

HM Land  
Registry



Annual report and accounts 2020/21



# Transforming the property market



HM Land Registry

# **Annual report and accounts 2020/21**

Accounts presented to the House of Commons pursuant to Section 6(4) of the  
Government Resource and Accounts Act 2000

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HC458





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Cover: St Mary's Medical School, Paddington, London. Imperial College sold this for £85m to Jersey firm Cohort Limited in a transaction registered by our Peterborough Office. They reinvested the money in the Medical Faculty. The college is at the forefront of the fight against COVID-19, both in modelling the pandemic to inform public policy response and in its research into vaccines and treatments. Image: Karl F. Schöfmann/Alamy

Contents: River Eden, Cumbria. Eden Valley Mineral Water Company is a mineral water bottling plant known as Aqua Pura, second in sales volume only to Evian, bottling 250m litres of water a year. Princes sold the site for £22 million to Roxane UK Limited – the transaction was registered at our Peterborough Office.

Image: David Chapman/Alamy





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# Performance report

## Overview – HM Land Registry at a glance

A summary of HM Land Registry, our objectives and values.

### Our objectives

- Trust and confidence in land ownership
- The conveyancing process is quick, easy and secure
- Property data supports a stable and innovative UK economy.

### Our values

- We give assurance
- We have integrity
- We drive innovation
- We are professional

### Our primary role

Land is our nation's greatest asset. Clarity and security of land ownership is essential to a functioning property market. In the 2020/21 financial year alone, nearly £260 billion worth of property transactions took place in the UK. All were recorded in the Land Register.

For nearly 160 years we have played a key role in the UK's economic stability and growth. Our secure registration system enables trust and confidence in investment decisions for all. We provide essential guarantees for our citizens' and firms' greatest assets, which are the cornerstone of a vibrant lending market.

Our register, a piece of Critical National Infrastructure, now

contains more than 26 million titles, providing ownership guarantees for 87% of land in England and Wales, and has lending in the region of £1-1.5 trillion secured against it. The increased investment in property comes from a trusted system of guaranteed ownership, which has a wider impact within the UK.

The property market supports hundreds of thousands of jobs in construction, financial and legal services, which are spread throughout all regions of England and Wales. HM Land Registry provides statutory and non-statutory services available either through third-party professional customers or directly to citizens and businesses. These span the

many stages of land and property ownership, from looking to buy or sell to the entirety of the conveyancing process and our guarantee of title.

HM Land Registry is now a non-ministerial department as well as a partner body of the Department for Business, Energy and Industrial Strategy. Previously, it was an executive agency and trading fund, but following reclassification by the Office for National Statistics this status was relinquished at the end of the 2019/20 financial year. This report covers HM Land Registry's first year under its new classification, which is reflected in how the accounts are reported.

A new development in Milton Keynes. The council joined our Local Land Charges Register in August 2020, transferring its local land charges records to our central digital service. Image: Octus Photography/Shutterstock

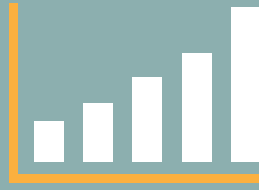




# HM Land Registry in numbers



**31.2m**  
Service requests



**£239.2m**  
Total recognised revenue



**30.7m**  
Electronic applications



**25,945,597**  
Registered titles  
as at 31 March 2021



**109,357**  
Total number of Local  
Land Charges searches



**87%**  
of land mass  
registered in England  
and Wales



**319,568**  
times our new Contact  
Us channel was used



**70%**  
Customer satisfaction  
Rated good/excellent in Q4



**Top twenty**  
for employee  
engagement (Civil Service)



**6,393**  
Employees



**60%**  
Female



**40%**  
Male



**14**  
Office locations

# Our role in the property market

## Market interest



£7 trillion worth of land and property held

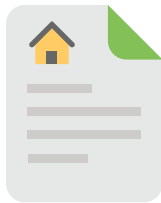


90,000 daily requests to view the register, plans and associated documents

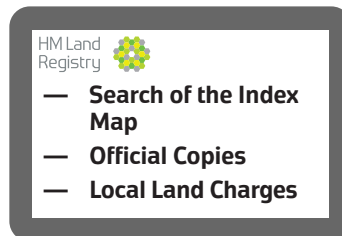
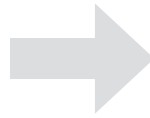


**Market interest** We hold one of the largest transactional geospatial property databases in Europe, including all secured loans and other property rights in England and Wales. Since 1990 our register has been open to the public. We receive around 90,000 requests daily to search the register, with the majority answered instantly via our digital business e-services. Increasingly, PropTech (property technology) companies are integrating our data into their digital tools to make buying a home quicker and easier. From people querying ownership to online sites such as Zoopla and Rightmove showing the latest house prices, our data is viewed by thousands of people every day.

## Property transaction



76,000 daily guaranteed queries



**Property transaction** Before you can buy or sell any property, it is critical that you view the Land Register for all the information relating to it. Our search of the index map, official copies and official searches services provide assurance to property professionals and citizens by protecting transactions while they are completed.

The **Local Land Charges** service can reveal whether a property has restrictions on its use. The **Land Charges** service protects certain interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department maintains a register of short-term loans secured on agricultural assets.

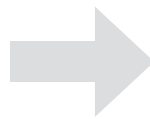
## After purchase



400 fraudulent registrations prevented since 2009



17,000 daily requests to change the register

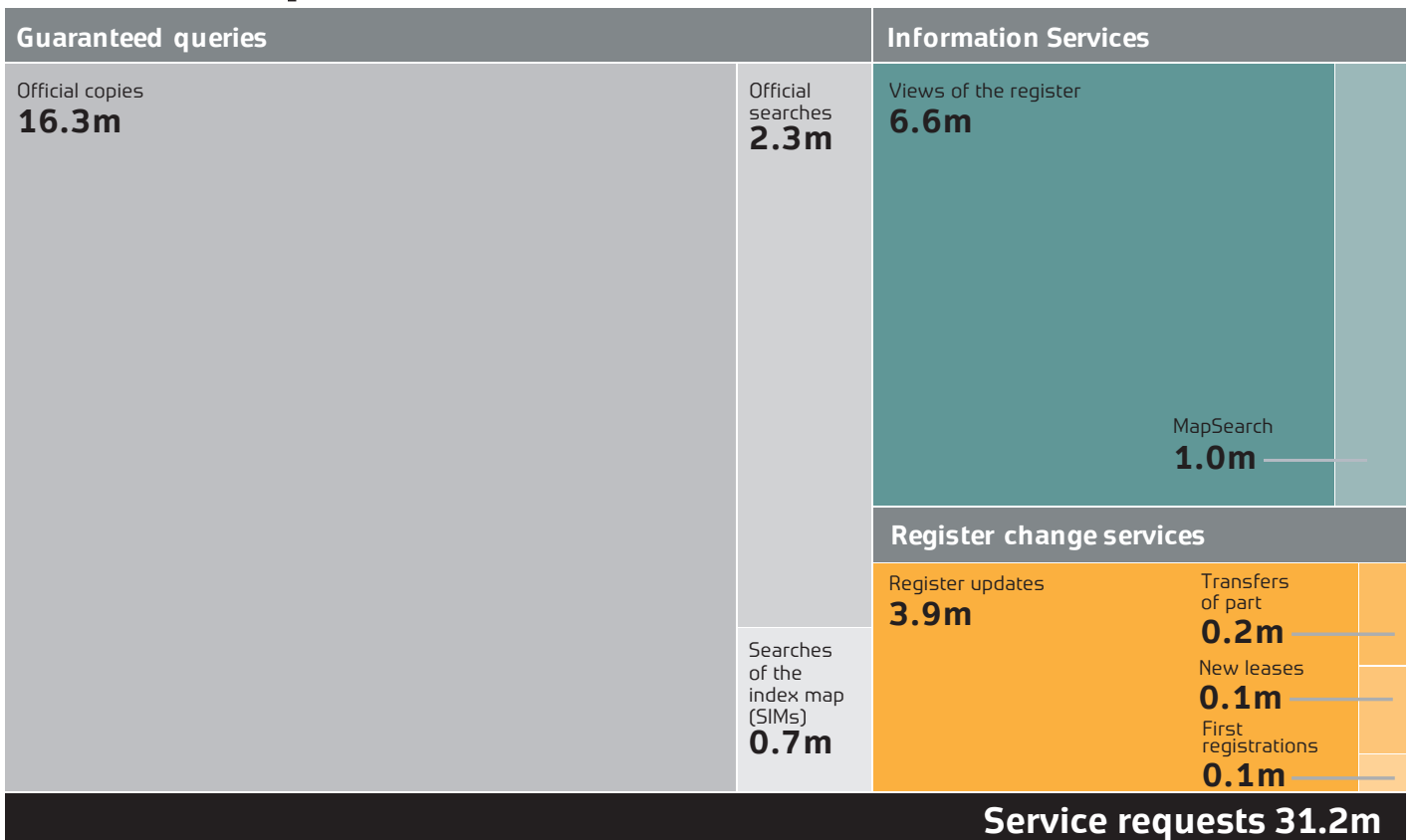


**After purchase** We receive around 18,000 requests per day to change the register to accurately reflect the ownership of property. This usually happens at the very end of the transaction – after items such as stamp duty land tax have been paid and the property has exchanged hands. Only then do we update the register with new owners and details such as mortgages or other interests. This information is also used by organisations such as the Bank of England to calculate interest rates.

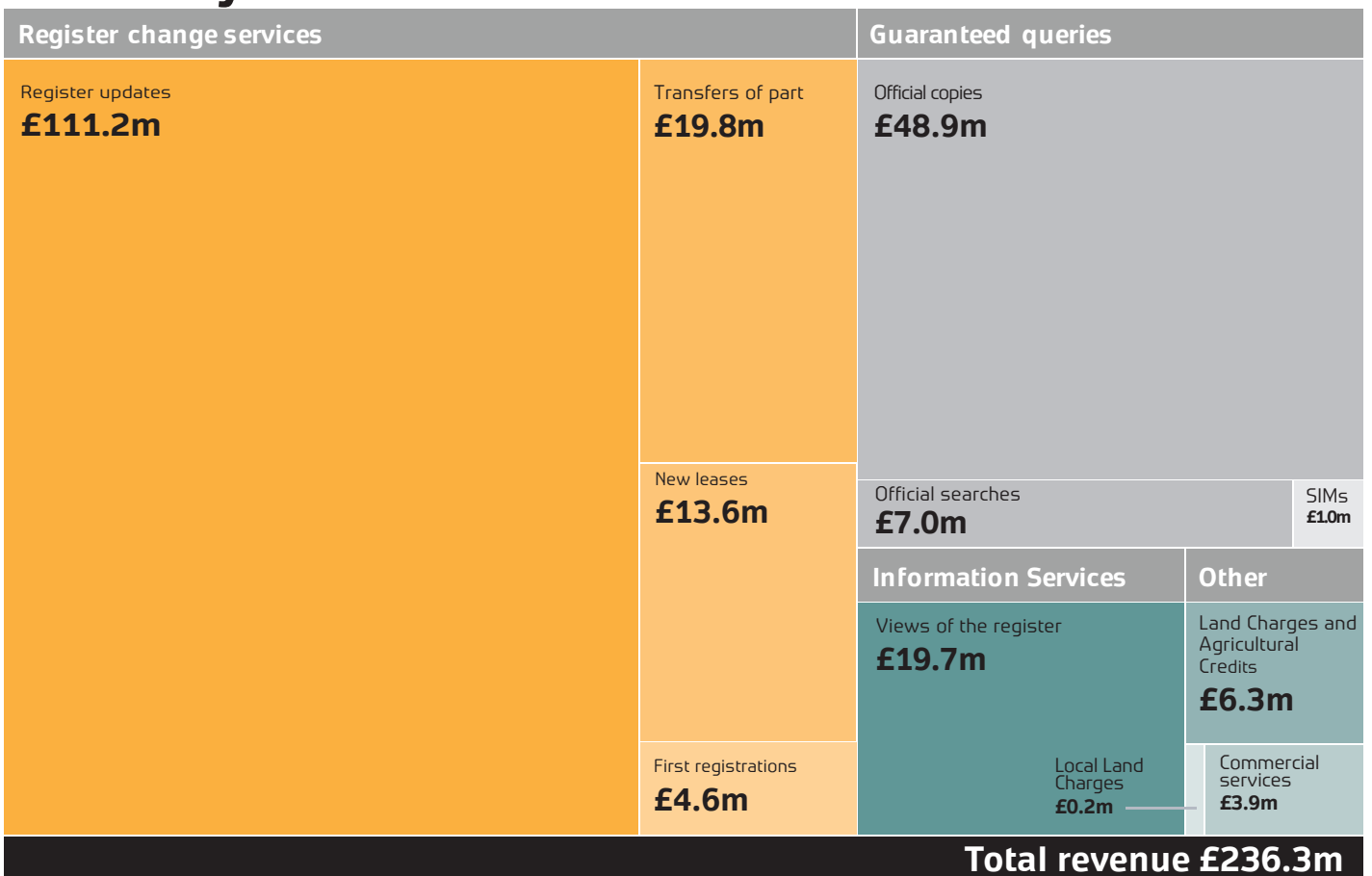
**Property Alert** is one of our most effective fraud prevention measures, sending email alerts to subscribers whenever there is significant activity on a property they are monitoring, such as a new mortgage being taken out. In addition, our data is regularly used by police agencies to combat fraud.



# Service requests



# Statutory revenue



Note: Revenue is no longer retained by HM Land Registry, but passes through the Trust Statement and is then surrendered to HM Treasury



The Windermere Jetty Museum is one of the finalists on RIBA's 2021 shortlist of award-winning new architecture in the north west. The building was registered by HM Land Registry under two leases, registered in 2007 by the Durham Office, and in 2019 by the Birkenhead Office. The National Heritage Memorial Fund provided the financing that made the museum possible and there is a charge on the Land Register in favour of the Memorial Fund. All loans collateralised against property are recorded by HM Land Registry to protect lenders and are open to public view. Register entries for the site refer back to a lease granted in 1873 and rights reserved in a Conveyance from 1939. Image: Christian Richters/age fotostock



HM Land Registry is a household name. But exactly what it does and how it does it are less well-known. For example, other property markets around the world depend on title insurance to guarantee ownership. HM Land Registry's platform provides an unlimited guarantee backed by the Government within its relatively low fee structure. Every commercial lease over seven years is registered with us. We record every mortgage on the Land Register, making lending against property safe for financial institutions. Our data on property prices is unrivalled. This is why HM Land Registry is a critical component of national infrastructure and why our colleagues recognise that the property market depends on HM Land Registry every day.

Global real estate markets are in the process of slowly recovering but for the UK it has continued at pace. While many markets closed or shrunk, the property market in England and Wales saw record levels of demand boosted by the stamp duty land tax holiday.

This helped to maintain stability during the economic crisis that accompanied the pandemic with HM Land Registry playing a vital role. It is another reason why HM Land Registry is correctly seen as critical national infrastructure.

Our brilliant people responded rapidly to make sure commercial property transactions, house sales, mortgages and collateralised lending were able to continue uninterrupted despite the pandemic. There was no let-up in our digital transformation. In fact, we accelerated innovation. HM Land Registry is even more decisively becoming a world leader in using digital to make the property market more efficient for our citizen, firm and lawyer customers.

However, the pandemic exposed how difficult many property transactions have become with some taking months to complete due to the lack of readily available information and multiple processes that are often based on or reliant on paper.



**“Our brilliant people responded rapidly to make sure commercial property transactions, house sales, mortgages and collateralised lending were able to continue uninterrupted despite the pandemic. There was no let-up in our digital transformation. In fact, we accelerated innovation.”**



**Michael Mire** Chair of HM Land Registry  
Michael is also a Non-Executive Director of Aviva PLC and a senior advisor at Lazard.

It is clear that digital technology is the key to making the market more resilient. This includes our own processes which we are steadily migrating to digital. HM Land Registry still takes too long to deal with complex transactions and we know that offering a free expedite service, while useful, is not the long-term answer.

A more informed and efficient property market is important as well to levelling up across the UK. Rebuilding economies depends on well-functioning local property markets. A future where land and property can be used intelligently and traded as easily as stocks and shares will enhance all aspects of local economies including planning, housing, the reimagined high street, retail, offices, transport and the environment.

High quality property data is the key to this to becoming a reality. At the moment, while HM Land Registry holds crucial data on property ownership, there are data silos which make transacting in property and planning new developments too difficult.

We are working with the Geospatial Commission on making data more accessible but we also have a responsibility to take the lead in transforming the property market and how transactions can be simplified and speeded up through digitisation. Our Digital Street programme is HM Land Registry's flagship initiative to make the property market the best in the world.

This report therefore sets out in detail how our transformation investments have improved our own organisation and how we are working in partnership with customers, stakeholders and tech firms to create a truly digital property market that can drive an even broader digital revolution.

For instance, our Local Land Charges Programme is far more important than its name implies (see page 25). In effect, it is a major step forward in making more data readily available on one platform, including data critical to planning. The Treasury has asked us to accelerate the programme because of its economic importance.

Our breakthrough Digital Registration Service is enabling our customers to submit digital data straight into our systems (pages 30-31). We are now training our people to become registration experts of the future with the launch of our new Land Registration Academy. Research and development is increasingly important too and this year we have delivered a proof of concept of how tokenisation could completely reshape the way the property market and property ownership work. There is now the potential to make property a digital currency.

Our highly successful Geovation start-up incubator, both in London and Manchester, with plans to reach more of the country, has brought new PropTech firms on board (see page 36). We see helping and funding the PropTech sector, now closely linked to FinTech, as another way in which we can improve the property market and make our country the best place to start a digital business.

So to summarise – our unique position as the public body that is central to the functioning of the property market has enabled us to emerge from the pandemic with a stronger sense of purpose and a clearer understanding of how we can maximise value for all our stakeholders.

I would finally like to take the opportunity to pay a tribute to the non-executive directors who have left the board over the last year. Doug Gurr, who came to us from Amazon, Diana Breeze, the HR Director and Executive Committee member at Bunzl and before that LandSec, and Chris Morson, with his background in digital finance at Virgin Money, made our board one of the best in the public sector. Their commitment to ensuring the highest standards of governance is something for which we are all incredibly grateful.

We now welcome Ann Henshaw, the HR Director at British Land, and Jeremy Pee, the Chief Digital Officer at Marks & Spencer, as new Non-executive Board Members. You can read more about them and their fellow non-executives on page 14.

# Overview

Interview with **Simon Hayes** Chief Executive and Chief Land Registrar



22 Bishopsgate, also known as Twentytwo, is a commercial skyscraper adding to the City of London financial district's dramatic skyline, standing at 278m tall with 62 storeys. Since its completion in 2020, our Nottingham Office has been recording the interests of new tenants. Image: Bradley Stearn /Alamy





**Simon Hayes** Chief Executive and Chief Land Registrar

**“I take great pride in the way in which we have worked together with colleagues, customers and stakeholders, in a true spirit of collaboration to ensure the property market in England and Wales could continue to operate effectively.”**



### **After your first year as Chief Executive, how would you describe HM Land Registry’s role?**

The UK property market is one of the most valuable and active markets in the world – it is the greatest store of wealth in our nation and underpins our economic stability. For nearly 160 years HM Land Registry has played an indispensable role in supporting that stability by ensuring that property transactions can proceed safely and securely. We guarantee the ownership of over £7 trillion worth of land and property assets, making our registers part of the UK’s Critical National Infrastructure.

Our primary role is to ensure that property transactions can take place, without delay or interruption, and on the basis of trusted, accurate, and high-quality information. The critical nature of our mission, whether to facilitate searches of the register, or to change it to reflect new ownership, came sharply into focus when the global pandemic broke out and threatened to undermine the smooth operation of the market.

### **How did your organisation react to the pandemic?**

Our priority was to our customers, ensuring that they could rely on us and continue to transact. The vast majority of property searches have been delivered online for some time, and posed less of a challenge. However, delivering changes or updates to the register meant enabling most of our colleagues to work remotely as quickly as possible, while protecting the integrity of the register and our services to the necessary level.

We moved immediately into business continuity arrangements, prioritising services and capabilities, and communicating daily to staff and customers. As well as the focus on customers we placed a strong emphasis on the safety and the wellbeing of all colleagues throughout this difficult time. The work which we have done in recent years on culture and engagement, and our commitment to diversity and inclusion, put us in a good position to ensure that the organisation stayed connected and motivated at this very challenging time.

Within weeks we transformed HM Land Registry from an almost entirely office-based organisation to one where over 90% of colleagues were able to deliver services from home. The remaining colleagues who had to perform essential functions on site were able to work from COVID-secure offices. Our ‘pulse’ surveys show that colleagues felt more connected and committed to our organisation and each other than ever before and, once remote working was fully rolled out, were delivering services at nearly pre-COVID levels.

But we knew that, because of the disruption, customers might have to wait longer for some applications to change the register to be processed. While most updates happen after a property transaction is completed, there can be occasions when those changes are urgently needed, such as a property being registered for the first time or a new lease being added.

