

**MINUTES OF THE THREE HUNDRED AND FIFTY SEVENTH MEETING OF THE
LABOUR RELATIONS AGENCY BOARD HELD AT 10.30 am
ON THURSDAY, 24 JUNE 2010
IN LRA REGIONAL OFFICE, GUILDHALL SQUARE, LONDONDERRY**

Present: Jim McCusker (Chair)
Peter Williamson
Neal Willis
Trevor Morrow
Patricia O'Farrell
Sally McKee
Gordon Parkes
Brenda Maitland

In Attendance: Bill Patterson (Chief Executive)
David McGrath (Director, Advisory Services)
Gerry O'Neill (Director, Corporate Services)
Anne Gunning (Minutes Secretary)

1. Apologies Action

Apologies were received from Lyn Fawcett and Penny Holloway.

2. Minutes of Previous Meeting held on 20 May 2010

The minutes of the meeting held on 20 May 2010 were proposed by Neal Willis, seconded by Patricia O'Farrell, and agreed as a true and accurate record of the meeting.

3. Matters Arising from the Previous Minutes not listed on this Agenda

4.6 Joint LRA/LRC Board Meeting

The CEO confirmed that a meeting has been arranged for 5 July 2010 with Kieran Mulvey CEO LRC regarding follow-up to the recent joint LRA/LRC meeting in Dublin.

CEO

4. Annual Report & Accounts

Board Members agreed minor changes of which the DCS took note and then formally agreed, subject to the inclusion of the minor changes, the submitted Annual Report and Accounts 2009/10.

It was further agreed that a glossary would be included in the Annual Report and Accounts 2010/11. This would set out clarification of the various short forms used in the body of the document.

CEO/DCS

5. Review of Dispute Resolution in NI

(a) Conclusions of special Board session on 30 April

The conclusions reached by the Board on DEL's Policy Response, and set out in the submitted record note, were agreed.

(b) Exchange of correspondence with DEL

The Board discussed the issue of the protections afforded to Agency staff and independent mediators/arbitrators in terms of confidentiality, and also the matter of staff involved in conciliation not being required to appear before a Tribunal. It was noted that the letter from Andrew Hamilton DEL Deputy Secretary, advised that the Department has taken legal advice which confirmed that the existing legislative provisions provide the necessary protections. DEL is of the view that no change to the governing legislation is required. It was agreed that in order to reassure LRA staff, the Agency should also take legal advice on its position regarding the scope afforded by staff protections.

CEO

The Board also discussed in relation to the DEL Policy Response on the Review of Dispute Resolution the Agency's reservations regarding (1) the lack of an appeal mechanism for statutory arbitration and (2) the potential duplication of Agency advisory services in respect of the proposed small firms support scheme.

(c) Employment (No. 2) Bill

It was agreed that this topic required clarification with DEL.

At this point June Ingram and Tom Evans from DEL joined the meeting.

The Chairman welcomed June and Tom, and June in turn thanked the Board for giving them the opportunity to give the Department's view on the Policy Response.

The Departmental representatives updated the Board on the progress of the DEL Review of Dispute Resolution Policy Proposals including progress on the introduction of legislation. It was confirmed that DEL expected the Employment (No. 2) Bill to be effective as from 1 April 2011.

It was noted that the DEL Assembly Committee would be considering the legislative proposals in the coming Autumn at which point the Agency may consider contributing to the Committee discussions.

It was also noted that the Minister was encouraging the re-constitution of the Project Steering Group as an advisory group for DEL in relation to the implementation of the Policy Proposals. DEL envisaged the implementation processes to be highly consultative and participative in respect of the key stakeholders. DEL envisaged working in partnership with the social partners.

The emphasis from DEL would be on culture change represented by a shift from the adversarial resolution of disputes to resolving disputes as close to source as possible through problem solving. The LRA Code of Practice was seen to be central to this approach as were the development of dealing with individual rights disputes at the pre-claim stage and the enhancement of the LRA Helpline in the diagnosis and directing of potential tribunal claims. The SME sector was thought to require particular attention.

