STATEMENT OF FINANCIAL POSITION as at 31 March 2016

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	31 March 2016	31 March 2015
	£	£
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	<u>34,272</u>	<u>47,722</u>
<b>Total non-current assets</b>	<u><u>34,272</u></u>	<u><u>47,722</u></u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	4,614	2,576
Cash and cash equivalents	<u>17,418</u>	<u>36,422</u>
<b>Total current assets</b>	<u><u>22,032</u></u>	<u><u>38,998</u></u>
<b>Total assets</b>	<u><u>56,304</u></u>	<u><u>86,720</u></u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>(26,916)</u>	<u>(44,356)</u>
<b>Total current liabilities</b>	<u><u>(26,916)</u></u>	<u><u>(44,356)</u></u>
<b>Total assets less current liabilities</b>	<u><u>29,388</u></u>	<u><u>42,364</u></u>
<b>FINANCED BY:</b>		
General reserves	29,388	42,364
	<u><u>29,388</u></u>	<u><u>42,364</u></u>

The notes on pages 19 and 20 form part of these accounts.

The Accounting Officer authorised these financial statements for issue on 27 July 2016

**STEVE HALSALL**  
Accounting Officer  
27 July 2016

# LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES

## STATEMENT OF CASH FLOWS for the year ended 31 March 2016

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	2016	2015
	£	£
<b>Cash flows from operating activities</b>		
Net operating costs	<b>(464,310)</b>	(442,597)
Adjustments for:		
Decrease / (Increase) in trade and other receivables	<b>(2,036)</b>	466
Depreciation	<b>14,654</b>	14,542
Increase / (Decrease) in trade payables	<b>(17,440)</b>	(12,005)
<b>Net cash outflow from operating activities</b>	<b><u>(469,132)</u></b>	<u>(439,594)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(1,206)</b>	(27,356)
<b>Net cash outflow from investing activities</b>	<b><u>(1,206)</u></b>	<u>(27,356)</u>
<b>Cash flows from financing activities</b>		
Grants from parent departments	<b><u>451,334</u></b>	<u>434,176</u>
<b>Net financing</b>		
Net (decrease) in cash and cash equivalents at the start of the period	<b>(19,004)</b>	(32,774)
Cash and cash equivalents at the beginning of the period	<b><u>36,422</u></b>	<u>69,196</u>
Cash and cash equivalents at the end of the period	<b><u>17,418</u></b>	<u>36,422</u>

The notes on pages 19 and 20 form part of these accounts.

# LOCAL DEMOCRACY AND BOUNDARY COMMISSION FOR WALES

## STATEMENT OF CHANGES IN TAX PAYERS' EQUITY for the year ended 31 March 2016

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	General Reserve* £
<b>Balance at 31 March 2014</b>	50,785
Changes in accounting policy	-
<b>Restated balance at 1 April 2014</b>	<u>50,785</u>
<b>Changes in tax payers' equity 2014-15</b>	
Grant in Aid from Welsh Government	434,176
Comprehensive Expenditure for the year	(442,597)
<b>Balance at 31 March 2015</b>	<u>42,364</u>
<b>Changes in taxpayers' equity for 2015-16</b>	
Grant in Aid from Welsh Government	451,334
Comprehensive Expenditure for the year	(464,310)
<b>Balance at 31 March 2016</b>	<u>29,388</u>

The notes on pages 19 and 20 form part of these accounts.

\* no total column is given as this is the only reserve the Commission has.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **for the year ended 31 March 2016**

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#### **1. STATEMENT OF ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the 2015-16 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 Democracy and Boundary Commission for Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Local Democracy and Boundary Commission for Wales are described below. These have been applied consistently in dealing with items that are considered 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. Administration and Programme Expenditure**

The Commission's funding received from both the Welsh Government and Cabinet Office is classed as funding for programme expenditure by both Departments. All income and expenditure figures shown on the Statement of Comprehensive Net Expenditure are therefore deemed to be programme income and expenditure.

#### **4. Financial Results**

The net expenditure for the year amounted to £464,310 (2014-15; £442,597) and this has been transferred to the general reserve. Grant-in-Aid received from the Welsh Government amounted to £451,334 (2014-15; £434,176) and this has been credited direct to the general reserve.

#### **5. 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 the Welsh Government (Grant-in-Aid) in the future.

## 6. STAFF NUMBERS AND RELATED COSTS

	2016 Permanently employed staff £	2016 Inward Secondments £	2016 Commission Members £	2016 Total £	2015 Total £
Wages and salaries	267,050	15,108	30,087	312,245	268,925
Social security costs	18,266	650	601	19,517	16,841
Pension costs	56,287	3,022	-	59,309	48,294
Holiday pay accrual	1,020	-	-	1,020	(449)
<b>Total Net Costs</b>	<b>342,623</b>	<b>18,780</b>	<b>30,688</b>	<b>392,091</b>	<b>333,611</b>

### Average number of persons employed

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

	2016 Permanently employed staff No.	2016 Inward Secondments No.	2016 Commission Members No.	2016 Total No.	2015 Total No.
Directly Employed	9	-	7	16	14
Other	-	1	-	1	1
<b>Total Staff</b>	<b>9</b>	<b>1</b>	<b>7</b>	<b>17</b>	<b>15</b>

The emolument of the Chair of the Commission was £6,051 (2014-15: £5,513). The emolument of one BCW Member was £6,066. The emolument of the Deputy Chair, Member, Independent Audit and Risk Assurance Committee Member and remaining BCW Member was less than £5,000 each.

The above costs include £63,500 (2014-15; £45,000) in respect of staff resources and £9,605 (2014-15; £2,624) in respect of members' remuneration expended on behalf of the Boundary Commission for Wales.

## 7. Events After the Reporting Period

These accounts were authorised for issue on 27 July 2016 by the Accounting Officer. At the date of signing these accounts there were no events after the reporting period to disclose.

**STEVE HALSALL**  
Accounting Officer  
27 July 2016