We therefore expanded our “expedite” services which enable customers to request an application to be fast-tracked for free and avoid any negative consequences that a delay may cause. We are currently processing nearly four times as many expedited applications as we were prior to the pandemic.

Most of our efforts continued to be focused on reducing the disruption to our core services. However, we realised there were other innovations and improvements we could pursue which would increase the resilience of conveyancing, such as the introduction of e-signatures. This was vital at a time when the property market continued to experience strong demand despite the lockdown restrictions in the UK, but should also be of significant benefit to everyone longer term.

I take great pride in the way in which we have worked together with colleagues, customers and stakeholders, in a true spirit of collaboration to ensure the property market in England and Wales could continue to operate effectively.





Alderley Park, a development by Bruntwood SciTech, in Macclesfield, is home to the UK's largest single-site life science campus. One of the country's first COVID-19 Lighthouse Testing Labs is located at the park and the conference centre is also being used as an NHS Mass Vaccination Centre. The lease in block 35 was registered by our Swansea Office in February 2021 to Medicines Discovery Catapult Limited, the UK's centre for medicine research and innovation set up by the Government as part of the Northern Powerhouse scheme.

Image: Alderley Park

## **What do you think you can do to help customers and the economy to recover?**

I think there has always been an understanding that the key to unlocking a more efficient, effective and secure way to transact in property is through digital technology.

However, acceptance and adoption have been relatively slow within the UK property market. One of the key reasons for this is that land and property transactions involve a lot of information and several parties – attempting to create a single process or platform for all historically has proven difficult.

The pandemic has forced everyone to look at how they operate. Recent research suggests that about a quarter of property transactions fall through each year and the extension to the stamp duty land tax holiday highlighted to everyone how difficult it is to get transactions completed quickly and efficiently.

We began working even more closely with stakeholders and customers, engaging with both the public and private sectors to understand how we could help. As a result, we created a new standard for digital identity verification which will further remove friction from the homebuying and selling process (see page 21).

At the same time, we have been reviewing our future strategy and exploring with our partners how we can maximise the value we add to the economy, the environment and society as a whole.

It can take up to 13 weeks to gather all the necessary information for a property transaction to proceed. The UK is estimated to spend £3.3 billion per annum on manual offline identity proofing. Mixed paper and electronic systems result in disjointed and inefficient services, with lots of progress chasing.

## **What is your vision for the market?**

To make better informed decisions, citizens and businesses need easy and early access to high-quality land and property information. They should be provided with a fully digital experience with simple and intuitive services and tools that give feedback in real time. Services should interact seamlessly with each other to create a frictionless process where multiple parties can transact swiftly and securely from anywhere.

## **How will this be achieved?**

The key ingredient is digital property data. Data needs to move across organisational boundaries to enable joined-up services. The whole property ecosystem must be digital – at present there is a patchwork of legacy online systems that are not interoperable, cannot share data and lead to error and frustration for users. Machine-readable data can enable the automation of simple tasks and create a market for further services and the use of emerging technologies. This will continue to be our primary focus.

Developing unified data standards will ensure a trustworthy source of information for the public, policymakers and analysts across the property market. High-quality and reliable data can unlock wider innovation to underpin a diverse and resilient market of services, and support other priorities.

Our future strategy will be focused on how we can support those aims both through the delivery of our own transformation activity and in how we bring the market together to create opportunities that will change not just HMLR processes, but the way in which we all use and interact with land and property in the future.

Finally, of course, we will continue to invest in our brilliant people. Our commitment to creating a culture where all colleagues can thrive remains as strong as ever. Our new culture model is helping to shape our decision-making to create an environment in which all teams feel included, empowered and equipped to improve outcomes for our customers. This year we have also reviewed and revamped our Diversity and Inclusion strategy, so that we reflect, and meet the needs, of the whole of the population which we serve.

## **How can you deliver such a radical change within the property market?**

I don't think it is a change that could or should be delivered by us alone, but I do believe we have a key role to play and we are already starting to do that.

We are the only government department involved in every property transaction, delivering over 30 million service requests every year, so we are uniquely placed to understand and influence across the piece.



We also work closely with a whole range of stakeholders from other parts of government and international land registries, through to tech start-ups and financial service providers. And, of course, we have always maintained a strong relationship with trade representatives and regulatory bodies.

### **What is the most important thing you learned this past year?**

After just 18 months here I have been struck by just how creative and resilient our colleagues and our organisation as a whole can be. Whether it was finding a way to text colleagues a ‘thank you’ YouTube video or running virtual events or digital workshops with managers and leaders, we kept colleagues informed, engaged, supported and motivated in the face of a global pandemic and a significant digital transformation in our ways of working.

Working with customers and stakeholders has been a key feature of our ability to innovate and deliver changes quickly. Our new Industry Forum has become a rapid testing ground for early concepts and ideas. Getting together via virtual meetings and groups has enabled us to understand the issues or opportunities right from the start and also to ensure the market knows from the outset what we are planning on doing in the future.

As we end our first year under a new central government framework arrangement (see page 45) we can reflect positively to how we have responded to challenges in a way that enables us to look ahead with a sense of opportunity. Our future strategy will seek to identify how we can accelerate and widen the value HM Land Registry can offer to the property market and to the nation as a whole.

Within this report you can read more about how our transformation programme is delivering changes today that are already taking us towards that vision of the future (page 22-27).

Over the next year, we will be refreshing our vision for our role in the property market, focusing on those opportunities we are uniquely suited to deliver, enable or assist as we strive to support economic recovery across the UK, and support a more sustainable future. To do this, we want to help the UK property market become amongst the most digitally informed in the world.

### **What do you see as the key objectives for the year ahead?**

In addition to the longer term strategy described above, we have to improve our day to day operations and service. Before the start of the pandemic we were beginning to make headway into reducing our backlog of complex cases. However, the subsequent disruption to our services alongside an unexpectedly buoyant market means that we still have some way to travel. Above all else, we need to increase capacity, improve productivity, and reduce processing times.

Our Business Plan sets out our aims for the three years ahead, with three key objectives:

- to meet the needs our customers have right now, which is about delivering our services faster but maintaining our quality. This includes additional investment focused on optimising our operations, as well as accelerating the digitisation and automation of our services to enable more real-time services;
- to look ahead at how we can best enable change in the conveyancing market in the future; and
- to modernise our organisational culture and ways of working, including by learning the valuable lessons from 2020/21.

Our plans are most detailed for the 2021/22 financial year, where we have budget certainty. Our submission to the 2021 Comprehensive Spending Review will support the delivery of our longer-term ambitions.

A thank you video message was sent via text from Simon Hayes to all colleagues in December 2020.





# Our Non-executive Board Members



**Kirsty Cooper**

Kirsty is General Counsel and Company Secretary for Aviva. She established Aviva's first global leadership team and has responsibility for public policy and corporate responsibility. Kirsty is on the General Counsel Legal 500 Powerlist and is also a trustee of the Royal Opera House.



**Elliot Jordan**

Elliot is Chief Financial Officer and member of the Executive Board of Farfetch, the leading global platform for luxury fashion. He is responsible for the finance, legal, strategy and human resource teams across the global operation. He is also the executive sponsor of Diversity and Inclusion. Prior to joining Farfetch, Elliot held positions at ASOS plc, J Sainsbury plc, Credit Suisse and KPMG.



**Angela Morrison**

Angela is Chief Operating Officer at Cancer Research UK (CRUK) where she is responsible for Finance, HR, Technology and Corporate Services. Prior to joining CRUK, Angela was Retail, Supply Chain and Technology Director at Debenhams as well as holding roles at J Sainsbury plc, Direct Line Group and ASDA Walmart.



**Jeremy Pee**

Jeremy is the Chief Digital and Data Officer at Marks & Spencer (M&S). Unlocking the power of data to personalise and create seamless digital experiences is his primary focus. This included the highly successful launch of a new customer engagement platform. Prior to joining M&S, Jeremy was the Senior Vice President of Loblaw Digital, the digital unit of Canada's leading retailer (\$45 billion turnover). At Loblaw Digital, he was responsible for building and growing a diverse portfolio of e-commerce businesses from inception to more than \$500 million in six years.



**Ann Henshaw**

Ann has extensive experience in human resources (HR), having worked at several major companies across a variety of sectors, including property, both in the UK and internationally. She is HR Director at British Land and a member of their Executive Team. She joined the Financial Times Stock Exchange (FTSE) 100 company in October 2015. Previous roles include serving as Group HR Director at Clear Channel International and HR Director at EDF Energy.



**Ed Westhead**

Ed is an Executive Director at UK Government Investments (UKGI), the government's centre of excellence in corporate finance and corporate governance, based in London. He has previously been a non-executive board member for Companies House and held roles in corporate finance with Macquarie and BAE Systems.



# Insights from Sweden

Interview with **Thomas Öberg**, Head of Land Registry Division, Lantmäteriet, Sweden



Open data is often a catalyst for innovation, which is why it is interesting to consider the indirect dynamic values which can arise when new business opportunities emerge.

The study points to 20 applicable areas within five different sectors where the added value of providing open access to the proposed data amounts to 10-21 billion Swedish krona. The proposed datasets are estimated to have the greatest potential within the Information and Communications Technology (ICT) and real estate sectors, where providing open access to the proposed data would enable more efficient IT systems and planning processes. Overall, the analysis shows that significant value arises from increased use, reuse and combining of datasets. This led to both efficiency improvements and more informed decision making.

## **What are the challenges for Sweden's property market and how does Lantmäteriet influence the sector?**

The population is increasing in Sweden and lack of housing has been a challenge in the country for several years, with rising house prices as a result.

Sweden is among the least densely populated countries in the EU, but the metropolitan areas are home to more than half of the population. More people are leaving the countryside and moving to bigger cities. The number of houses built in Sweden has increased significantly in the last two years, but is still insufficient because of the large population growth.

The underlying reasons for the lack of housing have been debated in recent years, with broad agreement that it is the result of more than one factor. One reason is the length of time land acquisitions and planning approvals take. Lantmäteriet aims to establish a national digital infrastructure, simpler, more open and efficient planning and a construction process for the benefit of citizens, companies and other actors. In order to achieve a smarter building process, a basic precondition is access to nationally uniform and open information for everyone involved in the process.

## **What are Lantmäteriet's other priorities for the coming year?**

Our number one challenge today and in the foreseeable future is to keep track of the digital and legal development that this requires. The digitisation of our authority will be a challenge to our ability to adapt to a new landscape and situation where we perform our tasks in a new digital manner.

## **What specific challenges has the global COVID-19 pandemic presented to Lantmäteriet and how have you overcome them?**

The pandemic disrupted our normal procedures and challenged us to adopt new routines and processes quickly. We transformed our office-based organisation into one that catered for nearly 90% of employees working remotely. This was possible thanks to our agile IT department who swiftly equipped all employees with laptops and Virtual Private Network clients. Lantmäteriet's management board had frequent meetings to take control of the situation and steer the authority in the right direction. All our managers and co-workers have shown great responsibility and our missions and tasks were performed as well as before the pandemic.

## **In 2020 Lantmäteriet published a report on the value of open data. How do you see the role of data shaping the property market in the future?**

The value of open data has been subject to intense debate over the past decade. The increased interest in reusing public sector information can be related to the emergence of data as an important and strategic resource in the digital economy. So, it is not surprising that free access to public sector data is associated with great value.

Sweden has made a case-based impact analysis on the socio-economic value of open public sector data. This analysis focuses on how the datasets currently restricted by fees may impact five different sectors.

LANTMÄTERIET





# Shaping trusted digital conveyancing

**Mike Harlow** General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar



Chelsea Barracks is a world-class redevelopment for residential use in west London. The 12.8 acre historic site comprises a rare collection of apartments, penthouses and townhouses, set around seven garden squares. Our Birkenhead Office has been processing the latest applications. Image: William Barton/Alamy





**Mike Harlow** General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar

“We already had plans to work with the sector to support a successful digital evolution of the marketplace. These plans accelerated as soon as the first lockdown occurred, and it became clear that digital tools were a priority for conveyancers.”



Buying and selling property is essentially about ensuring everyone has the right information, right up to the point of moving itself. You may have thought that conveyancing would be relatively unaffected by COVID-19 lockdowns, but it still works in quite a traditional way and is not as digital, or paperless, as some other business sectors.

We already had plans to work with the sector to support a successful digital evolution of the marketplace. These plans accelerated as soon as the first lockdown occurred, and it became clear that digital tools were a priority for conveyancers. Most in the industry became homeworkers who were unable to meet clients and print or scan documents. But commercial and residential transactions still needed to be completed and the appetite for new deals remained relatively high.

### Developing new partnerships

To respond, we formed an Industry Forum which includes regulators, professionals, lenders, trade bodies and frontline practitioners in the commercial property and housing sectors.

Together we worked on steps to take paper out of the picture. The first priority was to set a standard for electronic signatures to remove the last strict requirement for paper in a conveyancing process.

Within six weeks we had introduced a first measure called the ‘Mercury approach’, which meant signatories only had to scan and return the signed page. In conjunction, we spent the next 12 weeks developing a standard for secure and wholly digital, witnessed electronic signatures, working with the forum and national and international technology companies.

These signatures still require a witness, though, unlike the more sophisticated and regulated qualified electronic signatures. The qualified signatures have in-built security around the identity of the signatory and encrypted evidence of what, how and when they are signed. We are working with the forum and technology companies on their introduction. In time we expect them to become the norm.

Our next priority was to look at the potential use of digital identity checking in conveyancing. Through research we had already identified technology that can be used to identify parties involved in a transaction securely and conveniently. Again, we partnered with the potential suppliers and the forum to find a way of setting a clear standard that would help develop more digital tools and encourage their use. The resulting digital identity standard was well received, which is testament and thanks to the collaborative effort of those we worked with.

Electronic signatures and digital identity checking were a quick response to lockdown restrictions, but they are also two important and permanent pieces of the digital conveyancing picture. They enable wholly online and paperless transactions. With the forum we continue to work on other steps that can make the conveyancing process more secure, digital and nearer to real-time.

For example, one obvious key component of a digital future is trust in the information. If information can be received by us as a trusted fact and not just data, then real-time automated processing of land registration services can become a reality.



In October 2020 UK property expert Phil Spencer was joined by Mike Harlow to discuss the initiatives underway to help speed up the conveyancing process and make it more efficient.



To this end we are working with the forum and our wider customer base to determine how we can extend the current use of lawyer certifications within applications. This will potentially open up faster, more secure and intelligent land registration processes that work with the conveyancing process.

### Strengthening our expertise

Of course, we still need to couple land registration expertise and judgement with more automated processing. We need to maintain the fundamental skill of accurately recording property rights and deploying the technology astutely to increase the trust in the data and process.

We continue to recruit expert lawyers from across the sector to meet the demands of today’s complex casework and to bring to bear their real-world experience on the development of digital land registration and conveyancing.

We are as keen to offer the best development opportunities internally. We were delighted this year to see our first apprentice become a fully qualified Fellow of the Chartered Institute of Legal Executives after three years of hard work – Brian Jones, Assistant Land Registrar.

### Developing our strategy

To ensure HM Land Registry is making the best contribution to a healthy and innovative property market, we have developed a central strategy hub. This will help the Board to understand the economic, social and environmental value that can be released through improvements in things such as digital property information and digital conveyancing.

It will also look at the speed and security of conveyancing and work with the sector to produce options on how those gains might be achieved and the role that HM Land Registry will play to facilitate positive change.

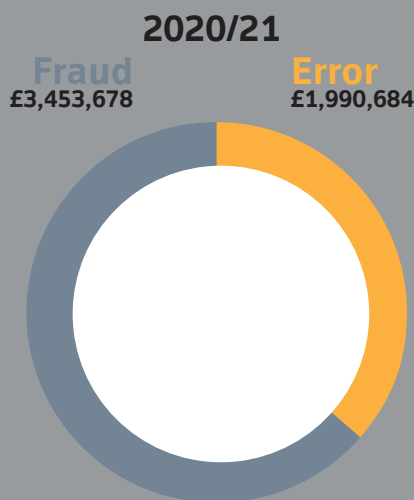
All these changes aim to improve quality and reduce risk, but the very act of changing holds risks. Knowing that, we have continued to increase our risk and assurance capability. We are pleased to note that claims and other indicators for error and fraud remain generally very low and consistent with prior years.

### Claims against the guarantee

Last year there were 22 claims for fraud and 672 claims for inaccuracy in the register, compared with 18 and 1,055 in 2019/20 respectively.

The appropriate compensation for fair claims is paid. This was £3.5m in compensation for fraud and almost £2m in compensation for inaccuracy, compared to £2.1m and £3.2m in 2019/20 respectively.

The total compensation was just 0.0000008% of the total value of the property register.



## First legal apprentice becomes CILEX Fellow

In just over three years Brian Jones progressed from being an Executive Officer to an Assistant Land Registrar, thanks to completing a Chartered Legal Executive Apprenticeship scheme.

After being a caseworker for two years, the scheme provided Brian with a clear career path, offering more flexibility than some traditional lawyer routes. As well as benefiting from bespoke tuition at CILEx Law School, internal training provided Brian with the opportunity to work closely with lawyers and senior caseworkers across HM Land Registry.

After completing the three-year apprenticeship scheme Brian became a Chartered Legal Executive, allowing him to apply for lawyer posts internally and externally. He obtained a position as an Assistant Land Registrar and is now enjoying his new role supporting HM Land Registry’s operational delivery teams and its customers.



“Joining HM Land Registry was one of the best decisions I’ve made. The apprenticeship scheme gave me a great platform and helped me to realise my ambition.”

**Brian Jones**  
Assistant Land Registrar



A new-build house in Sittingbourne, Kent, became our 26 millionth property title when it was registered on 13 April 2021. This was an important milestone in achieving our goal of registering all land in England and Wales. Image: Redrow





Global property adviser Knight Frank has completed the sale of The Old Bell Hotel, a 13th-century property in Wiltshire believed to be England's oldest hotel, to American investors Whim Hospitality. The guide price was £3.4m. Our Fylde Office processed the registration application. Image: Greg Balfour Evans/Alamy



# Working with the market to improve conveyancing



The Law Society

**“HM Land Registry responded quickly to the problems thrown up by the pandemic, offering technological solutions to immediate issues.”**

**I. Stephanie Boyce, President of Law Society of England and Wales**



**“...electronic signatures which removed the need to physically sign legal documents was a big milestone.”**

**Stephen Ward of the Council for Licensed Conveyancers**



**“This was a positive step for the industry and there are clear benefits in accelerating the digitisation of the conveyancing process.”**

**Olly Thornton-Berry, co-founder of Thirdfort**

We used feedback from 61 organisations and individuals on our proposals for witnessed electronic signatures and our video had more than 3,000 views across all of our social media platforms.

We have continued to engage with our Industry Forum on how we could move toward a more digital future for conveyancing. This collaboration saw some quick wins for the market, such as acceptance of Mercury-style signatures, as well as shaping our new practice guidance on electronic signatures and our digital identity standard.

The forum is made up of groups representing:

- property and land law, regulators and professional bodies;
- building societies and their representative body;
- banks and their representative body;
- search and data providers and their representative body;
- surveyors’ representative body;
- house builders;
- estate agents’ representative body;
- property tax submission specialists;
- the representative body for local authorities; and
- the Coal Authority.

Here’s how HM Land Registry has worked with the industry to shape the digital tools that aim to make conveyancing simpler, faster and cheaper.

## Electronic signatures

Over the last 12 months, we have worked with DocuSign to transform our signature process. The collaboration included building a clear understanding of the technology, testing and feedback on the implementation. This work was recognised at the end of May 2021 as DocuSign was awarded the Disruptive Technology of the Year award at the Legal Week Innovation Awards for DocuSign’s role in helping to digitise our signature and witnessing process further.





Speaking of the partnership, Doug Luftman, Deputy General Counsel at DocuSign, said: “The continuous open dialogue was invaluable and allowed us to provide better support to the legal community.”

Stephen Ward of the Council for Licensed Conveyancers agreed: “HM Land Registry’s policy statement of electronic signatures was a big milestone. The plans for physical witnesses to be replaced by technology that digitally verifies the signature will be something that we expect to see early next year.”

\*Source: CLC member survey Oct 2020 as reported in Property Industry Eye



### Digital identity checks

Due to the pandemic many conveyancing and law firms have sped up their digitisation plans in order to keep business going.

One key area in this work was connecting with the digital identity framework scheme. Discussions on this were led by the Home Buying and Selling Group.

Group Chair Stuart Young explained: “We established the Digital Identity Working Group within the Home Buying and Selling Group as an opportunity to provide greater clarity and confidence in the sector on how to use this technology.

“We fed our conclusions directly into HM Land Registry’s draft digital ID standards. The common view is that industry should adopt the introduction of a standards-based digital identity assurance process, backed by regulators. This would lead to a significant reduction in the completion time, without adding cost to the process and reduce the risk of fraud. The reduction in time to complete is seen as the most pressing issue.”

Law Society of England and Wales President I. Stephanie Boyce also commented on this work: “Technological change in the conveyancing market has accelerated as a result of the COVID-19 pandemic.