The Chairman thanked the DEL representatives for addressing the meeting.

A broad discussion followed. Two questions were of particular concern to Board members (1) that further consideration should be given by DEL to a statutory arbitration appeal mechanism; a point which appeared to have considerable support amongst key stakeholders and (2) clarification of the statutory protections afforded to LRA members of staff in respect of undertaking relational mediation work, that is, ensuring that the same protections applying to statutory conciliation apply to relational mediation.

DEL referred to Departmental legal opinion indicating that, in relation to point (2) appropriate protections did apply for relational mediation but undertook to consider any case the Agency would submit with regard to point (2) and its further consideration by DEL.

6. Chairman's Business

6.1 *Declarations of Board Member Interests*

No interests were declared by members.

6.2 *Board Vacancy – update*

It was noted that the Department intends to fill the current vacancy along with the pending vacancy 1 December 2010. The Chairman indicated that he was encouraging the Department to commence the recruitment process for both vacancies as soon as possible.

The Chairman reported that the Department has agreed four generic criteria and two employment relations criteria in respect of the specification for the above vacancies.

6.3 *Board Member Training – 2009-10*

Details were noted.

6.4 *LRA/NI Equality Commission Meeting 20 May 2010*

It was noted that at the joint meeting of Board Members and Commissioners, following presentations by David McGrath (LRA) and

Eileen Lavery (EC), discussed the Agency and EC positions on the impact of the DEL Review of Dispute Resolution Policy Proposals. This was considered to be a very healthy and informative discussion.

6.5 Board Performance Assessments

It was agreed that the Chairman would send draft comments on performance for the 2009-10 year to Board members. For new Board members there would be a meeting with the Chairperson. If requested meetings with the Chairman would be arranged for existing Board members.

Chairman

6.6 Replacement of Neal Willis on Research Committee

It was noted that Neal Willis had resigned from the Research Committee because of work commitments. Peter Williamson agreed to serve on the Committee.

CEO

6.7 Correspondence

The Chairman read a letter from Jigsaw, a company that deals with people with disabilities. The letter expressed thanks to Judith Hewitt, ERO in Conciliation, for her help and advice, and commended her for her work with the company. The Board sent their congratulations to Judith.

CEO

7. Research Committee

7.1 Minutes of the Research Committee Meeting held on 12 April 2010

The minutes of the meeting held on 12 April 2010 were ratified by the Board.

7.2 Research Committee Meeting held on 28 May 2010

The Chairman reported that the meeting dealt mainly with the presentation from the New Economics Foundation on the Social Return on Investment (SROI) approach to the measurement of the economic, social and environmental impact of organisational performance. It had been agreed that this was a very impressive presentation providing a useful insight into the SROI approach. It had been agreed that SROI could well provide a more comprehensive and suitable methodology for the evaluation of Agency services and should be given serious consideration.

CEO/DAS

It was also noted that the Research Committee would be meeting after the Board Meeting.

8. Audit Committee

8.1 Minutes of the Audit Committee Meeting held on 18 March 2010

The minutes of the meeting held on 18 March 2010 were ratified by the Board.

8.2 Meeting held on 16 June 2010

Peter Williamson reported on the meeting held on 16 June.

Items discussed:

- Equal Pay in draft accounts; concern had been expressed that expense was being incurred in taking legal advice on the appropriateness of implementing the back pay elements of the NICS/NIPSA settlement.
- Sickness absence procedure. It had been noted that a sickness absence procedure had been issued to staff. The procedure is to be implemented on a pilot basis for one year.
- Procurement - It was considered that the NIO Review of Procurement could inform the Board's consideration of its role in overseeing Agency procurement practice. It was also noted that the Board had requested a paper on the role of the Board in respect of Agency procurement.
- The Internal Auditor had briefed the Committee on the role of Internal Audit and on the Internal Audit work within the Agency. It was noted that the Internal Audit 2009/10 had found the Agency practices to be satisfactory other than for the IS/IT which required further attention on disaster planning and system security accreditation.
- Consideration was given to risks and how these may be reflected in Agency Annual Report and Accounts. Consideration was also given to the Board's role in overseeing and monitoring the management of risk.

8.3 Annual Report by the Chairman of the Audit Committee 2009/10

The report was accepted by the Board.

9. Chief Executive's Business

9.1 *DEL Review of the Agency*

The CEO understood that the final draft report was with DEL. A further meeting is to be arranged between DEL and KPMG with the report to be issued in July. It was noted that the final draft will be forwarded to the CEO for comment on the facts before the report is formally issued to the Agency.

9.2 DEL ALB Review

It was noted that there is still nothing to report on the Review.

9.3 Bi-Monthly Management Report

It was noted that the strategic objective covering effective Board, SMT and Staff training programmes had been temporarily delayed.

CEO

With regard to the format of the report it was agreed that this would be rationalised to (1) making the actual performance objectives/targets clearer and (2) providing more informative commentary on performance against objectives/targets.

CEO

It was noted that the current recruitment programme will bring the Agency close to a full establishment.

It was noted that the accommodation programme is under radical review in light of the indication of (1) unacceptable costs and (2) indications from DEL that the 2010/11 allocated budget may be further cut within year and again for the 2011/2012 financial year. Alternative accommodation options are being considered.

It was noted that sickness absence was 2.5% - 2.7% for the April – June period, and that 79% of supplier payments were made within 10 days.

9.4 Evaluation of LRA Employment Relations Services

It was noted that the CEO and DAS met with Karl Leathem of Social Return on Investment (SROI) on 14 June. It was agreed that the Agency would undertake an initial scoping study to test the validity to the LRA of the SROI approach.

9.5 Review of LRA Arbitrator Panel

The CEO gave a presentation highlighting the key points for consideration. After extensive discussion it was agreed that further consideration should address two possible approaches (1) the ‘open competition’ approach whereby the current arbitrators would compete as part of a public recruitment exercise to establish a new arbitrator panel and (2) the ‘incremental approach’ where current arbitrators would remain in place with new arbitrators being appointed through public competition.

It was agreed to include a welcoming statement for the disabled and that consideration should be given to fixed term appointments.

9.6 LRA Conference

It was noted that arrangements are ongoing. Several Board Members have agreed to chair workshops at the conference, and have also agreed to attend a pre-conference dinner being arranged for the previous

evening at the Stormont Hotel. The dinner is primarily for the conference speakers and invited guests. The dinner also provides an opportunity for Board members who are chairing conference workshops to meet and discuss arrangements with their speakers.

9.7 Continuous Improvement

It was noted that staff appraisals will be completed over the summer period. It was also noted that preparation for liP is progressing.

9.8 RPA

It was noted that there was nothing further to report.

9.9 Equal Pay

In respect of the NICS/NIPSA equal pay settlement it was noted that the Agency awaited final legal opinion on the application of revised pay scales for the AA/AO/EOII grades and on the applicability back pay.

9.10 Accommodation

This item was discussed at 9.3 above.

10. Corporate Correspondence Received Relevant to Board

10.1 OFMDFM letter dated 28 May 2010 re A Commissioner for Older People in Northern Ireland

It was agreed that this issue does not raise any questions for the Agency.

11. Any Other Business

- 11.1 Public Relations
Business Telegraph – John Simpson interview with CEO
‘The trials and tribulations of conflict resolution at work’
– 8 June 2010
- 11.2 Business Eye article – DAS/Winston Churchill
fellowship
- 11.3 Business Eye article – *‘Our future depends on training’*
featuring Dolores
Kelly, Chair of DEL Employment & Learning
Committee
- 11.4 First Trust Bank Economic Outlook & Business Review
- *‘Reforming Workplace Dispute Resolution’* article by
CEO

Contents noted by Board.

12. Date of Next Meeting

The next meeting of the Board will be held on Thursday, 26 August

2010 commencing at 10.00 am. This meeting will be followed by an update on risk management at the ASM Horwath premises 20 Rosemary Street Belfast BT1 1QD.