“HM Land Registry responded quickly to the problems thrown up by the pandemic, offering technological solutions to immediate issues such as having documents signed and witnessed while social distancing measures were in place.

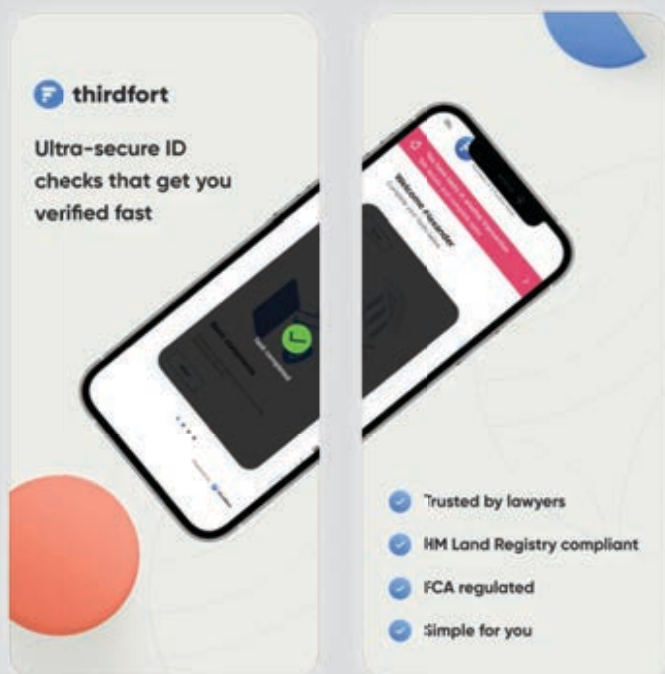
“Any technological solutions need to be easy to use and available at a reasonable cost and solicitors need to be confident about which providers fulfil HM Land Registry requirements.”

### Remortgaging

Our digital mortgage service, Sign your mortgage deed, has reached a major milestone this year: allowing us to add information to the register without caseworker intervention – a first for HM Land Registry.

Around 30% of applications received by the service are now updated in a matter of seconds from the time of submission.

In the face of one of the most challenging years for the property industry, the service has expanded. We have now seen more than 40,000 remortgage deeds registered through the service, with more than 30,000 registered since 1 April 2020. We have also welcomed both RBS and the Co-op to our list of providers alongside other high street names such as HSBC, Nationwide and Santander.



Reflecting on the publication of the digital ID standard, Olly Thornton-Berry, co-founder of Thirdfort, said: “The proposed standards help give clarity to law firms at a time when there has been a huge proliferation in the use of digital ID.”



# Driving transformation

**Karina Singh** Director of Transformation



Weavers Quay Apartments, Manchester provides more than 200 apartments in a marina-side location with close and easy access to the city centre. Freeholder Manchester City Council granted a lease dated in September 2020, which is with HM Land Registry for processing, for phase 3 of the development behind Weavers Quay. Image: John B Hewitt/Shutterstock



Karina Singh Director of Transformation

“Fully digital services are a key to unlocking a simpler and faster conveyancing process. Customers want simple and intuitive services and tools that can interact seamlessly with each other. This is where the bulk of our transformation investment has been focused.”



### Accelerating our transformation

Our transformation portfolio is focused on two things: making HM Land Registry even more efficient and effective and transforming the way society interacts with property. During the pandemic, our transformation portfolio continued to drive a wider change towards the digital property market of the future. Working together with our colleagues, other government partners, key stakeholders and a range of customers, we believe we have the opportunity to make a real difference to the economy and society as a whole.

Last year we had to be extremely agile and work at pace, as lockdown brought challenges and opportunities. Not only did we create an entirely remote operation within weeks, we also rolled out new services, functionalities and enhancements. We prioritised our collective efforts based on insight. This enabled us to keep our customers at the heart of our decision-making, while maintaining the right balance of short and long-term aims.

### Shaping a digital property market

Having all the information to make decisions is vital for property transactions to proceed. Nearly 100% of HM Land Registry information services are already available instantly online. We are investing in making our data more digital and interoperable, opening the door for us and our customers to transact digitally and automate more of our work. More than 40% of our data is now machine readable and works in conjunction with other systems.

While our searches remained unaffected, those local authorities who had already migrated their local land charges (LLC) data (such as restrictions on the use of land imposed by public authorities) to our national digital service avoided the delays experienced by many others. We have committed to accelerating the pace of delivery significantly, with an ambition to complete the migration of all LLC services from local authorities across England and Wales by 2025.

Partnering with the Ministry of Housing, Communities & Local Government (MHCLG) is a key step to digitising all

local authority property information and supports their wider efforts to reform planning information. We are also supporting the work of the Law Society and the Home Buying and Selling Group, who are working towards making key property information available much earlier in the process.

Being able to **transact from anywhere** came into sharp focus. In response we worked closely with stakeholders and customers to fast track the introduction of electronic signatures and digital identity checking to reduce the reliance on paper and face-to-face services. These changes will increase the resilience of the conveyancing market, as well as the value that can be gained from the property market. We will soon open up more secure and easier-to-use ‘qualified electronic signatures’ and are now in the process of exploring the creation of digital deeds and online lawyer certification. (Read more on pages 20-21).

**Fully digital services** are a key to unlocking a simpler and faster conveyancing process. Customers want simple and intuitive services and tools that can interact seamlessly with each other. This is where the bulk of our transformation investment has been focused. It has resulted in the launch of our new Digital Registration Service – a significant step forward in delivering a truly digital service for our customers (see page 31). This milestone, along with a more digital register and a new digital casework engine, will unlock end-to-end digitisation, with the potential to automate future transactions to benefit the speed and ease across the conveyancing process.

By aligning most of our investment to the most straightforward, high-volume requests, we intend to accelerate our journey towards digital land registration. By next year we expect 60% of our straightforward applications to be fully digital, making our simplest transactions 50% more efficient overall. This will enable us to redeploy colleagues onto the more complex and time-consuming work.



We are continuing to create a **public service geared towards success**. Alongside digitising the land registration process, we've continued to invest in our expert people. In rapidly enabling colleagues to work effectively, efficiently and safely from home, we have improved how we deliver the change and are now focusing on our culture, leaders and technical skills.

Our change deployment model, designed to support change in 14 offices, now helps colleagues in more than 6,300 locations to understand and adopt new ways of working. We shared the model with several government departments after it became widely adopted across the organisation. Our recent survey data shows that the assessment of 'change being managed well' in the organisation has increased by 23%.

Our colleagues-focused programmes in operations and digital, data and technology have been working across the organisation to increase our capabilities and embed a culture of continuous improvement and data-led conversations. We launched the Land Registration Academy, a national centre of excellence to oversee and support our technical training, development and sharing expert knowledge. More than 600 colleagues are now being upskilled through the academy. We anticipate it may also support the conveyancing sector which already uses our guides and videos as a point of reference.

We have also migrated all our services and systems to a new flexible technology platform, which empowers our development teams by making changes and improvements quicker and easier.

We closed one of our 3 data centre sites (for the remote storage of large amounts of data) by building an independent data hall within our existing facility. The closure is delivering benefits of £1.2m annually by reducing our rent, and reducing the power consumption of our data centre estate.

We continue to use property data to enable and **support innovation**. Our award-winning research, development and start-up incubator programmes explore the boundaries of a future digital property market and create opportunities for new innovative business (see pages 37-39). Our intention is to expand our award-winning Digital Registration Service beyond our online portal. This will enable free application programming interface (API) access to encourage software providers or new market innovators to integrate these new fully digital services into their own systems and platforms as other elements become digitised.

## The cross office change deployment model

Establish delivery date and agree deployment timeline



Identify the people who need to be involved in the pilot and rollout



Senior Casework Team  
Casework Exec  
Triage and Casework Allocation

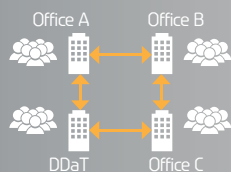
Agree multiple offices from which to create the virtual pilot team taking change load into account



Communicate the pilot to all offices. With affected offices, clarify outcomes and what can go wrong



Create a temporary virtual team for duration of pilot across offices including DDaT



Use collaboration tools and virtual stand ups to create a shared sense of purpose and team



Baseline data before the change to verify estimated benefits and isolate from productivity



Appoint a pilot lead for the virtual team. Supported by accountable Customer Team Leader and Local Change Manager in each office



Have a fixed time period for the initial pilot, but accept that when things don't go to plan we need to be flexible



A virtualised trial team provides greater flexibility for rollout and opportunity to increase pace



Break the rollout into phases to manage the impact on the business



Pilot teams run virtual 'go sees' for other offices and teams to support rollout



Maintain a focus on recording the benefits and enabling them to be measured and realised after implementation



Build lessons learned into the deployment model to identify further improvements



Review and iterate the deployment model to reflect the way we work and the changes we're making



The flexible, scalable model enables HM Land Registry to create virtual teams to introduce and embed changes across the organisation, ensuring business continuity and supporting our digital transformation.

# Local Land Charges acceleration

The Local Land Charges (LLC) service demonstrates that HM Land Registry can deliver a truly digital service that offers property buyers easy and instant access to property information. Our ambition to deliver a national register for all local authorities in England and Wales by 2025 is becoming a reality.

Since going live with the first local authority in July 2018, we have piloted various engagement models. These have been tested and refined consistently to deliver a robust solution that worked effectively during the pandemic.

In December we announced plans to adopt a regional engagement strategy and industrialised our processes to help deliver the service faster. A £26 million fund has also been offered to local authorities that transfer their LLC service to the national register within an agreed timescale. These transition payments allow them to address practical challenges that could hinder their timely participation in the programme.

By May 2021, five additional local authorities transferred their service to the national register, bringing the total to 17. We are working with ministers, government partners local authorities and the Local Land Charges Advisory Board to accelerate service delivery. Recent changes to the Welsh Local Land Charges service fees mean Welsh local authorities can now transfer their LLC services to the national register.



Total number of searches since July 2018

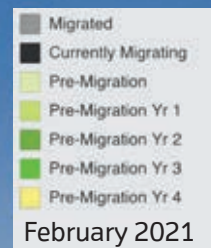
**More than 30,000**

Total official searches

**More than 100,000**

Total personal (free) searches

More than 240 different organisations used the HM Land Registry portal or Business Gateway to order an official search. The major users were search intermediaries who order searches on behalf of their conveyancing clients.



February 2021

An extension to the MK Gallery, a contemporary visual arts gallery in Milton Keynes, designed by 6a architects and completed in February 2019. The rectangular steel box extension was inspired by the town's grid-based masterplan. The gallery was one of 100 cultural organisations to receive a share of a £30 million grant from Garfield Weston Foundation in February 2021. Milton Keynes Council joined our Local Land Charges Register in August 2020, transferring its local land charges records to our central digital service. Image: Archimage/Alamy



# Transformation timeline

2020/21

## Information before you decide

Providing easy and early access to high-quality land and property data



Within two days of lockdown our priority search activities were restored, enabling the property market to continue to function. All services resumed within a few weeks. See page 33 for more details.



We continued to migrate local authorities onto the Local Land Charges (LLC) Register at pace and the service was uninterrupted throughout the year. See more on page 25.



Carlisle City Council and East Lindsey District Council migrated.

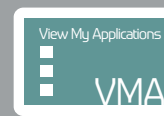


## Fully digital services

Digital data will help to unlock a more seamless, quicker conveyancing process



In response to lockdown we introduced a new online contact form enabling nearly 320,000 customers to self-serve. 75% were able to find an answer to their query without needing to call our busy teams. Read our case study on page 50.



View My Applications has been used by over 100,000 users – equivalent to £1 million of customer time saved since the launch. See page 31.



Enhanced our Counter Fraud solutions to ensure we protect the integrity of the register. See page 18.

## Transact from anywhere

Creating a more secure, frictionless and resilient property market



We have added to the list of professionals able to witness an ID check and accepted video verification. See page 49.



We have transformed our signature process and started accepting witnessed electronic signatures after customer feedback. Read more on page 20.

Officially started accepting 'Mercury approach' signatures – an idea generated by our Industry Forum. Find out more on page 20.

## Unleashing innovation

Supporting emerging technologies and new services to improve automation and collaboration



Industry Forum set up to work together to find new ways to improve the conveyancing process. See more on page 20.



Our new data publication platform, Use land and property data, was launched, hosting the full complement of 10 datasets and associated licences in one place for the first time. Read more on page 35.

Registered leases and Restrictive covenants datasets were released, resulting in over 2,000 downloads. See page 35.

## Excellent public services

Investing in our brilliant people to have the right skills and infrastructure



Department for Work & Pensions

As a response to COVID-19 we redeployed 218 colleagues to Department for Work and Pensions to support vital work. More info on page 55.

In order to best serve our customers we quickly moved to distributing 30,000 pieces of IT kit enabling our colleagues to work remotely. Find out more on page 33.



Expanded and strengthened our 'fast-track' expedite service in response to exponential customer demand – see case study on page 51.

Our HR team enabled smartphone access to our learning portal, LearnHub, which included a line manager view showing training and progress at individual or team level. See page 42.



RED HAT  
OPENSIFT

We worked with Red Hat Open Shift to move our digital services to a new technology platform based on containerisation technology – one of the first public sector organisations in the UK to do so. See page 34.



Milton Keynes Council migrated.



More than 67,000 total number of Local Land Charge official and personal searches. More on page 25.



Stockton-on-Tees, Spelthorne, Sevenoaks, Stratford-on-Avon and Welwyn Hatfield migrated. This takes the total to 17 local authorities on the Local Land Charges Register.



Robotic process automation enabled the Customer Support Centre to handle cases and enquiries quickly. See page 34.



Saved 313 caseworker hours since Sign your mortgage deed was automated – the first time the register has been updated without caseworker intervention. More on page 31.



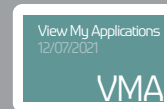
Our award-winning Digital Registration Service launched in April – more than 35,000 applications have already been submitted. See page 31.



Robotic processes search around 119,000 applications weekly, saving caseworkers time checking whether prior applications have completed. Read more on page 34.



Onboarded 195 users as early adopters of the Digital Registration Service from 329 businesses. See page 31 for information.



Estimated Completion Date feature added to View My Applications, with 60,000 users benefitting in the first month. Find out more on page 30.



In May 2021, robots began moving approved fast-tracked applications, ensuring that 250 of the most urgent applications each day are completed as quickly as possible. Find out more on page 34.



Supported the development of more secure online ID checks for property buyers by publishing our Digital ID Standard. See page 21 for more.



Ongoing work to digitise and improve our Register Data – now at 43% digital (data structured and quality checked). Find out more on page 34.



Worked with the Geospatial Commission to speed up the conveyancing process. Find out more on page 39.

Supported the latest cohort to join our Geovation Accelerator Programme. See page 37.



Achieved top 20 position for Civil Service employee engagement in People Survey. See page 42 for information.

Brilliant Teams, Inspiring Leaders initiative launched in Hull and Leicester – read all about it on page 30



Saved £1.2 million in rent and power consumption by reducing the number of datacentres from 3 to 2. See more on page 24.



Twelve weeks of training completed by each of 461 new starters equating to 106 years of investment. See page 42.



Achieved bronze in the UK 2021 Employee Experience awards. See page 41.

Recruited almost 900 colleagues across the year. See page 42.

Launched the Land Registration Academy, a centre of excellence for learning. Over 600 people have already been upskilled. See page 24.

### Future Ways of Working Framework and Guidance



More than 1,500 colleagues helped shape our Future Ways of Working principles, including on our desired culture, leadership, technology and workplace investment choices. See page 41.

## HM Land Registry LR Academy



# Customer-driven delivery

Chris Pope Chief Operations Officer



One Blackfriars is a mixed-use development at No. 1 Blackfriars Road in Bankside, London. The development is made up of a 52-storey tower of a height of 170m and two smaller buildings of six and four storeys respectively. Uses include residential flats, a hotel and retail as well as a new public space which will be created. Leases for the flats were registered at our Durham Office. Image: Shutterstock



**Chris Pope** Chief Operations Officer

“Following extensive testing with over 250 customers, we launched a new, wholly digital way to request changes to the Land Register. Our new Digital Registration Service enables customers to directly input data, eliminating the need for paper-based application forms and enabling information to be verified before it is submitted.”



### Service delivery in the face of a pandemic

Being part of every property transaction, we receive roughly 90,000 searches that are mainly automated, and around 17,000 requests for our experts to change the register every day.

Prior to COVID-19, few people were equipped to work remotely. Three-quarters of our colleagues who are frontline and deliver services direct to customers relied on desktop technology connected through fixed infrastructure.

Within days of lockdown we had created enough homeworking capability to deliver essential and time-sensitive services, such as searches and official copies, to pre-pandemic levels. Three months later we had already completed a major transformation by enabling 98% of colleagues to deliver land registration services from home for the first time.

The scale and significance of this radical change, which ensured the property market remained intact, is something we are very proud of. While the quality of work remained strong, the difficulty we faced was the backlog of uncompleted requests that had increased while we restored our services to near pre-COVID levels.

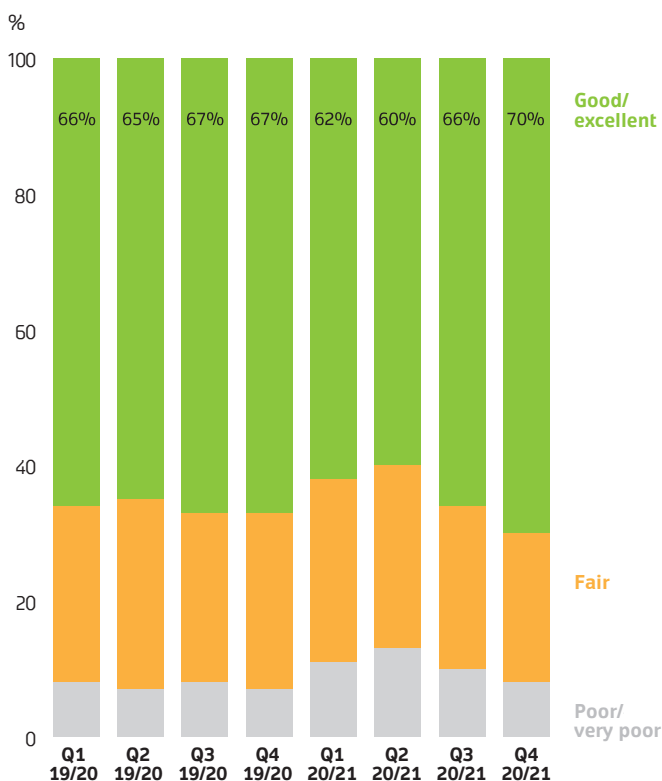
While many other markets shrank, the demand for property remained unabated. The introduction of the stamp duty land tax holiday and its subsequent extension punctuated the story of a property market that, against all odds, continued to thrive during an overall economic downturn.

We played a critical part in that story. By December we had reduced the backlog by over a third but, overall, customers were having to wait longer than usual for changes to the register.

While these delays wouldn't usually affect a property transaction, we promoted and strengthened our expedite service, which enables customers to fast-track urgent applications for free. As such we were well prepared when the demand for expedites more than quadrupled to ensure property transactions could progress smoothly and quickly.

We regularly survey our customers to help us better plan our ongoing service delivery. At the start of the year we did see an impact on the number of customers who gave us the highest rating for our service provision but, by focusing our efforts on issues highlighted in these surveys, by the end of the financial year this figure had risen above the scores given before the impacts of the pandemic were felt.

### Customer satisfaction scores



### New services for customers

Providing a brilliant service is central to our purpose. While the pandemic may have impacted our service provision, we stayed closer to our customer needs than ever before. Within days we set up a new Contact Us communication channel on our website, enabling more customers to self-service and ensuring we could prioritise urgent enquiries.



Two-way communication with customers has been key to ensuring that even while we continue to face a backlog of uncompleted requests, we can still find ways to improve the service we offer. Throughout the year we have further developed our understanding of our customers' needs and the conveyancing market more generally.

Progress queries were the most common reason for calls to our Customer Support Centre. Via our online portal, customers can now view all their requests in one place, respond directly to requests for information and check on progress, including a new estimated completion date feature. These enhancements deliver a better experience for customers while ensuring the more efficient use of our colleagues' time. We also launched a new service for members of the public who need to find basic details for research purposes. By the end of March 2021, since its launch, citizens had used the new more intuitive service more than 1.25 million times. Eventually it will replace our older service as we gradually decommission its use.

Following extensive testing with more than 250 conveyancing customers, in April we also launched a new, wholly digital way to request changes to the Land Register. Our new Digital Registration Service enables customers to directly input data, eliminating the need for paper-based application forms and enabling information to be verified before it is submitted.

This new service is already available via our online portal, where more than 80% of transactions are completed. Since we started developing the service

over 35,000 applications have been submitted and the service was recognised by the 2021 Real IT Awards, winning the Excellent Customer Service category in May. We are now expanding access via our application programming interface (API) channel, Business Gateway. This will allow customers who already use integrated digital practice or case management systems to benefit from the Digital Registration Service and other new digital services as they come online. Our intention is for this to become the primary way customers submit their requests to us.

A more digital form of registration is the key to unlocking significant operational efficiencies where simple requests and tasks can be processed using automation and artificial intelligence. This allows our experts to focus on the more complex changes. Our plans for next year will see us achieve a 40% gain in efficiency for register updates, enabling us to redeploy more of our experts onto tackling our current backlog.

### Strengthening expertise

Of course, we aren't just focusing on digital technology. The other vital component is our expert people. In many ways the pandemic has accelerated our plans to create a national operations function and we are already reimagining what the operations of the future will look like.

This year we recruited more than 500 caseworking colleagues and delivered individual technical training to more than 640 members of staff at all grades. Our plans for 2021/22 prioritise the optimisation of our operational capacity, and will see us recruit a further 650 members of staff, including more senior executive caseworkers, and deliver more than 1,200 technical training interventions. We have also begun rolling out our new leadership programme to create the culture we need within our operations teams. We expect to have rolled out the full programme by the end of 2021.

### Brilliant by design – Brilliant teams rollout in Hull, Leicester and beyond

Our Brilliant Teams, Inspiring Leaders programme is focused on maximising the potential of our people through building leadership, development and continuous improvement skills into all our operational teams. It is designed to improve performance and help move us towards our desired culture. We have conducted pilots in our Hull and Leicester offices which have enabled us to test and develop the project ahead of sharing it more widely. The work is now live in Plymouth, Fylde, Swansea, Durham, Gloucester and Peterborough and will be introduced to all offices before the end of the next financial year. As part of the programme we are creating a centre of excellence, with the necessary capability and capacity, to support the rollout as well as sustain and embed the desired changes. The initial feedback and reports from the pilots are already showing encouraging results for both the organisation and our people.



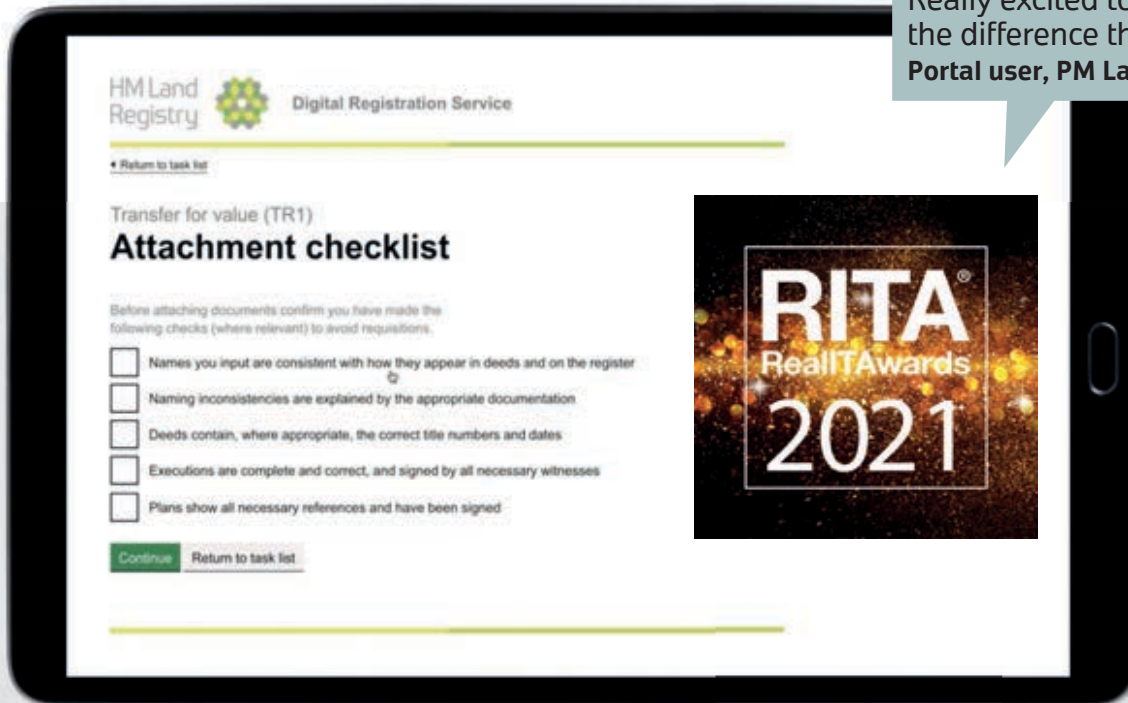
# Real IT Awards 2021 winner

Delivering Excellent Customer Experience in the project awards category for our **Digital Registration Service**

## Digital Registration Service

“...very intuitive, and detailed. Really excited to use and can see the difference this can make.”

Portal user, PM Law Ltd



## Making it simpler and faster to submit and track applications

The vast majority of HM Land Registry applications come through the online portal. This channel is extremely important to the day-to-day work of many conveyancers and we have been exploring how to ensure their experience is as strong as possible.

### Submitting applications

The Digital Registration Service (DRS) simplifies the way customers can submit applications to us via the portal. Its ability to spot potential errors prior to submission improves application quality.

By capturing the data in this way, we can automatically check and validate the information before it is submitted, helping to avoid requests for information (requisitions) for basic mistakes.

Alongside the automated error checking, DRS will also automatically work out the fees for our customers as well as pre-populating certain data from the register and giving more options to save and review each application. Each one of these features lead to better quality applications, saving time for our customers and us. After testing with more than 1,500 individual users, DRS was launched in April 2021. We will be gradually including new features throughout the coming year as well as introducing the service to Business Gateway customers.

## Reviewing application progress

In August 2020 we launched View My Applications for all portal users. This new feature brings together details of a customer's applications all in one place, clearly indicating the status and all of the relevant documentation connected to the application. More than 100,000 portal users have used the tool since its launch.

In May 2021 we included an estimated completion date for each application, giving customers a calendar date when they can reasonably expect to receive the completed application.

## View My Applications

“This makes providing updates just that bit quicker and enables better customer service. The fact that it also includes the related documents is a godsend!”

Liz Lennox, Regional Property Lead,  
Taylor Rose TTKw





# Preparing for a digital future

**Andrew Trigg** Acting Director of Digital, Data and Technology



The iconic BBC Television Centre in White City, west London, is instantly recognisable as the backdrop to many BBC programmes. The building, parts of which are Grade II listed, since redevelopment features residential accommodation including a penthouse flat that was sold this year for £7 million, which was registered at our Plymouth Office.

Image: Cristian Mircea Balate/iStock



**Andrew Trigg** Acting Director of Digital, Data and Technology

“Within 12 weeks we had moved our systems to a secure and robust virtual platform and distributed over 30,000 pieces of IT equipment – fully restoring our services. Our colleagues provided the support and guidance needed to ensure that everyone could get working again and no one was left behind.”



Historically the majority of our 6,400 colleagues had worked entirely from one of our 14 offices. As with many organisations we had to react quickly when the restrictions were put in place in March 2020. Only 13% of our workforce had the IT equipment necessary to enable them to work from home, so we needed to make HM Land Registry a remote organisation overnight.

We had to find a way to enable our registration experts to make changes to the register from home for the first time. We also needed to ensure all our support services and technology teams could collaborate and engage remotely too. Of course, any solutions had to safeguard the integrity of the register and the trillions of pounds worth of assets it holds.

In the first two days we had ensured priority services were restored remotely, thanks to previous work completed to automate most searches.

Within 12 weeks we had moved our systems to a secure and robust virtual platform and distributed more than 30,000 pieces of IT equipment, fully restoring our services. Our colleagues provided the support and guidance needed to ensure everyone could get up and running again and no one was left behind – including those few, vital colleagues who needed to work from our offices. Public bodies which are fully funded from the public purse were not expected to furlough staff, and HM Land Registry did not want to furlough anyone, nor had to.

While initially these changes were a response to the pandemic, it has proven to be a significant transformation for HM Land Registry. Despite the leap of faith for our organisation, colleagues embraced the use of digital technology to find new ways to collaborate and connect with each other, which is reflected in our strong People Survey scores.



6,753  
Screens



15,545  
Accessories



3,797  
Desktops



4,208  
Keyboards



958  
Laptops/  
Surface Pros



1,536  
Specialist  
equipment

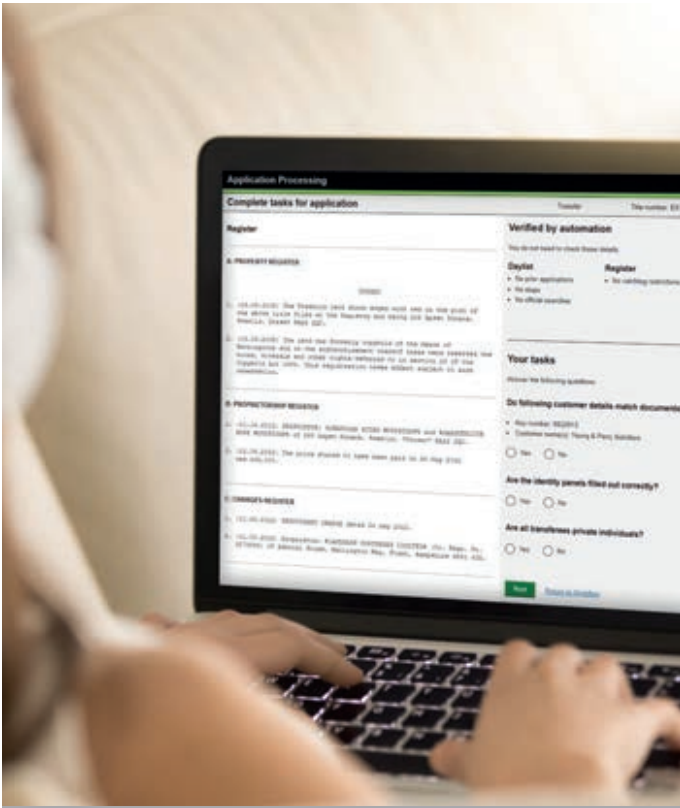
“...our teams implemented innovative and secure solutions in a matter of weeks that would normally take months.”  
**Steve Phillips, Deputy Director – Technology**

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## Digital transformation

By creating new services and enabling digital signatures and automating updates to the register for the first time, we have continued to deliver innovations to the market that make it easier for our customers to do business with us, even during the most challenging of times.

However, we know that to create a truly digital form of registration we need to bring together not only digital customer services but also a digital caseworking engine, supported by a fully digital and geospatial register.

We have developed a new caseworking process that our expert colleagues will use to create and update registers. It takes data that customers submit via our new Digital Registration Service (page 31) and, when parameters allow, applies business rules and robotic decision-making engines either to automate the update or route cases to our people when we need to use their expert skills and judgement to make a decision.

We used Robotic Process Automation tools to very quickly search through applications to find prior applications, take on the administrative burden of sending out reminder letters and support the management of the expedite request service.

This is all underpinned by a digital Land Register and a modern technology estate. Our digital Land Register gives us machine-readable data that we can use in the validation of customer data and means our systems know what entries are in a register when our new system is considering what we need to do with an application. This is a critical enabler to future automation. We have migrated 43% of our existing register data into the new digital register, against a target of 40%, aiming to increase to 60% by the end of next year. The focus so far has been on those applications that can be automated and those that are raising requisitions.

In 2021/22 we intend to bring those elements together to digitise the register updates, which comprise 70% of our manual applications. Focusing on this will generate significant operational efficiencies in the short term, enabling our experts to focus on reducing the backlog of more complex requests. However, prioritising the digitisation of register updates will also lay the foundation for the automation of other register change services over the medium term.

We have also invested in the underlying infrastructure that supports our digital services. We worked with Red Hat Openshift to implement a new shared technology platform to ensure our services are easier to run and maintain. The platform runs on containerisation technology, making us one of the first public sector organisations in the UK to adopt this technology.

## Exploring the future of property

We've continued the work we started with our research and development programme, Digital Street, with our innovation community now having worked with more than 250 organisations to explore how new and emerging technology can help us and the wider property market.

We aim to maximise the opportunities Digital Street provides, by using it as a vehicle to answer some of the big strategic questions for HM Land Registry and the property market. Data science and machine-learning technology is an area we'll be exploring further. We want to learn how we could further release the value of the data within the register, and what benefits this could provide us and those who use our services.

## Staying connected

### The view from a caseworker

"I was working from our Hull office when the order came to stay at home. Contingency plans already in place meant we were all connected to our line managers and able to log in to the intranet securely for the latest instructions. Excellent communications meant caseworkers were kept informed at each step and I soon collected my kit in a well-honed, safe operation. Setting up and logging in back home, it was clear how much thought, effort and planning had gone in to adjusting the office environment to remote working. We all pitched in on team information boards (TIBs) to ensure everyone was up to speed, sharing tips and advice and quickly maximising the software features underpinning 'the new normal'. As the pilot office for Brilliant Teams, Inspiring Leaders, Hull spearheaded the development of TIBs and their role in remote collaboration. With virtual meetings, screen-sharing and online 'chat', plus impressive new training systems, most of our work can now be done from home quickly and efficiently."

**Alister Heywood, Caseworker**

### The view from the Digital, Data and Technology Directorate

"We were ready to react to ensure everyone had access to email and our intranet through a large-scale deployment of security tokens and SMS access to email. We engineered our desktop computers into proto-laptops and within weeks had equipped almost all of our colleagues to have setups similar to what they were used to in the office. Our teams implemented innovative and secure solutions in a matter of weeks that would normally take months. Securing and distributing IT kit was key to maintaining the work carried out by the organisation but behind the scenes new secure platforms were also built that will enable the organisation to rethink how and where it works from."

**Steve Phillips, Deputy Director – Technology**

# Digital Street – exploring the future of property

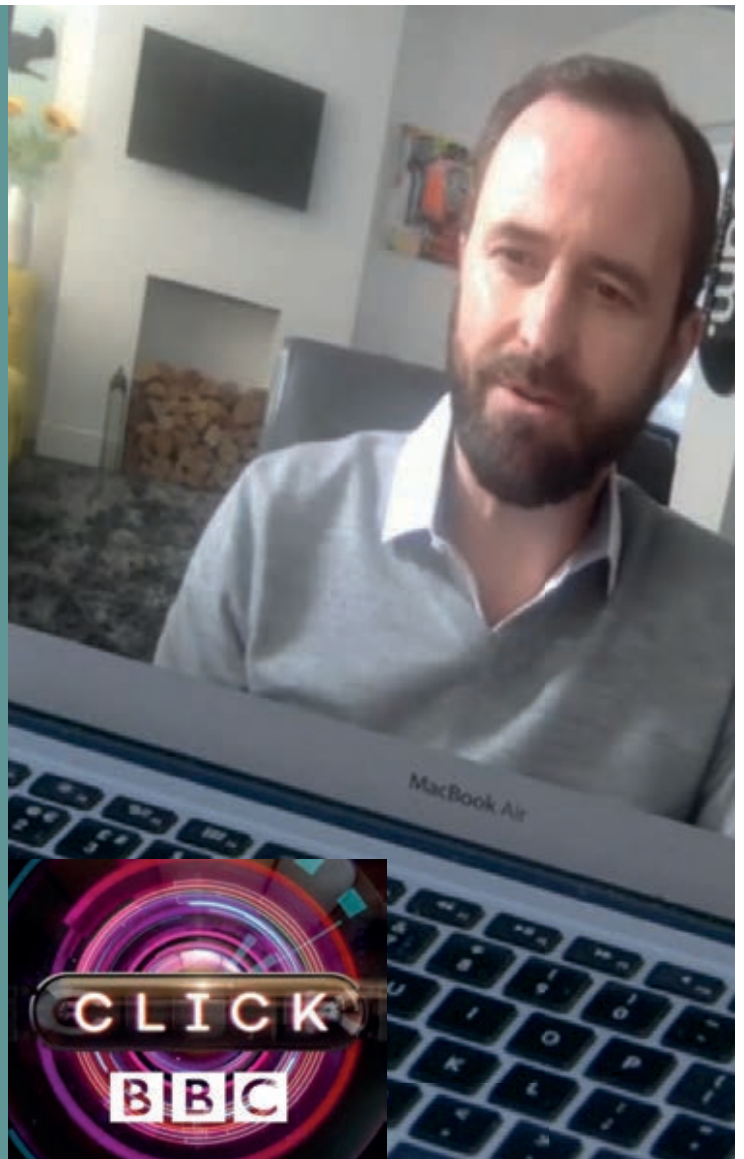
Digital Street continues to work with community members to prioritise, design and test new technology and conceptual services in land registration.

## Tokenisation

Our work on tokenisation has now concluded. We created a prototype of HM Land Registry creating and issuing digital tokens to represent title ownership. These tokens would be stored on a database underpinned by blockchain technology. Using security tokens linked to the title token, property owners would be able to record fractional ownership of property – where more than one person holds a legal interest in a property – securely and with greater flexibility than currently possible. The team worked with the Digital Street community to demonstrate how these security tokens could be traded on a digital marketplace. This opens up a series of potential benefits, including providing more opportunity for investment and ownership in property.

## Transformational application programming interfaces

In this theme we explored how application programming interfaces (APIs) could be delivered to energise the market and transform the way customers interact with us. We created a future property transaction process using APIs and tested them with case management providers, so we could understand from the community what benefits these could bring. This concept transformed the conveyancing process. HM Land Registry would provide data about a property at a much earlier stage in the conveyancing process. This provides earlier validation and enables any errors to be highlighted and addressed prior to completion. The findings from this were documented and shared and have gone on to shape the future roadmap and decisions for our API channel, Business Gateway.



Eddie Davies, Deputy Director Digital Services, appeared on BBC Click in March 2021

## More data, easier to use

Unlocking the wider value of land and property data remains a key element of our future ambitions to be a world-leading data-driven organisation.

In March 2020 our new data publication platform, Use land and property data, was launched, hosting 10 datasets and associated licenses in one place for the first time. The service has improved accessibility and enabled electronic licensing and full application programming interface (API) integration, which greatly enhances the availability and accessibility of our property intelligence.

In July 2020 we added the registered leases and restrictive covenants datasets. Both were published under a range of licences which include free-to-use terms for personal and research uses, a commercial licence for business use, and an 'exploration licence' tailored to foster the development of new and emerging products and services by allowing customers to test opportunities free of charge for three months.

The datasets, available through Use Land and Property Data, mark a big step in realising the wider economic potential in our data while enabling innovation in property-related industries.

Organisations have been able to combine the data with a variety of information from other sources (such as Ordnance Survey and Companies House) and create a series of property and planning portals. Subscribers can visualise properties on a map (enhanced by ingesting HM Land Registry polygons), determine the property's suitability for an automated valuation, establish a risk profile (such as is there a restrictive covenant on the title?), assess how many years remain on the term of the lease and differentiate between short-term and long-term leaseholders when analysing building ownership records.

The registered leases dataset contains unique property reference numbers (UPRNs) which were made available under the Geospatial Commission's Public Sector Geospatial Agreement in the same month, signifying the latest step in a cross-organisational collaborative approach to support the economy through land and property data.







Image: pikcha/Shutterstock

## Searching for land and property information

Whether it's prices or ownership, the national conversation is never far away from property, and HM Land Registry holds a lot of the data that underpins it all. From people and organisations wanting to know who owns a piece of land to real estate companies generating their house price indices and journalists finding out how much a house costs, our data is viewed by thousands every day for a multitude of reasons. It helps to support the economy and is the backbone of property-related industries.

Our *Use land and property data* service saw more than 1.2 million searches made in its first year. This new facility is easy to use and is a portal for anyone to find the information they need, in bulk, such as house prices, ownership or other information.

*"Before, the process was very manual with datasets stored in different systems. Now the datasets are stored in a central location and the API makes it easy to automate, saving us time and ensuring we always have the latest information. We liked how HM Land Registry engaged with us, letting us know in advance of new features or changes and listening to our opinion."*

**Adem Certel, Partner, Data Analyst, Knight Frank**

## Use land and property data

*"The new service streamlines the process of user set up and data download. The API access key and ability to automate the download of monthly datasets is a move forward that all government bodies should look to emulate. It is both progressive and moving with the times, a breath of fresh air."*

**Tom Plews, Director, Innovation at CLS Data**

## Partnering with the Geospatial Commission

As one of the six partner bodies of the Geospatial Commission (Geo6), we have been an integral part of the Data Improvement Programme (DIP), which is a cross-organisational collaboration in relation to data improvement, increased communication and sharing of ideas and best practice. Embedding the outcomes from the DIP will move the UK a step closer to delivering the objective of "Improving access to better location data".

As a result of the collaboration, we now have:

- clearer licences that align with all the partner bodies, creating a consistency of approach for users of the data and lowering the risk of data misuse;
- a simplified common data catalogue, providing core information on the geospatial datasets we hold and manage. This catalogue is made available under an Open Government Licence;
- provided valuable resource into the projects and played a central role in the delivery of the UK's Geospatial Strategy, both through the geospatial data we hold and our extensive expertise; and
- led on a project to explore the value that could be generated in the housing and planning industry through better access to data. The project has created a prototype which demonstrates how the geospatial data we hold can be used to bring wider economic benefits, in this case tree preservation order information from Local Land Charges data.

The case for the importance of geospatial data has continued to be made during the COVID-19 pandemic. From food and supply deliveries through to test and trace and the vaccine rollout at local and national levels, all this activity is underpinned by open data and innovation. HM Land Registry has continued its efforts to be a role model in that wider vision and in our work with the Geospatial Commission so far. Our aim for the future is to take

a more sustainable approach to our data publication strategy and our geospatial transformation. We will continue to work with partner bodies and the commission to help define success in terms of higher quality and more findable, accessible, interoperable and re-useable data, in line with the pillars of the National Data Strategy.

## Geovation cohorts

The Geovation Accelerator programme's mission is to help launch and grow innovative solutions to social, environmental and economic challenges that harness the power of data and technology. In partnership with Ordnance Survey, HM Land Registry has been supporting the PropTech track, which provides at least six months' focused support. Since October 2017 we've supported 24 companies through the programme across six cohorts. The latest cohort joined in April 2021 and, like their predecessors, will receive the following support.

- Mentors – expert support from industry leaders.
- Funding – £10,000 grant over six months.
- Workspace – 12 months' dedicated desk space.
- Data – access to Ordnance Survey, HM Land Registry and partner datasets.
- Product development – lean and agile development teams.
- Marketing and PR – active promotion and marketing.
- Professional development – workshops and 1:1 sessions.
- Personal development – presentation and pitch training.

The companies we've supported have continued to grow and flourish, supporting the economy and the wider industry and bringing innovation to the market. For example, Thirdfort, part of the spring 2018 programme, is now helping to shape the conveyancing of the future through its digital identity verification platform.

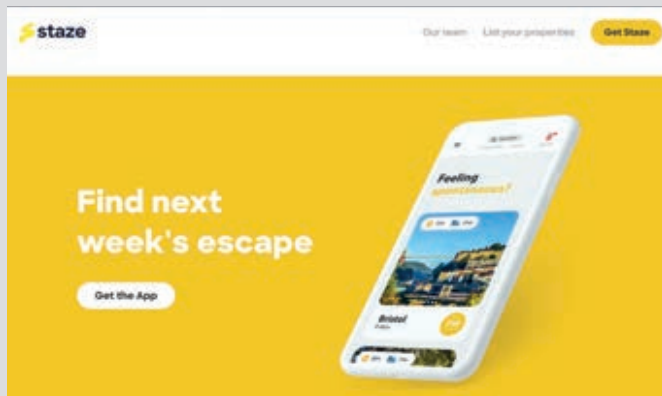
# Meet the new Geovation cohort

## Spring cohort 2020



**Building Passport** The Passport system enables the storage, organisation and sharing of building information. Developed with guidance from the Fire and Rescue Service, leading building control firms and insurance and property market experts, it seeks to reduce the risks of a tragedy while making occupants feel safer in the real estate they inhabit and use.

An ongoing pilot with Surrey Fire and Rescue is influencing the platform's future direction. Improvements to the built environment promise to be substantial as it is rolled out across the UK.



**Staze**, formerly OneStay, is a UK-based, last-minute booking app that displays availability in rental properties over a two-week window. It aims to make it cheaper, easier and faster for customers to book trips and to help property managers maximise occupancy and profits by reaching new guests to fill gaps in booking calendars. In the past six months, the start-up has raised £500,000 to build a team of six full-time staff.



**Occubly** has been working with housing providers to create bespoke applications that make it easier to manage, analyse and use complex datasets. The start-up helps large social and corporate landlords harness data to improve tenant satisfaction, business performance and compliance. Workstreams include a temporary accommodation solution to reduce management time and increase efficiency and allocation of housing to vulnerable people, as part of a modern service that supports local communities.

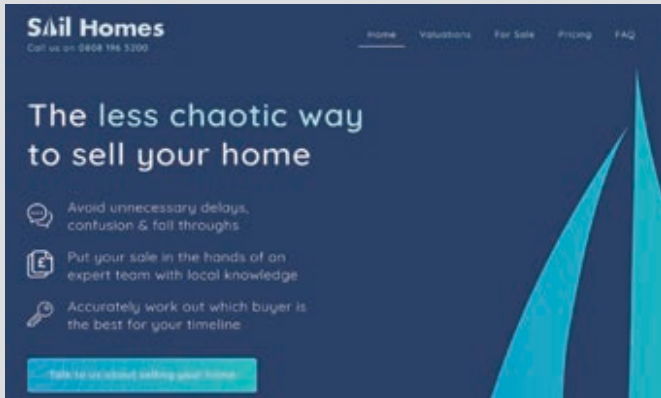
GEOVATION



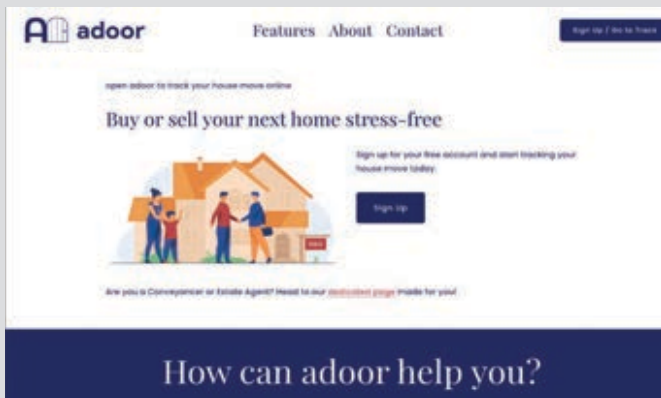


# Meet the new Geovation cohort

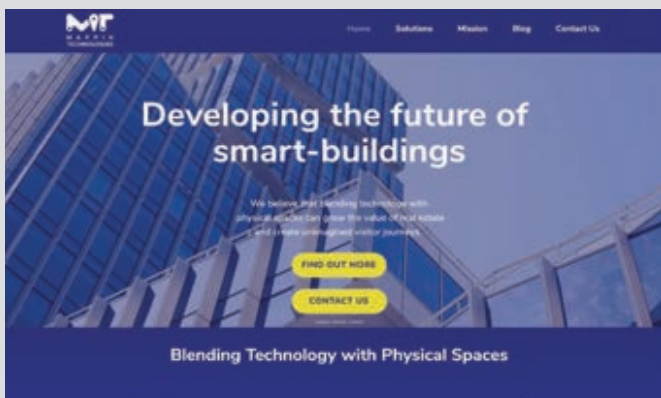
## Autumn cohort 2020



**Sail Homes** offers homeowners a stress-free sale avoiding the common pitfalls of selling property. Selling a no-chain property still takes around four and half months from offer to exchange. Sail Homes has created a “no chain, no pain” approach to selling. On the day a customer instructs Sail, the firm starts the legal process, preparing the documentation, ordering searches and raising enquiries. Sail reports that, on average, sales complete within 57 days of clients accepting an offer, with the fastest turnaround taking 22 days. In 2021, Sail will add legal services to its business portfolio, targeting an average of four weeks to carry out conveyancing.

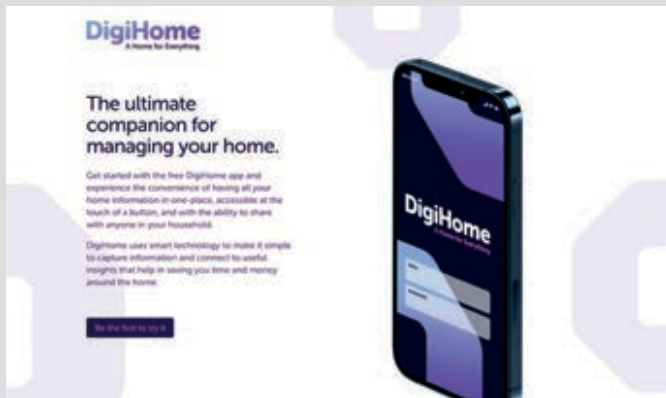


**Adoor** is an online platform that brings together buyers, sellers, conveyancers and estate agents to track the property transaction process. Adoor focuses on communication and knowledge sharing, aiming to provide a dashboard which empowers agents and conveyancers by eliminating repetitive queries, enabling all concerned to focus on completing transactions faster and ensuring a stress-free experience for buyers and sellers.



**Mappin Technologies** develops software solutions for large premises, offering a smartphone app that helps visitors find their way round a site – a ‘Google Maps for indoors’ – facilitates accessibility and provides a direct way to alert staff to any risks arising in the space. The app generates anonymous data on user flow which is fed into location analytics software to inform space and staff allocation for sales, marketing, energy and security strategies.

# Spring cohort 2021

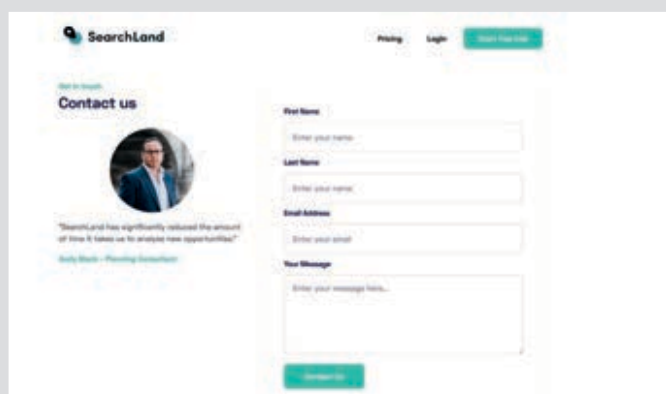


**Digihome** is a smart home system that puts everything together at the touch of a button such as lighting, heating, audio visual, internet and security.

With multiroom functionality, and the ability share with anyone in a household it's a convenient, simple way to capture the right information that helps save time and money around the home.



**NOCO Energy** specialises in aggregating and processing data to accelerate decarbonisation by working closely with renewable energy project developers and investment funds to provide them with crucial decision-making data. They use big geospatial data to identify opportunities in the solar development market. Recent success in this field has led to the demand for a more automated solution that can be scaled while integrating more and more data.



**SearchLand** is a map-based property and planning data web app for small and medium-term developers, planners, architects and investors to make informed property and land decisions.

It covers a wealth of information including title boundaries and ownership, land ownership in the UK, company ownership searches, historic and current market values for all property types in England, planning application analysis and map layers.





# Creating the culture for success

Simon Morris Director of Human Resources







**Simon Morris** Director of Human Resources

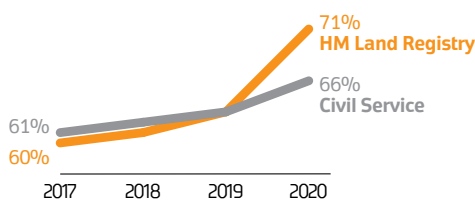


For nearly 160 years we have provided the trust and confidence the property market and economy need through our expertise and integrity in all we do. This sense of history and purpose underpins our values and the culture of the organisation.

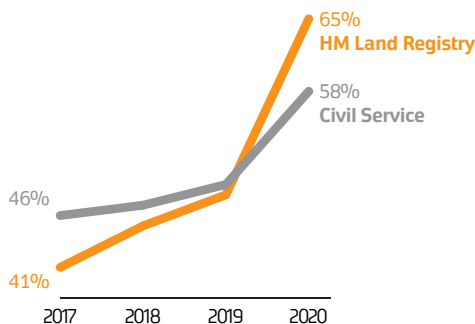
And it is this very culture that ensured our people met the challenges of the past year, finding creative solutions in the most difficult of circumstances and at a time in which health, wellbeing and harnessing the talents of all have never been so important.

In the 2020 Civil Service People Survey we recorded our highest-ever scores. In total our scores for eight of the nine survey themes ranked in the ‘high performers’ category.

**Engagement Index Score**



**Leadership and Managing Change**



**PERMA Index Score 74%**  
(Civil Service Average 73%)

The PERMA Model represents the five core elements of happiness and well-being.

“Our overall engagement score now ranks in the top 20 across Civil Service organisations and significantly higher compared to other similar departments, which is a fantastic achievement. A similar leap was recorded in our leadership and managing change scores too so we want to learn from what has worked well and build on the progress we’ve made.”

Our overall engagement score now ranks in the top 20 across Civil Service organisations and significantly higher compared to other similar departments, which is a fantastic achievement. A similar leap was recorded in our leadership and managing change scores too so we want to learn from what has worked well and build on the progress we’ve made.

The focus on ensuring the safety and wellbeing of our people was reflected in our PERMA index score, which rose above the Civil Service average to 74%, with our wellbeing response to COVID-19 recognised across government as exemplary. We also received industry acknowledgement, securing a bronze award at the 2021 UK Employee Experience Awards in the category Best Employee-Centric Company.

**A new way of working**

Despite the vast majority never having worked from home before, our colleagues have embraced remote working technology with virtual meetings, events and training sessions. Leveraging this technology is enabling us to reach people more quickly and our creative approaches are facilitating better interaction and the ability to engage with leaders to a greater extent than ever before. We’ve held more than 70 virtual question and answer sessions. Our monthly national events with the Chief Executive, Simon Hayes, are attended by an average of 1,000 colleagues, while a session with the Land Registry Board attracted around 1,700. Feedback has been universally positive, with a favourability rating exceeding 90% and comments received such as:

*“I like the fact that our leaders are happy to be questioned by staff and that they seem to genuinely care about staff wellbeing”*

These innovations are laying the foundations for more ambitious changes to the way we work, with the introduction of a blended model as part of the Future Ways of Working programme, which aims to transform our workspaces, technology and practices, putting people and culture at its heart. More than 10% of the workforce shared their views and helped to shape the early plans as part of the discovery phase. We have also encouraged everyone to get involved in a month-long conversation about new ways



of working. We have listened to feedback and as a result, a framework is being developed to support decision-making about when and where to work that not only takes account of business and individual preferences but also ensures we have the flexibility to adapt and deliver services in the years to come.

### **Building brilliant teams**

We have continued to build and maintain the talented workforce we need to deliver expert land registration services, recruiting 872 colleagues, including into essential operational roles. This has been an ongoing success with processes being adapted to accommodate interviews carried out remotely.

We instigated a series of digital development programmes focusing on remote management and leadership, 'The Art of Being Brilliant', and developing a coaching style of management to enable our colleagues to reach their full potential and maximise their performance. More than 6 sessions were held online, attracting 1,533 attendees. We also moved to remote inductions for the new starters brought into the organisation over the past year.

Developing capability at all levels has included the launch of a technical Land Registration Academy, as part of a wider learning framework that focuses on building and professionalising land registration knowledge and expertise across the organisation. As well as boosting our operational capability, we continue to invest and strengthen our support services, creating a new analytical function and bolstering our in-house expertise in terms of planning and strategy.

We have focused significantly on health and wellbeing to offer support to colleagues when they have most needed it. Providing flexibility in how and where they work has ensured we continue to meet the needs of our customers and has reinforced a culture that recognises people give their best when their wellbeing needs are met.

### **Creating an inclusive community**

We've continued to build relationships across directorates, grades and locations with our internal diversity networks and have worked with our black, Asian and minority ethnic (BAME) colleagues to improve workforce diversity through recruitment and internal progression schemes, as well as raising awareness of race at work issues through enhanced staff communications and engagement.

The Disabled Employee Network and the Future Ways of Working team have been exploring how new working patterns might affect those who are deaf or hard of hearing, while the Women's Network has supported wider campaigns around gender, as well as providing menopause support to colleagues. In a challenging year, there has been a focus on providing assistance to individuals where needed, such as those shielding at home.

Our networks have played an invaluable role for their members at this time and helped raise awareness of the challenges they faced. A member of our Assured Network (formerly known as LGBTI (lesbian, gay, bisexual, transgender, intersex)+) wrote a blog about mental health, while colleagues from the Carers Network have shared stories of supporting their families during lockdown.

We want to create a workforce for the future and have spent the last year developing our approach to inclusion, ensuring it aligns with our culture model. We've launched a new strategy that sets out our vision and is focused on improving

our evidence base as well as developing knowledge and skills to support our aims.

These successes have been achieved through a period where we have had to adapt to external factors and accelerate our approaches to developing our culture. The pandemic has shown us what we are capable of, but the challenge now is how we capture that spirit of innovation and service provision in the longer term.

Building on the launch of our culture statement in 2019, we have developed a new model that lays out the steps to achieving the culture we aspire to. We are clear that only by creating an environment in which all our people can thrive, will we be able to achieve our ambitions to transform the property market truly.

## **Going digital with development**

Innovative online learning and the use of digital tools supercharged colleague learning and development while working from home, reaching more people than ever before and at a fraction of the cost.

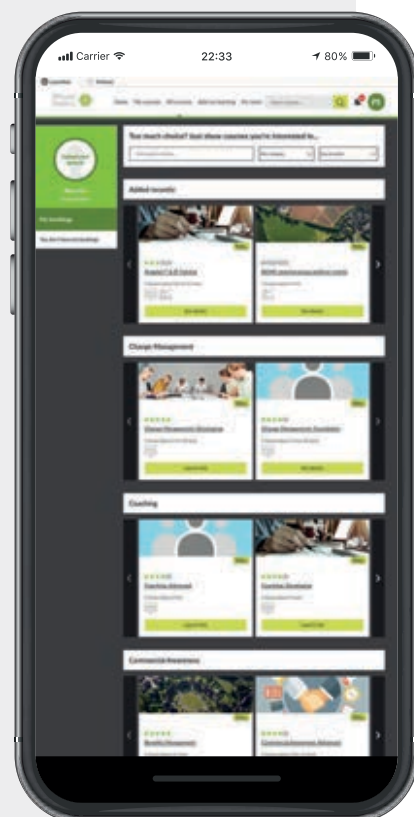
We started by enabling smartphone access to our learning portal Learnhub and transformed our traditional in-person content for digital formats. We reimaged corporate induction, training events and development programmes.

To help managers with managing teams remotely we held virtual workshops and events – using virtual classroom tools such as Adobe Connect and Microsoft Teams.

We expanded our leadership and management development framework and delivered development programmes using tools such as Zoom webinars and podcasts, as well as virtual learning technologies that encouraged collaboration.

Our approach led to an 11% increase in the People Survey result for learning and development, more than 5,000 attendees on sessions over the course of the year, including manager workshops and inductions, and thousands of views on our interactive monthly development newsletter.

Virtual workshops as part of our Digital Staff Development Programme focused on the science of positive psychology and the response to the sessions was overwhelmingly positive with comments received such as "Thank you so much, utterly inspiring" and "Really enjoyed this, can't wait for the next ones".





## Lifting spirits though a sense of community

Our thriving sports and social network LR Leisure played a pivotal role in keeping people connected while working from home, organising health and wellbeing activities for our people. These provided a genuine sense of belonging and community during a time of limited social contact for many.

Our volunteers, locally and nationally, have been truly inspiring in the work they have done to lift everyone's spirits.

In the past year we have moved online to connect our workforce in new and different ways. Our monthly virtual quizzes have involved star turns from our Chief Executive and directors. We've held monthly health and wellbeing challenges with 300 to 700 registering each month, run our own version of the Eurovision Song Contest and held a virtual Christmas Party attended by more than 600 people.

We have a busy 2021 calendar of events planned, combining face-to-face and virtual activities as we continue to celebrate our people.





# Performance analysis and financial review

Iain Banfield Chief Financial Officer



100 Bishopsgate in the City of London is a mixed-use commercial development completed in 2019 and designed by Allies and Morrison and Arney Fender Katsalidis, measuring 187 metres. The 40 storey building transforms from a parallelogram at the base, due to the layout of the original medieval streets surrounding it, to a rectangle at the top. The building is registered freehold to the Leathersellers' Guild under a collection of different titles. Our Birkenhead Office has just completed leases of floors 20-32 for Freshfields Bruckhaus Deringer, one of the UK's biggest law firms. Image: Commission Air/Alamy





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### Status change

In line with the Office for National Statistics reclassification, HM Land Registry's trading status was revoked on 1 April 2020. This means that in 2020/21, HM Land Registry was funded through the Parliamentary Estimates process as a part of central government. This has changed the look and feel of our financial reporting with expenditure now reported through the resource accounts against the control totals that have been set by HM Treasury (HMT). All fees, charges and commercial income are now captured through our Trust Statement and surrendered to HMT. Detailed financial statements for both can be found on pages 93-96 and pages 121-123.

The new financial statements require the restatement of the prior year comparatives previously reported in our Annual Report and Accounts. Note 18 to the resource accounts sets out this restatement in more detail.

### Financial summary

Our status may have changed but our core ambition has not. Our main financial objective going into 2020/21 remained that of balancing investment in the short-term capacity and capabilities we need to service the day-to-day demand for our services, alongside the longer-term transformation required to help us become the world-leading land registry we aspire to be.

I am pleased to say we have responded successfully to these challenges. We have also invested significantly in our capacity by increasing both the number of caseworkers we employ and the wider support functions needed to operate as a central government department. We have invested significantly in our capability by improving the effectiveness of our systems as well as supporting the development of our people through programmes such as Brilliant Teams, Inspiring Leaders. We have done this by enabling our people and customers to work in new ways through the extensive roll-out of home-working coupled with market initiatives including the introduction of e-signatures. And we have managed all this while keeping within the new spending controls that were set by HMT before the start of the pandemic.

“We have also invested significantly in our capacity by increasing the number of caseworkers we employ and the wider support functions needed to operate as a central government department. We have improved the effectiveness of our systems and supported the development of our people.”

### Statement of Parliamentary Supply (SOPS) review

Summary table 2020-21	Outturn	Supplementary Estimate budget
In £000	Total	Total
<b>Departmental Expenditure Limit (DEL)</b>		
Resource	332,700*	346,357
Capital	32,160	40,211
<b>Total</b>	<b>364,860</b>	<b>386,568</b>
<b>Annually Managed Expenditure (AME)</b>		
Resource	(858)	22,000
Capital	-	-
<b>Total</b>	<b>(858)</b>	<b>22,000</b>
<b>Total Resource</b>	<b>331,842</b>	<b>368,357</b>
<b>Total Capital</b>	<b>32,160</b>	<b>40,211</b>
<b>Total Budget Expenditure</b>	<b>364,002</b>	<b>408,568</b>

\* Reconciles to Statement of Consolidated Net Expenditure outturn of £381.8m by adding Capital Grant in Aid (£52.8m) (see page 47 Transfer of assets) and AME (-£0.9m), and excluding non-budget income (£2.8m).



Our resource and capital underspends against budget were driven by specific delays to expenditure and reduced operating costs as a result of COVID-19.

Although we increased the number of caseworkers during the year, their recruitment and onboarding was delayed as we loaned over 200 new recruits to the Department for Work and Pensions (DWP) to support the wider cross-government response to the pandemic. In addition, there were reduced operating costs, when compared with budget, as we modified our ways of working in light of the first lockdown. This meant we underspent against Resource Departmental Expenditure Limits (RDEL) and Capital Departmental Expenditure Limits (CDEL) control totals by £13.7m and £8.1m respectively.

## Resource Accounts (RDEL) financial review

As part of the changes to our status we have produced a Statement of Consolidated Net Expenditure (SoCNE) which accounts solely for expenditure for the first time. Previously, in the 2019/20 financial year, we accounted for income and expenditure in one statement.

	2020/21	Restated 2019/20
	£m	£m
<b>Staff costs</b>	243.7	225.9
<b>Purchase of goods and services</b>	70.5	65.9
<b>Depreciation and amortisation charges*</b>	11.8	9.0
<b>Indemnity payments for indemnity including legal costs**</b>	5.6	5.4
<b>Total operating Expenditure</b>	<b>331.6</b>	<b>306.2</b>
<b>Finance income/expense</b>	0.6	(1.1)
<b>Restructure and re-organisation costs</b>	-	(3.1)
<b>Net resource expenditure for the year</b>	<b>332.2</b>	<b>302.0</b>
<b>Other provisions utilised</b>	0.5	2.1
<b>Total resource DEL</b>	<b>332.7</b>	<b>304.1</b>

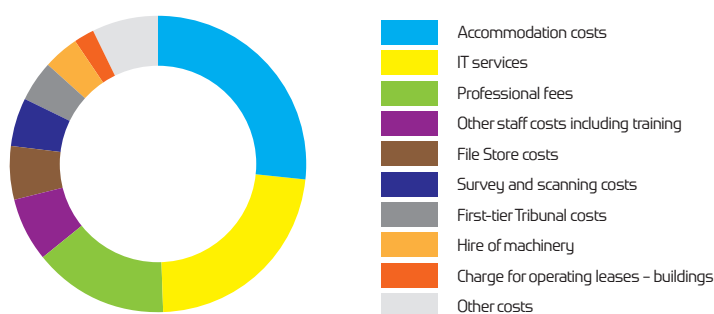
\* Excludes impairment charged to AME.

\*\* Excludes movements in the indemnity provision (classified as AME).

## Staff costs

We recruited more expert colleagues and funded increased overtime to help manage demand. Our average full-time equivalent headcount increased from 5,136 to 5,503 at 31 March 2021. This contributed to an increase in staff costs for our business-as-usual activity, rising from £225.9m in 2019/20 to £243.7m in 2020/21.

## Purchase of goods and services



The key areas of spend and their movements from 2019/20 were:

- IT services, including maintenance of equipment and licences, increased from £14.9m to £16.1m in 2020/21, which reflected the additional costs associated with implementing working from home for more than 5,500 staff and the IT costs associated with delivering our transformation programme;
- professional services, which have increased from £9.2m to £10.3m in 2020/21 in line with additional transformation activities. This largely relates to spend through our digital delivery partners; and
- accommodation costs, which increased by £2.9m to £18.9m partly as the result of a one-off investment in making offices COVID-secure and enhanced cleaning costs.

## Depreciation, finance costs and indemnity payments

Depreciation increased by £2.8m as a result of historic capital investment. We incurred £0.6m of costs relating to interest on finance leases. Finally, our non-staff costs also include the impact of our state-backed guarantee of title, which helps to underpin the integrity of the register. It provides protection for victims of fraud or in case of unforeseen errors. In 2020/21, £5.6m (including HM Land Registry legal costs) was paid out against 540 claims, an increase of £0.2m when compared with 2019/20.

## Capital expenditure (CDEL)

Total capital expenditure in 2020/21 was £32.2 million, including £13.6m on the transformation programme. This mainly related to IT, software and capitalisation of Local Land Charges development costs.

## Annually managed expenditure

In 2020/21 we incurred a charge of £2.2m relating to the impairment of properties transferred to the Government Property Agency. This was offset by a downward revaluation of the indemnity provision of £2.6m and the utilisation of £0.5m of other provisions, resulting in a net charge to the AME budget of (£0.9m).

Further information on outstanding claims and Incurred But Not Reported (IBNR) provisions – including sensitivity analysis that reflects the estimated nature of the IBNR liability and susceptibility of the provision to fluctuation – can be found in note 13 to the accounts.

## Transfer of assets to the Government Property Agency

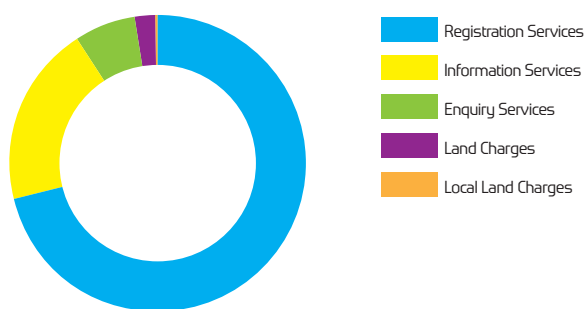
On 31 March 2021, HM Land Registry entered into agreement with the Government Property Agency (GPA), an executive agency of the Cabinet Office, to transfer our freehold properties, alongside the majority of our long-leasehold properties. This includes a transfer of the legal ownership of the land, buildings and any associated components. We will lease these properties from the GPA with rent payments commencing 1 April 2021.

The assets were transferred to GPA on 31 March 2021 at nil consideration resulting in a capital grant in kind expense equal to the fair value of £52.8m. This was offset in the capital budget by the disposal value, resulting in a net nil impact on the capital budget.

All freehold and leasehold assets were subject to a professional valuation by Montagu Evans as of 31 March 2021, the date of the transfer and the reporting date. This resulted in an impairment charge of £2.2m to the AME budget.

## Fees and charges

As a result of the change in our status, we collect all fees and charges and surrender them to HMT upon completion of the work. In accordance with a direction from HMT this income is now reported in a separate annual Trust Statement. The property market in England and Wales remained volatile for the whole of 2020/21 following the outbreak of COVID-19. In 2020/21 we collected fees of £289.0m from customers with £232.5m worth of applications processed during the year. Over that time, this increased the balance of Fees Received in Advance (FREDA) by £56.4m, taking the total to £97.0m as at 31 March 2021. This is largely due to interruptions to post-completion services during the first quarter of the year as effective and secure home working capabilities were established.



As in previous years, almost half of our fees related to updates to existing titles in the register, which accounted for £149.3m, of which the creation of new register entries (such as first registrations, transfers of part and new leases) generated income of £38.1m.

Our other major income stream came from guaranteed query services, which are critical steps in every property transaction and where we see our largest volume of demand. These are pre-completion services which are vital to the running of the property market and have been available to customers throughout the COVID-19 pandemic. In 2020/21, guaranteed query services, accounted for £57.0m.

Information services enable users to go online to get a snapshot of any registered plot of land or property. These generated £19.7m in 2020/21.

We also provide other land and property services. Our digital Land Charges service protects interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department maintains a register of short-term loans secured on farming stock and other agricultural assets. Together these generated £6.5m.

Additionally, we offer commercial data services for customers in the property market and wider economy. Income from the commercial release of our data generated £3.9 million in 2020/21.

Aside from income derived from our services, we received rental income of £2.8m from investment properties held by HM Land Registry. This income is reported in our resource accounts, but is surrendered to HMT rather than being retained by HM Land Registry.

## 2021/22 onwards

As part of the 2021/22 settlement letter HMT has allocated HM Land Registry a settlement of £376.0m (RDEL) and £57.7m (CDEL), which will allow us to continue to invest in frontline colleagues and transformation services while accelerating the rollout of the Local Land Charges Programme. In addition, we have been allocated £75.0m (CDEL) for the transition to the new International Financial Reporting Standard (IFRS) 16 regarding finance leases.

## Improving our services – Transformation

In order to achieve our ambitions, our strategy depends on investment in transforming the services we provide and how we provide them. In 2020/21, we invested £22.7m (excluding LLC) of RDEL in our ambitious change programme, an increase of £5.3m from 2019/20. In addition we spent £13.6m on transformation CDEL.

The majority of this spend relates to the continuation of our digital and data programmes. The overall aim of these is to modernise our services and improve the range of, and access to, our data. It will enable us to provide better, faster and more efficient services, at lower cost.

We also prioritised a number of workstreams to enable our colleagues and customers to continue to work as effectively as possible. This included the Future Ways of Working programme, portal enhancements and the introduction of e-signatures.

We continued to accelerate the progress of the Local Land Charges programme (LLC) with 17 new local authorities migrating to the service (as set out on page 25) which incurred costs of £3.1m (RDEL) and £3.9m (CDEL). The programme will substantially increase in scope from 2021/22 in line with the Government's ambition to migrate the remaining 219 local authorities in the next four years.



# Strategic planning and performance

## The evolution of our performance framework

We had planned to introduce a new performance framework at the start of this year. In the wake of the COVID-19 pandemic, we adopted an agile approach to business planning to ensure we were able to focus resources on maintaining our critical services and maximising recovery of the property market.

Since the operational environment stabilised, we have transitioned to a new corporate performance framework, which is ready for full adoption from 2021/22. It has been designed to underpin an outcome-directed approach to planning in accordance with the principles laid out in the Public Value Framework, and is designed around HM

Land Registry's focus on supporting the following national outcomes:

- there is trust and confidence in land ownership;
- the conveyancing process is quick, easy and secure; and
- property data supports a stable and innovative UK economy.

This framework is designed to endure, providing a mechanism to support strategic planning over the next few years and is underpinned by the key performance indicators (KPIs) set out below. Expected performance trajectories for each KPI will be presented in the Annual Business Plan, and future annual reports will monitor against those trajectories.

### Internal health of the organisation

### Outcome focus of the organisation

Outcome – focused KPIs

Output – focused KPIs

There is trust and confidence in land ownership

The conveyancing process is quick, easy and secure

Property data support a stable and innovative UK economy

**1 Customer trust in the integrity and accuracy of the registers**  
Do our customers trust the information held on the Land Register?

**2 Customer satisfaction**  
Are we delivering a service that aligns with our customers' needs?

**3 Staff engagement**  
How connected do our staff feel towards their work and our organisation?

**4 Cost of our services**  
How efficiently is our business being run?

**5 Accuracy of new entries on the register**  
How are changes to the register impacting register integrity?

**6 Applications completed**  
Does HM Land Registry have the right capacity and capability to deliver its services in a timely manner?

**7A Speed of our services**  
How long do applications spend in HM Land Registry (excluding time spent awaiting a customer response and other 3rd party action)?

**7B Time taken to change the register**  
How long does it take for the register to accurately reflect ownership?

Note: Outcomes are the overarching goals that we are aiming to support. Outputs are the services we deliver that contribute to achieving those outcomes.

## Providing assurance

Our approach to performance management in the first half of the year was refocused to support our response to COVID-19. We needed to adapt our ways of working to keep the property market functioning. As reported on page 33 this involved establishing effective and secure home-working capabilities for the vast majority of the workforce for the first time. New performance indicators were developed and shared twice weekly with the Executive Board to monitor progress and provide assurance around the organisation's response.

Within two days of lockdown our priority search activities were restored, which ensured continuity of service for the pre-completion checks and expedited applications on which the homebuying process relies. All our services were operating within a few weeks.

### Business Continuity Metrics:

- COVID-19 health and safety guidance implemented and monitored
- Weekly focus on ability to process pre- and post-completion services
- Customer sentiment was measured
- Essential services maintained, with total availability of our external services at 99.9% over the year

### The logistics behind our COVID response:

- Within 13 weeks **98%** of staff were working remotely
- Around **500 to 600** staff nationwide were equipped each week
- Within the first week **700** laptops were redistributed to staff, enabling continuation of all pre-completion services

# Our key performance indicators and business planning deliverables

Sitting below our Key Performance Indicators are key deliverables. The table gives examples of how the key deliverables complement the Key Performance Indicators

## KPI 1 Customer trust in the integrity and accuracy of the registers

Developed business case for accelerated delivery of LLC programme, gaining approval via HM Treasury

## KPI 2 Customer satisfaction

Delivered portal enhancements, enabling customers to keep track of application progress

Enabled Customer Support Centre telephony to be delivered from mid-May 2020

Introduced Customer Support Centre Web Chat

## KPI 3 Staff engagement

Implemented a pay award for 2019 while successfully negotiating a pay increase in exchange for modernising employment terms and conditions

Introduced a Culture Model, which includes themes around modernising the way that we work and further developing our customer relationships

Updated our Diversity and Inclusion Strategy, setting out key actions to improve workforce representation and create a more inclusive culture

## KPI 4 Cost of our services

Identified and monitored new fraud and other business risks resulting from COVID-19 and the economic downturn

Successfully negotiated a Spending Review settlement that supports on-going investment in our staff and transformation

## KPI 5 Accuracy of new entries on the register

Delivered functionality to reduce requisitions due to name discrepancies

## KPI 6 Applications completed

Launched the new Land Registration Academy to support building operational capability

Launched a public beta of the Digital Registration Service

## KPI 7a Speed of our services

Updated our Transformation ambition and prioritised plans to reflect the impact of COVID-19

## KPI 7b Time taken to change the register

Started accepting electronic signatures on conveyancing deeds, removing the last strict requirement for paper and wet-ink signatures in the conveyancing process

Provided online register and title plan views in Search for land and property information

## Our approach to business planning

We took a more flexible and iterative approach to planning this year to ensure we were sufficiently responsive to emerging developments and the changing needs of our customers. We established and maintained regular engagement with industry representatives, and experts across the conveyancing market, citizens and business to support this. We also used these mechanisms to keep our customers informed of what they could expect.

The acceleration of our plans to roll out electronic signatures, digital cryptographic identity checks and digital deeds are all examples of how we adapted our original plans in response to the industry's evolving

needs. Over the past year, too, we have instigated our Digital Registration Service, launched View My Applications and introduced estimated completion dates for portal users, as well as embarking on the large-scale digitisation of our register update application processes. Over the first half of the year, we also loaned 218 of our people to the DWP to support the wider-government pandemic response.

Overall we have successfully delivered 39 of our 48 (81%) key deliverables on time during the year, with the remaining nine on track for delivery in the first few months of 2021/22.



# Tracking performance – selected KPIs

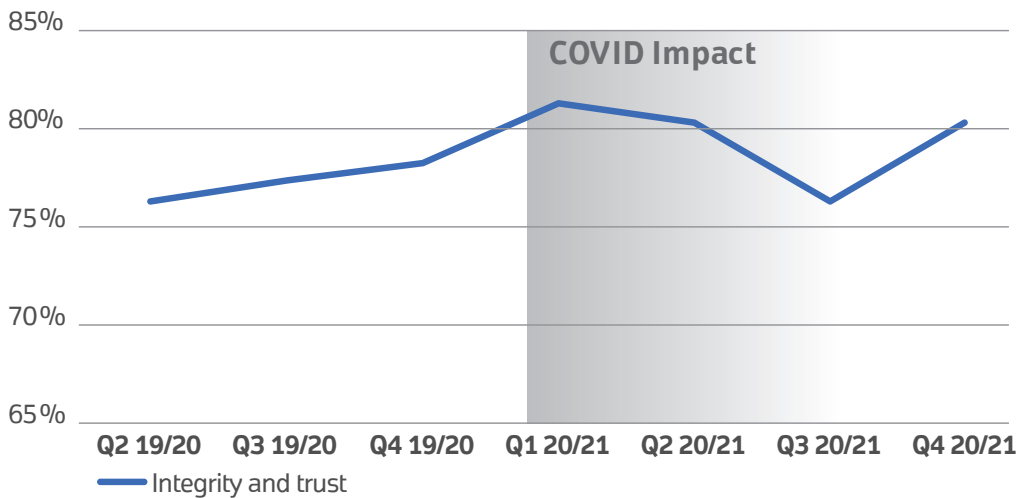
Overall, this has been a strong year for HM Land Registry. We have maintained our services in the face of extraordinary challenges over the past 12 months, while putting in place a new framework and data ecosystem that will enable the organisation to understand better what is driving our performance as we move forward. This deeper understanding of our business, combined with our investment plans and a normalisation of market conditions, puts us in an

excellent position to continue to improve performance over the years to come.

Of the KPIs we measured ourselves against this year, three (KPIs 1, 2 and 3) are consistent with those used in previous years. We have also developed an additional four KPIs, one has been under trial during 20/21 (KPI 6) the rest will be formally reported against from 21/22 and onwards.

## KPI 1 Do our customers trust the information held on the Land Register?

Customer trust in the integrity and accuracy of the register



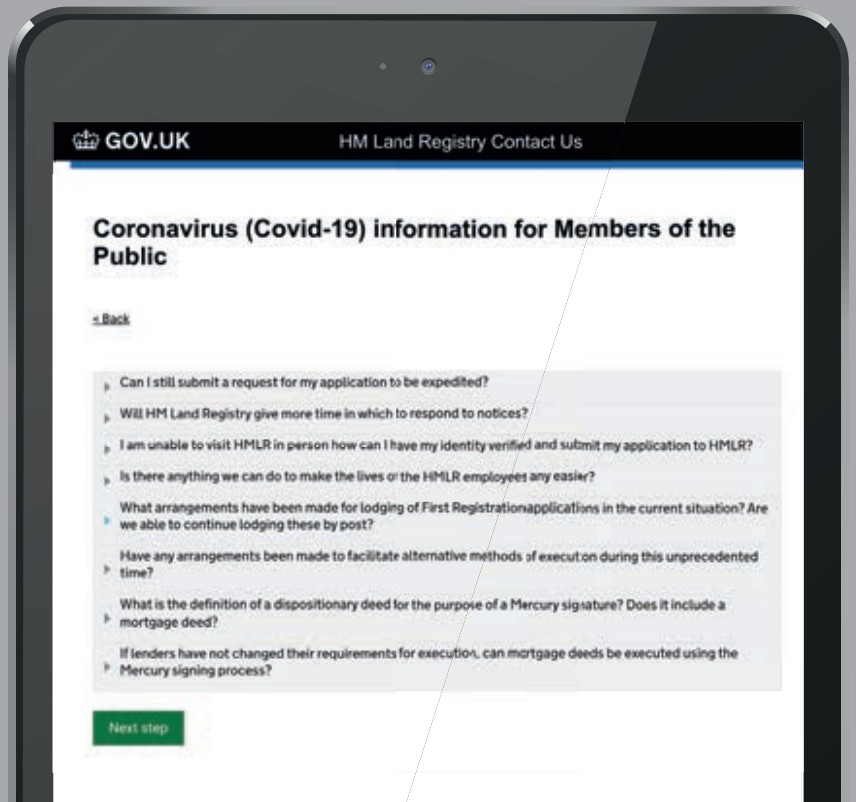
Customer trust (KPI 1) remained high throughout the year. Results gathered by an independent research company showed 79% of customers rated us as either good or excellent (8-10 on a 10-point scale) in ensuring the integrity and accuracy of the Land Register, 2% higher than in 2019/20.

## Customer Support Centre

Our Customer Support Centre (CSC) had to rebuild its services after the first lockdown and, while we identified a solution to enable its remote operation, we introduced a new Contact Us channel on GOV.UK to give our customers a self-help solution to finding key information. By mid-May we had reopened our CSC phone lines and over the subsequent months we not only expanded the on-call hours but also continued to enhance the Contact Us channel.

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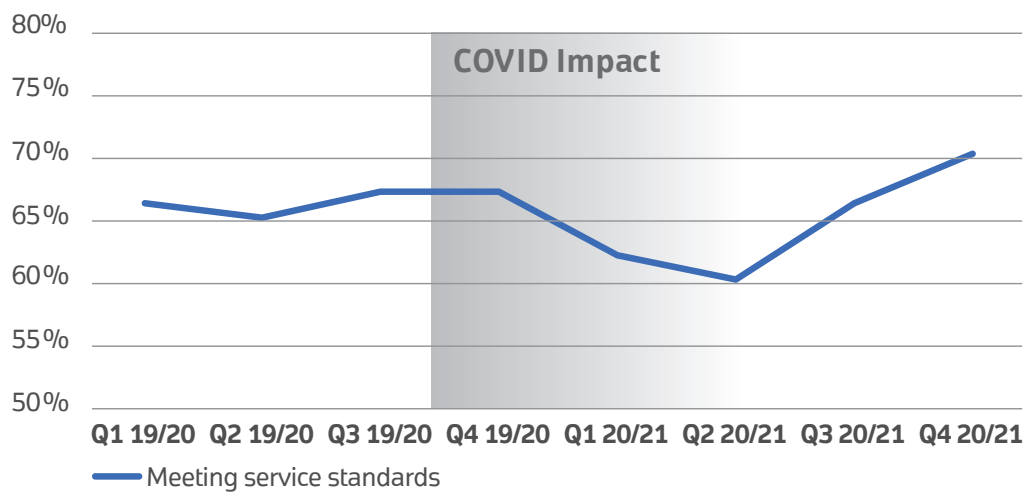
calls answered in 2020/21





## KPI 2 Are we delivering a service that aligns with our customers' needs?

### Customer satisfaction



Despite the disruption to our activities, and some changes in service standards to accommodate this, our customer satisfaction (KPI 2) rating was 64% for the year as a whole. We saw an understandable dip in customer satisfaction at the mid-year point as the pandemic took its toll on the whole conveyancing process, but we saw a steady improvement in the second half of the year as our services normalised

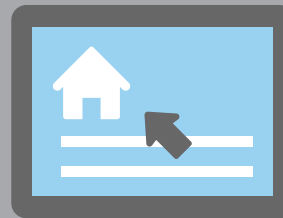
### Fast-track service: Going above and beyond

Services that enable sales to be completed have always been our priority and never more so than in a year of soaring demand alongside a global pandemic that saw the entire property industry go home, briefly stalling the market. As we became used to remote working, the looming end of the stamp duty land tax holiday saw conveyancers in a race against time. To help our customers, we strengthened, promoted and expanded our expedite service, ensuring an urgent application could be fast-tracked for free and completed within 10 days. Despite a near quadrupling in demand for expedites – from 2,914 requests in April 2020 to 11,413 in March 2021 – we dealt with many on the same day or within 48 hours, and 97% in less than 10 days. This ensured people in difficult circumstances could get on with their lives.

**2,914 requests**  
April 2020



**11,413 requests**  
March 2021



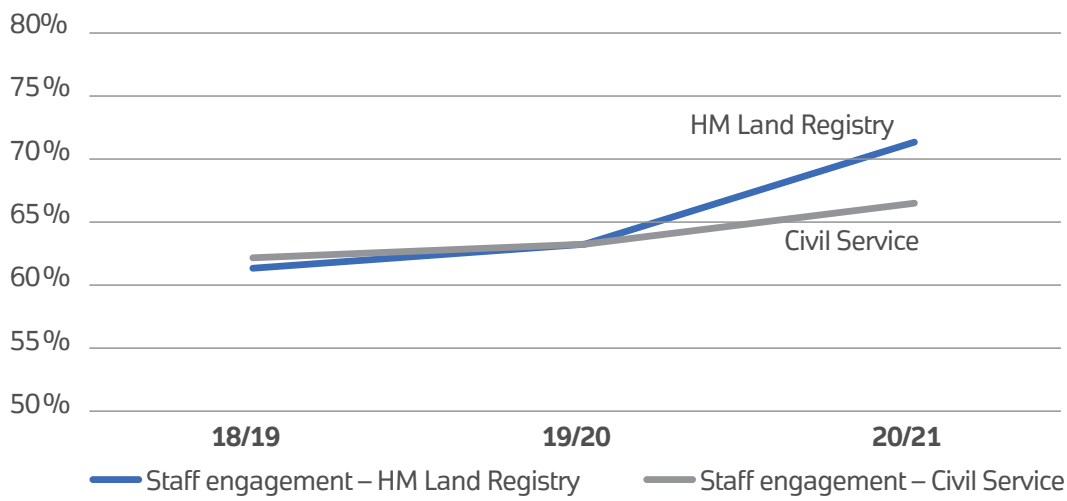
*“...Thank you all so much for sorting this as quickly as you did. My husband and two kids have been living in a caravan on my self-isolating parents’ driveway as we had to move out having sold but we couldn’t complete on our new home until you updated the register...”*

*“...Brilliant. Can’t thank you enough!! Especially at these hard times. You went above and beyond to make me feel calm and stress free. We are due to take on two foster children from 18 May. Without your help we would not have been able to move into the vacant property nor offer them a home ...”*



## KPI 3 How connected do our staff feel towards their work and our organisation?

### Staff engagement



Our staff engagement (KPI 3) score in the 2020 Civil Service People Survey was 71%, which is both an 8% improvement on 2019/20 and the highest HM Land Registry has ever recorded, placing us 18th out of 106 governmental organisations that participated in the survey, and first among those of a comparable size.

### Reflecting and remembering one year on

In March, one year from the day that our offices closed, we held a special virtual remembrance service attended by 800 colleagues. Nine HM Land Registry colleagues tragically passed away in the year, and many more were affected by the loss of loved ones to COVID-19.

Attendees shared photos, memories and stories and took part in a collective national one-minute silence.

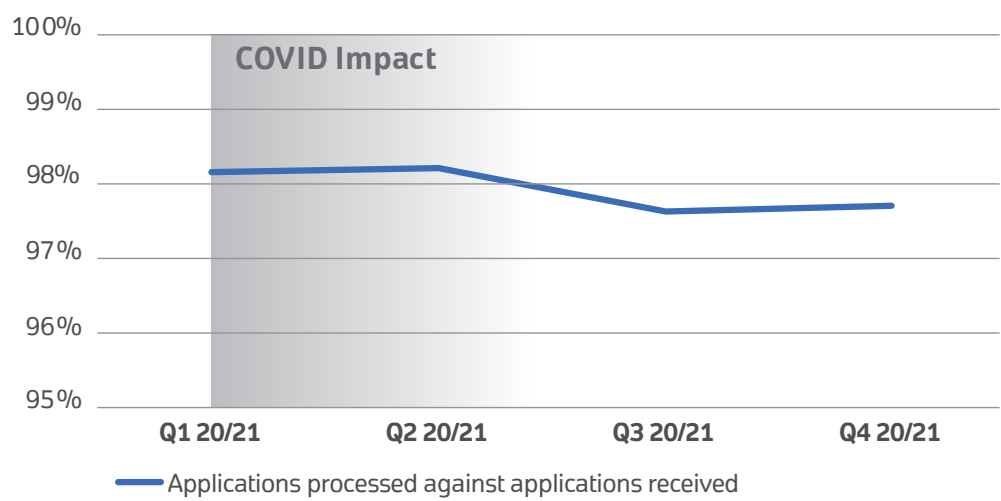
Collaborative technology allowed us to keep everyone informed and enhance our employee-centric culture and a sense of community that has helped colleagues support one another through the toughest of times and allowed our organisation to thrive.

National Day of  
**Reflection**  
23 March



## KPI 6 Does HM Land Registry have the right capacity and capability to deliver its services in a timely manner?

Application output – all application types



Among the new KPIs, we trialled KPI 6, which is the proportion of applications we process against those we received. Our Operations directorate was heavily impacted by the pandemic and we reacted swiftly to set up our office-based operations workforce to process applications from home. We are permanently more flexible as a result. As outlined in our Annual Business Plan, we began a large-scale recruitment and progression exercise this year to increase capacity and flexibility within the directorate but to support the nation’s response to the pandemic we loaned 218 new starters to DWP. Despite this our output this year was 97.6% of intake. An acceleration of our digitisation and automation plans will drive speedier processing, enabling us to bring down our backlog of applications over time.

### Working together to respond to COVID-19

In response to the COVID-19 pandemic around 220 of our registration officer (RO) colleagues worked to support priority tasks undertaken by the Department for Work and Pensions (DWP).

Pre-pandemic, the DWP would typically receive around 8,000 Universal Credit claims per week. This increased to around 58,000 claims per week, and each of those claims was submitted by a person or family in need. Our team was called on to support some of the most vulnerable in our society through the toughest of times.

“There were many examples where we have positively impacted the lives of the claimants. One example was supporting a claimant who was struggling to pay their bills by deferring some ‘advance’ repayments that they were due to make. This made a significant difference while they resumed their search for new employment.”

**Will Hawtin – Fylde Office**



*“It was an amazing experience to be part of a virtual team working to make a difference to the lives of people who had been negatively impacted by COVID-19.”*



**Department for Work & Pensions**



# Sustainability



Carbon  
**73%**  
reduction



Water  
**68%**  
reduction



Waste  
**85%**  
reduction



Paper  
**84%**  
reduction



Waste  
recycled  
**65%**



Waste to  
energy  
process  
**34%**



## Net zero carbon commitments

Our commitment to the delivery of the Government's net zero carbon requirements has included upgrading to LED (light-emitting diode) lighting at our Birkenhead and Weymouth offices and working with the GPA on three buildings (Gloucester, Telford and Hull) delivering additional LED lighting projects, with a further view to implementing photovoltaic electricity generation, and improving heating, ventilation and air conditioning (HVAC) efficiency and decarbonisation through the use of heat pumps removing gas combustion.

### Paper 84%

Waste paper reduced from 505 tonnes to 78 tonnes.

### Waste recycled 65%

99% of total waste not going to landfill. Recycled waste includes mixed recycling (plastic, tins, foil and so on), paper and glass.

### Waste to energy process 34%

Incineration for energy conversion contributes significantly to our overall targets.

We have made significant progress on our commitments due to the impact of COVID-19 and we will be looking to embed as many positive changes as we can when we move into a hybrid way of working. This year we have worked on delivering some major projects in line with Government's net zero carbon commitments.

These include:

- replacement of lift equipment, including the installation of more efficient motors at Hull;
- upgrading lighting to LED at Birkenhead and Weymouth and the commencement of works in conjunction with the GPA at Hull, Gloucester and Telford, where the works will be completed in first quarter of the 2021/22 financial year;

- replacement of external lighting with LED at Hull, Plymouth and Swansea;
- replacement of boilers at Nottingham;
- heating system changes at Croydon and Plymouth;
- replacement of Building Management Systems (BMS) at Leicester; and
- improvements in the solar shading provision at Weymouth

We have continued our commitment to biodiversity improvements in partnership with our facilities management service provider ISS and their supply chain. With improvements delivered at Plymouth, Telford and Weymouth offices, further continuation of this programme will be agreed.

## Other initiatives

We have started the transition from plastic envelopes to paper following a successful trial, with an aim to move all outgoing post to paper envelopes in the next financial year.

## Our performance

Our Environmental Management System ensures we are continually improving and working towards the targets set as part of the Greening Government Commitments (GGC) and the Greening Government Information and Communications Technology (ICT) requirements.

This report is delivered in line with the current guidelines supplied by HM Treasury.

We have continued to maintain our accreditation to the environmental ISO14001 standard, which independently ratifies our performance across the full range of sustainability activities within the organisation. During the year we transitioned to a new external auditor and successfully retained our accreditation through a remote audit in November.

Current performance against the 2009/10 sustainability baseline data is as follows against the GGC targets.

	Achieved	Target for 2021	On target/achieved?
Carbon	73% reduction	40% reduction	Yes
Waste arising	85% reduction in waste generated 65% recycled 1% landfill 34% Waste to Energy process	Reduce the amount of waste generated by at least 25% Recycle or compost at least 70% of waste and landfill less than 10% of waste	Yes
Water consumption	68% reduction	25% reduction (self-imposed)	Yes
Paper consumption	84% reduction	Reduce our paper use by 50% from 2009/10 baseline	Yes



Primrose Hill Passivhaus, Plymouth. A new development of shared ownership and affordable rented homes in Whiteleigh Plymouth is one of the largest Passivhaus developments in the UK. The homes are highly energy efficient and air tight, with triple glazed windows and doors, meaning the house has a small gas boiler and just two radiators in total. Completed in June 2019, the 72 new homes were built to the high specifications as required by the Passivhaus standard and the development received Passivhaus certification on completion. Twenty three shared ownership leases have been registered by our Croydon office. Image: plymouthcommunityhomes.co.uk



In addition, we continue to deliver the following requirements within the GGC:

Continue to pursue public procurement practices that are sustainable, so that the government buys more sustainable and efficient products with the aim of achieving the best overall value for money for society.

Departments will report on the systems they have in place and the action taken to support this commitment, including:

- to embed compliance with the Government Buying Standards in departmental and centralised procurement contracts, within the context of government’s overarching priorities of value for money and streamlining procurement processes; and
- to understand and reduce supply chain impacts.

Area		Performance	
		Actual (£'000)	2021 reduction target
Energy: greenhouse gas emissions, all areas within scope	carbon emissions (tonnes)	3,895	9,776
	expenditure (£)	1,779	
Waste	consumption (tonnes)	299	1,484
	expenditure (£)	99	
Water	consumption (m <sup>3</sup> )	18,492	38,346
	expenditure (£)	134	

### Sustainability governance

Compliance with environmental legislation is managed through the Sustainability Governance Framework and meetings with the facilities management provider. This is administered by the Sustainability Manager in conjunction with our Senior Facilities Business Partners and Total Facilities Management provider.

### Overall delivery of additional requirements of GGC

The targets continue to drive central government to be more sustainable and ensure the requirement of the Climate Change Act (2008) that a reduction in greenhouse gas emissions is delivered by 2021.

### Climate change adaptation

Climate change impacts are considered during the implementation of building works and projects. We use information collated in building condition surveys and forward maintenance plans as part of our sustainability reduction strategy while carrying out

major refurbishments, relocations or when delivering significant building plant replacement. The climate change adaptation plan is kept under continuous review.

The delivery of the Government’s net zero carbon requirements forms part of the considerations behind maintenance and wider property management decisions. As previously set out, work has begun on several major carbon zero works funded by the Government Property Agency. We will deliver a carbon zero plan early in the next financial year in line with GGC and the Department for Business, Energy and Industrial Strategy.

### Biodiversity and the natural environment

We recognise the importance of Biodiversity. Biodiversity plans have been created and are being implemented at Fylde, Hull, Plymouth, Weymouth and Telford. This process will continue at sites that have been identified as benefiting from future enhancements, such as Swansea.

## Carbon

We have reduced consumption of electricity by just under 1.5 kWh. This reflects the reduced use of our buildings to an average of 10% of normal occupancy, while remaining open to deliver essential services. Travel was significantly reduced over previous years but does not have a substantial impact on overall carbon used as this is primarily from the office estate. Gas consumption has increased by just under 8% since the pandemic. It is generally being reported that office buildings have used on average 20% more gas per month than the previous year. This is mainly because ventilating buildings with cooler fresh air and the loss of thermal capacity inside (owing to fewer people, less electronic equipment and so on) has increased the demand for heating. Our performance is significantly better than the 20% quoted.

Our overall reduction in carbon emissions since 2009/10 is 73%. See Appendix C for historic trend data.

## Waste

The target set is to reduce the amount of waste generated by at least 25% from a 2009/10 baseline and strive to reduce it further, recycle or compost at least 70%, and send less than 10% to landfill.

In partnership with our waste providers we have moved over the year to achieving zero waste to landfill. We are currently meeting most of the targets, with the amount of waste generated reduced by 85% and 99% of all waste is recycled or incinerated for energy conversion (34%) rather than going to landfill. This contributes significantly to the overall performance. The only area where we did not meet a waste target was for the amount recycled, which is at 65% against a target of 70%. Waste paper was reduced from 505 tonnes to 78 tonnes.

Waste management is delivered through two routes. Paper is managed through a confidential disposal contract outside of the facilities management arrangements. Other waste is delivered through the facilities management contract.

Paper equates to 22% of waste arising and 78 tonnes was sent for recycling. Our overall reduction in waste generated since 2009/10 is 85%. See Appendix C for historic trend data.

## Water consumption

The target is to continue to reduce water consumption from a 2009/10 baseline. This allows departments to set their own internal targets for water reduction and report on their progress against these. Additionally, departments will continue to report on office water use (m<sup>3</sup> per full-time equivalent).

A 68% reduction in water consumption has been achieved against a target of 25%. However, it should be noted that, in general, occupancy has been at around 10% of the full-time equivalent, delivering essential services and to meet some wellbeing needs.

## Paper usage

The GGC reduction target to reduce our paper use by 50% from an HM Land Registry baseline year of 2011/12 shows a current improvement of 84% of A4 equivalent. Our digital services programme and our move to on-request printing are continuing to have a significant impact.

## Sustainable procurement

September 2020 saw the publication of Procurement Policy Note 06/20, which is a new model aimed at delivering social value across all competitively tendered procurements from 1 January 2021. This means that in our evaluation of bids we apply a minimum of 10% weighting as part of the scoring process.

Social value metrics are applied across a range of different themes to help us get the best from our contracts and includes COVID-19 recovery, tackling economic recovery, fighting climate change, equal opportunities and wellbeing. These are all topics that we as an organisation are already passionate about. We consider sustainability elements throughout the whole procurement lifecycle.

Our procurement strategy includes a section covering sustainability to ensure this is always considered. We also refer to the GGC as part of our procurement policy and undergo regular supplier training to cover these aspects, including a session with ISS (one of our facilities suppliers), where we learned how to be greener together and how to achieve greater levels of sustainability as promoted through our commercial weeks last year.



Stonebridge Mills, Leeds, is a key part of the history of the Farnley and Wortley area but has lain unused, in a state of decay for many years. The site, which extends to some 3.6 hectares, includes a complex of traditional industrial buildings, along with former cottages and mill offices, was registered by Croydon office in March 2021. Image: Advent Developments/Rushbond Plc



# Other corporate information



Cane Hill, Croydon, an abandoned 205-acre site that was previously home to Cane Hill psychiatric hospital and appeared on the front cover of a David Bowie album is set to be transformed into nearly 700 new homes in Croydon. The Deputy Mayor of Housing and Land at the Greater London Authority marked the beginning of construction at Cane Hill Park, one of London's biggest projects to transform disused public land. Recent house sales have been registered by our Croydon office. Image: Google Earth



## Public sector information holder

We fulfil our role as a public sector information holder, which we take very seriously, through adherence to UK data protection legislation and the Freedom of Information Act. HM Land Registry is exempt from the application of some individual data protection rights where the application of legislation would conflict with the Land Registration Act and Rules. The Information Rights Team is leading on a privacy compliance programme to help ensure we meet our legal obligations under relevant legislation.

We received 476 Freedom of Information requests, of which 456 were answered within 20 working days.

Following a comprehensive review of our information assets, the new Information Asset Register and ownership model are improving the effectiveness of the overall management of our assets and in managing information-related risks. A new Knowledge and Information Management (KIM) strategy will help us ensure the integrity, sensitivity and security of our corporate information assets while giving staff the information they need to be empowered to deliver our aims and objectives.

In the provision of our data services, HM Land Registry complies with the Reuse of Public Sector Information Regulations 2015. (HM Land Registry has been advised that the changes to the reuse of public sector information regime made by the European Open Data Directive 2019 will not be implemented in the UK).

## Business impact target

The business impact target score comprises the economic impact of regulatory activity where the burden or benefit will impact on businesses above a £5m threshold. HM Land Registry regularly reviews its activities to assess the impact on its business customers in complying with its regulatory processes and requirements. We are continuing to develop our electronic lodgement of applications to make it easier and cheaper to deal with us, and this year we started accepting electronic signatures on conveyancing deeds, which is one of the key elements of a digital conveyancing process.

## Health and safety

We have delivered proactive and reactive policy changes to meet the ever-changing demands of the COVID-19 pandemic. We introduced a specific Coronavirus Homeworking Response Policy and a Return to the Office Policy (for essential workers). To meet the changes in work environment we also introduced an accident reporting process for work-related accidents while working at home and reviewed and updated the display screen equipment (DSE) workplace assessment policy.

COVID-19-related activities have been delivered in line with central government guidance and include the completion of risk assessments and site level checklists, resulting in guidance and protocols to monitor the impact of increased occupancy levels and mitigate the risk to essential workers. To ensure our buildings are COVID-secure, we have introduced specific COVID incident response plans, social distancing management plans and enhanced cleaning regimes and increased the availability of sanitising products. We also introduced new processes to ensure we meet the requirements of the NHS Test and Trace programme.

Information on COVID-positive tests for staff attending an office have been recorded since October 2020. In that time, we have had 45 positive COVID-19 test results, including instances advised by staff, tenants and contractors.

We have maintained compliance of our main mechanical and electrical equipment throughout the pandemic, working collaboratively with our facilities management provider, enabling us to keep all buildings open to facilitate the delivery of essential services while maintaining a COVID-secure workplace.

In December 2020 we successfully maintained our accreditation to the ISO 45001 Standard through a remote external audit delivered by our appointed auditors. The retention of this standard provides assurance of the maturity of our health and safety management system and alignment with best practice and promotes continual improvement.

We have adapted our Display Screen Equipment (DSE) assessments. These now reflect the different workspace locations and have applicable questions relating to all settings. We have improved the management information and reporting functions during the transition to a new assessment platform, providing live data on the number of completed assessments and the numbers of staff with high risks. To assist with homeworking and manage the risks relating to DSE we have delivered a new furniture contract to include the provision of furniture and equipment to enable the office workplace set up to be replicated in the home.

During the financial year 2020/21, we recorded a total of 16 accidents. This is broken down as:

### Office workplace

- 9 accidents relating to HM Land Registry staff
- 0 accidents relating to contractors
- 1 accident relating to visitors

### Home workplace

- 7 accidents relating to HM Land Registry staff
- 0 accidents relating to contractors
- 0 accident relating to visitors

None of the accidents above needed to be reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

## Complaints

We recorded 5,169 complaints in 2020/21 compared with 5,678 in 2019/20, a decrease of almost 10%. This is mainly accounted for by the impact of COVID-19, which at times during the year significantly reduced customer contacts and applications.

One particularly significant factor in this was the suspension of our cancellation procedure on most registration applications with outstanding requests for information (requisitions) from May to November 2020, previously a common cause of complaints. This was one of a range of temporary measures put in place to support customers through the COVID-19 pandemic (further details are given below).

47% of recorded complaints were upheld or partially upheld. Customer feedback about delays with



registration applications and associated customer enquiries was the most common area of upheld complaint, comprising 32% of the upheld total. This reflects the fact that some of our processing times for non-automated services are longer than we would like them to be.

The other main areas of upheld complaints related to the requests for information (requisitions) we ask customers when their applications lack required information (8%).

The Parliamentary and Health Service Ombudsman investigated two HM Land Registry complaints during the year. These have not yet been reported on.

We conduct analysis of all complaints received throughout the year to capture and act on learning points. For example, our customers said they would like:

- guidance on how to fast track applications and for us to be more helpful on the options open to them when we refuse requests. We have updated our guidance on how to request expedition and what to provide, and have publicised this more widely. We have also revised our standard wording used when we reject requests or require more information to help with consistency and to be clearer on what we need to reconsider the request;
- more information on the progress status of registration applications pending with us, the reason for delay and our average completion times on the different types of application we process. Business e-services customers lodging applications via our HM Land Registry portal can now use the View My Applications service to check the status, progress and estimated completion date of pending applications. We also provide more detailed information published on GOV.UK about completion times; and
- a more digitised solution that helps them lodge applications correctly first time. Our Digital Registration Service is being made available to Business e-services customers lodging applications via our HM Land Registry portal, initially in a test phase and subject to further developments going forward. This should reduce errors and the need for us to raise requests for information (requisitions).

Due to the impact of COVID-19, we introduced a range of measures to support customers after listening to their feedback. Details of their feedback and the action taken included the following.

- They were experiencing difficulties in verifying their identity in person before a conveyancing professional for land registration purposes. We introduced temporary changes to our evidence of identity requirements, increasing the range of professionals that can verify identity, and accepting verification by video call.
- They wanted additional time to reply to requests for information (requisitions). The cancellation of applications with outstanding requests for information (requisitions) was paused. From November 2020 we resumed cancellations but in a gradual way, sending reminder letters and giving more time to reply to outstanding requests.
- They were experiencing difficulties in visiting conveyancers' offices to sign paper documents involving multiple parties which required a

signature(s) in the presence of a witness. Until further notice, we accept for the purposes of registration a transfer of ownership and certain other deeds executed by virtual means, referred to as Mercury Signatures, and also by witnessed electronic signatures.

Our Independent Complaints Reviewer provides a free and impartial review and resolution service for any customer dissatisfied with how we have handled their complaint. Throughout the year, her reports and recommendations arising from the complaints she has reviewed have continued to provide a valuable source of insight and identification of areas where we need to improve.

We continue to review our customer feedback processes aimed at improving the way we recognise and deal with complaints and helping us more effectively identify insights and improvements arising from customer feedback. A planned change to the commercial software provider of our Customer Relationship Management (CRM) system in 2021/22 gives us an opportunity to build in further enhancements to that system.

### **Service standards**

Details of the service that customers can expect from us can be found on our website: <https://www.gov.uk/government/publications/hm-land-registry-servicestandards>.

### **Land Registration Rule Committee annual summary of activities**

The Land Registration Rule Committee was constituted under the Land Registration Act 2002 to provide advice and assistance, originally to the Lord Chancellor but now to the Secretary of State for Business, Energy and Industrial Strategy, in making land registration rules and fee orders under the Act.

In April 2020, the committee provided advice and assistance to the emergency amendment of the Land Registration Rules 2003 to give additional flexibility where required during exceptional circumstances, such as the COVID-19 pandemic. When needed, the amended rules could help protect those in the homebuying process. The amendment rules came into force on 16 April 2020.

In April 2021, the committee scrutinised and advised on the proposed new fee order, which is expected to be implemented later in the year.

In view of the restrictions on movement, the committee's business was conducted by email. There were no changes to membership during the year.

### **Modern slavery**

We support measures to ensure that modern slavery, including slavery and human trafficking, has no place in our organisation or supply chains. We continue to use robust procedures, including in our contracts and in our recruitment processes, and facilitate the raising of any concerns by colleagues, including any relating to modern slavery concerns in our supply chains.

### **Welsh Language Scheme**

We remain committed to our obligations under the Welsh Language Scheme to treat the English and Welsh

languages equally when dealing with the public in Wales. Chris Pope, Chief Operations Officer, is the senior responsible owner for the scheme. Our current scheme containing our four-year action plan was approved by the Welsh Language Commissioner on 27 September 2019. We have a dedicated Welsh language team in our Swansea Office and a Welsh language telephone line for general enquiries – 0300 006 0422.

Further information on our Welsh language services can be found at <https://www.gov.uk/government/organisations/land-registry/about/welsh-language-scheme>

### **Policy and stakeholder coordination**

The Chief Land Registrar's Office fulfils a range of functions to uphold the reputation of HM Land Registry with government and key stakeholders. It coordinates our contribution and response to the development of government policies and our representation internationally. HM Land Registry takes an active approach to policy horizon scanning that ensures it responds appropriately to formal consultations. The office is responsible for HM Land Registry's relationship with its sponsor department as well as corporate governance that includes the Board Secretariat. The office also supports the executive and non-executive senior teams.

The Chief Land Registrar's Office works closely with UK Government Investments which acts as the agent of BEIS in representing the Government's interest in the governance and performance of HM Land Registry as an organisation. We work in accordance with our framework which was updated and published in January 2021, reflecting our status as a non-ministerial department with formal obligations to BEIS, HM Treasury and the Geospatial Commission.

During the year, HM Land Registry has provided expert advice on land registration, HM Land Registry's strategic aims and intended outcomes to several key government and stakeholder policy initiatives. Examples include working closely with the Department for Digital, Culture, Media and Sport to align our digital identity innovations with wider policy on digital identity and the national data strategy; and contributing to the Ministry of Housing, Communities and Local Government's work on leasehold and commonhold reform, and on planning reform. Other highlights have been to lead HM Land Registry's preparations for the end of the EU transition period and preparing the Government's response to the Law Commission's review of the Land Registration Act, which was published on 25 March and sets out a range of next steps towards implementing a range of recommendations to meet the needs of modern conveyancing. We supported other government departments in Parliamentary Questions throughout the year and BEIS responded to five Parliamentary Questions specific to HM Land Registry with topics including the data we hold on land ownership, the services we provide and the technology we use.

The office coordinates HM Land Registry's key stakeholder relationships to ensure that stakeholder engagement is integral to HM Land Registry's customer delivery, with insight and experience widely shared. We optimise opportunities to track sentiment, gathering and sharing intelligence to inform effective planning and delivery across the organisation as well as to inform

policy development and interventions. The Land Registry Advisory Council brings together key representative organisations involved in the conveyancing process and has met four times to share views and contribute to HM Land Registry's policy development by sharing industry-wide perspectives.

We established the Industry Forum in April 2020 to engage directly with a cross-section of stakeholders and customers to inform HM Land Registry's prioritisation process and to listen to customers as they were dealing with the challenges of the pandemic. This enabled us to work collaboratively in relaxing and amending processes and policies so that property transactions were still able to take place as our customers adapted to different working situations.

The forum has become one of our key engagement mechanisms and we will continue to use it to find out how we can best support customers. It has explored different solutions to improving the effectiveness of the property market by building a shared understanding and vision of what measures HM Land Registry might take to help the property market become more efficient and effective for wide benefit. It has also provided a channel for HM Land Registry to closely test ideas with a representative group of stakeholders and customers with immediate impact.

HM Land Registry maintained an important connection with the land registries of Scotland, Northern Ireland, Ireland and the Isle of Man by having four online meetings. The office has also ensured HM Land Registry adopted an appropriate international presence to share best practice, including through participation at the annual Registers of Titles Conference in November 2020 and as a member of the United Nations Economic Commission for Europe Working Party on Land Administration. The working party has met online throughout the year, with HM Land Registry presenting as part of a panel discussion in March 2021 on accelerated digitisation as an impact of COVID-19. The Chief's Office has also co-ordinated HM Land Registry's involvement with the Foreign, Commonwealth & Development Office in providing advisory services to support international development commitments.



### **Simon Hayes**

Chief Executive and Chief Land Registrar  
9 July 2021



# Glossary

Term	Definition
<b>Agile</b>	A method of project management that uses collaborative efforts to evolve solutions which achieve its goals.
<b>Annually Managed Expenditure Resource (Resource AME)</b>	Items of an uncontrollable or unpredictable nature. For HM Land Registry, the most significant element is the annual movement in the Indemnity Fund provision, which is utilised to underwrite the accuracy of the Land Register. The provision acts as a mechanism to indemnify the organisation against fraud and/or error.
<b>Application</b>	Applying for the registration of unregistered land, updating registered land or property titles, or applying for information from HM Land Registry.
<b>Artificial intelligence (AI)</b>	Intelligence and learning demonstrated by machines.
<b>Blockchain</b>	A distributed, decentralised public ledger.
<b>Capital Departmental Expenditure Limit (Capital DEL, CDEL)</b>	Investment in internally-generated software, IT equipment and estates.
<b>Containerisation</b>	A form of operating system that packages up code and all its dependencies so each individual application runs quickly and reliably from one shared computing environment.
<b>Continuous improvement</b>	An ongoing effort to improve products, systems, services and knowledge.
<b>Core registration services</b>	The registration of ownership, interests and mortgages against land and property.
<b>Critical National Infrastructure</b>	A term used to describe processes, systems, facilities, technologies, networks, assets and services essential to the nation's health, safety, security or economic wellbeing and the effective functioning of government.
<b>Digital Registration Service</b>	A HM Land Registry portal service allowing applications to be submitted digitally where the data is automatically checked before it is lodged
<b>Document view</b>	View a document as a PDF and print or save it.
<b>Expedites/expedite services</b>	Customers can request HM Land Registry processes an application urgently.
<b>Fintech</b>	Fintech combines the word finance and technology and refers to businesses that use technology to enhance or automate financial services and processes.
<b>Geospatial</b>	Data and information that is associated with a particular location.
<b>Guaranteed queries</b>	Services that provide information and results which come with a state guarantee.
<b>Industry Forum</b>	A cross-section of customers and stakeholders within the property market conveyed by HM Land Registry, who work together to find new ways to improve the conveyancing process.
<b>Land Charges</b>	Interests in unregistered land that are capable of being protected by entry in the Land Charges Register.
<b>Mercury approach</b>	'Electronic signatures' whereby the deeds have been signed in pen and witnessed in person, then captured with a scanner or camera to produce a suitable digital copy.
<b>Official copy</b>	Copies of deeds and documents filed with us, including title registers and title plans, which are guaranteed as being accurate and are admissible as evidence as if they were the original.
<b>Official search</b>	Allows people such as home-buyers or mortgage lenders to have their purchase, lease or charge prioritised for completion over applications lodged subsequently.
<b>PropTech</b>	The use of technology to help individuals and companies research, buy, sell and manage real estate.
<b>Register create application</b>	Any application that leads to the creation of a completely new register, such as a transfer of part of an existing title, a new lease or registration of land for the first time.
<b>Register update</b>	Any application to change the register of the whole of an existing property title, including new mortgages, name changes, transfers and discharges.
<b>Register view</b>	Viewing the current version of the register.
<b>Request for information</b>	Where HM Land Registry has to make enquiries to the applicant on an application because information or evidence is missing or incorrect and so cannot be processed.
<b>Requisition</b>	See 'Request for information'.
<b>Resource Departmental Expenditure Limit (Resource DEL, RDEL)</b>	A net ceiling comprising day-to-day organisational running costs. This total is typically analysed into ringfenced amounts (depreciation and amortisation charges) and non-ringfenced sums.
<b>Restriction</b>	An entry that limits HM Land Registry from updating the register unless specified conditions are met.
<b>Restrictive covenant</b>	An agreement, usually contained in a deed, creating an obligation on the owner of land affected, such as limiting the uses of the land.
<b>Robotic process automation</b>	A form of business process automation technology.
<b>Sustainable Procurement Flexible Framework</b>	A self-assessment mechanism that allows organisations to measure and monitor their progress on sustainable procurement over time.
<b>Title</b>	The evidence of a person's right to property.
<b>Title plan</b>	A plan showing the area of a registered property on a map, usually Ordnance Survey.
<b>Tokenisation</b>	The creation of a blockchain-based, digital representation (token) of a real-world asset such as property.
<b>Transfer of part</b>	The transfer of part of a registered title, such as where a house and garden are registered under one title and the owner sells part of the garden.
<b>Trust Statement</b>	The financial statements that provide an account of the revenue collected by HM Land Registry which is due to the HM Treasury Consolidated Fund. For HM Land Registry, this relates to revenue from fees and charges, and income from commercial activities.
<b>View My Applications</b>	A free-to-use service within the HM Land Registry portal which allows users to view all the applications made using the portal, as well as checking the status and downloading all relevant documentation relating to each application.

# Accountability report

## Corporate governance report

### Directors' report

This section sets out the membership of our key directing boards and committees and explains their responsibilities.

#### Our governance structure

HM Land Registry has a two layered system of governance:

- HM Land Registry Board (comprising non-executive board members and executive directors)

- HM Land Registry Executive Board (comprising executive directors)

This structure enables the non-Executive Board Members to provide appropriate challenge to the Executive Board while allowing executives to make effective decisions on the day-to-day running of HM Land Registry.



### HM Land Registry Board

The role and responsibilities of the HM Land Registry Board (LRB) are set out in the Framework agreed with the Department for Business, Energy and Industrial Strategy (BEIS). The LRB supports, constructively challenges and provides advice and guidance to the Chief Executive and Chief Land Registrar and their senior management team on performance, operation and development. The LRB supports senior management on setting the strategic vision of HM Land Registry, ensures the Secretary of State receives appropriate information, and assists the Chief Executive and Chief Land Registrar in their responsibility as Accounting Officer for the governance of HM Land Registry. This includes ensuring it operates within statutory and administrative requirements and within the limits of their authority and any delegated authority.

In line with Cabinet Office guidance, the LRB is tasked with advising on, challenging and supervising five main areas.

- Strategic clarity
- Commercial sense
- Talented people
- Results focus
- Management information

The LRB, supported by its Audit and Risk Committee, also ensures HM Land Registry is working within a framework of prudent and effective governance arrangements and controls that enable risk to be appropriately assessed and managed. As part of that function, the LRB agrees the key activities that HM Land Registry will need to undertake to meet its strategic objectives as set out in its published Business Strategy. The LRB supports the

Chief Executive and Chief Land Registrar in ensuring the necessary financial and human resources are in place for HM Land Registry to meet these objectives. It agrees the organisation's risk appetite, approves the annual budget and plan and regularly reviews performance in relation to agreed targets.

In May 2021 updated terms of reference for the LRB, Audit and Risk Committee and the Remuneration and Nominations Committee were agreed.

The LRB comprises a mix of executive directors and non-executive board members. The non-executive board members of LRB are highly skilled and have experience in the relevant fields to support and challenge the Executive Board. This year three non-executive board members' terms came to an end in January 2021, and two new non-executive board members joined in June 2021.

The non-executive board members are independent of management. They are required to sign an annual statement recording any potential conflict of interests and declare any new interests in the interim. A central 'Register of Interests' record is retained. See note 17 to the accounts on page 115 and note 6 to the Trust Statement for related party disclosures.

In January 2021, the LRB carried out a self-assessment of its effectiveness and the results were discussed at a Board meeting. The assessment showed the LRB to be broadly effective, but with opportunities for continuous improvement in strategic forward planning and far more concise board papers.





# HM Land Registry Board



**Michael Mire**

### **Non-executive Chair**

Michael was formerly a Senior Partner at McKinsey, where he specialised in financial services and e-commerce, and is now a non-executive director at the Department of Health and Social Care and at Aviva. He is also a Senior Advisor at Lazard. Michael was educated at the University of Oxford and the Harvard Business School from which he has a Master's in Business Administration (MBA) and was a Baker Scholar.



**Kirsty Cooper**

### **Non-executive Board Member and Senior Independent Board Member**

Kirsty is General Counsel and Company Secretary for Aviva. She established Aviva's first global leadership team and has responsibility for public policy and corporate responsibility. Kirsty is on the General Counsel Legal 500 Powerlist and is also a trustee of the Royal Opera House.



**Elliot Jordan**

### **Non-executive Board Member and Chair of Audit and Risk Committee**

Elliot is Chief Financial Officer and member of the Executive Board of Farfetch, the leading global platform for luxury fashion. He is responsible for the finance, legal, strategy and human resource teams across the global operation. He is also the executive sponsor of Diversity and Inclusion. Prior to joining Farfetch, Elliot held positions at ASOS plc, J Sainsbury plc, Credit Suisse and KPMG.



**Angela Morrison**

### **Non-executive Board Member**

Angela is Chief Operating Officer at Cancer Research UK (CRUK) where she is responsible for Finance, HR, Technology and Corporate Services. Prior to joining CRUK Angela was Retail, Supply Chain and Technology Director at Debenhams as well as holding roles at J Sainsbury plc, Direct Line Group and ASDA Walmart.



**Jeremy Pee**

### **Non-executive Board Member**

Jeremy is the Chief Digital and Data Officer at Marks & Spencer. Previously he was the Senior Vice President of Loblaw Digital, the digital unit of Canada's leading retailer. Jeremy has a Master's in Business Administration (MBA) from Harvard Business School and a degree in engineering from University of Waterloo.



**Ann Henshaw**

### **Non-executive Board Member and Chair of the Remuneration and Nominations Committee**

Ann has extensive experience in human resources (HR), having worked at several major companies across a variety of sectors, including property, both in the UK and internationally. She is HR Director at British Land and a member of their Executive Team. Previous roles include serving as Group HR Director at Clear Channel International and HR Director at EDF Energy.



**Ed Westhead**

### **Non-executive Board Member, UKGI (nominated representative of the BEIS Secretary of State)**

Ed is an Executive Director at UK Government Investments (UKGI), the Government's centre of excellence in corporate finance and corporate governance, based in London. He has previously been a non-executive board member for Companies House and held previous roles in corporate finance with Macquarie and BAE Systems.



# Executive Board



**Simon Hayes**

### **Chief Executive and Chief Land Registrar**

Simon joined in November 2019. Previously Simon held several senior positions at the Home Office, including the UK Border Agency's first Regional Director for the Americas, the UK Visas and Immigration (UKVI)'s International Director and finally the Director of Visas & Citizenship at UKVI. Simon's responsibilities included setting up the EU Settlement Scheme for European citizens residing in the UK.



**Mike Harlow**

### **General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar**

Mike joined in February 2018. He graduated from Imperial College in mechanical engineering before converting to law. He then worked as a solicitor in London for 15 years, acting for commercial property clients, and 11 years at English Heritage as its Legal Director and Corporate Secretary. He gained board-level experience of organisational change and heritage law and policy reform.



**Iain Banfield**

### **Chief Financial Officer**

Iain joined in February 2019. Prior to this he spent two and a half years in the Department for International Trade, first as Deputy Director for Strategic Finance and then acting Finance Director. Previously Iain has been the Finance Director for UK Trade & Investment and held roles in the Shareholder Executive and the Department for Business, Innovation and Skills.



**Chris Pope**

### **Chief Operations Officer**

Chris joined in October 2017. He spent 27 years as a Royal Engineers officer. Following private sector experience as Group Projects Director at Tribal and Head of Operational Engineering Services at Laing O'Rourke, Chris moved to Merton Council as Director of Transformation. He has also been Commercial Director at the Department for Business, Innovation and Skills and Operations Director at the Department for Business, Energy and Industrial Strategy.



**Karina Singh**

### **Director of Transformation**

Karina joined in 2017. Her career has spanned a range of roles in HM Revenue and Customs and HM Treasury, where she was Head of the VAT Policy team. She has been involved in change delivery for the last 15 years, including leading a national transformation programme for a private sector engineering firm. More recently, Karina was Transformation Director at the Valuation Office Agency.



**Simon Morris**

### **Director of Human Resources**

Simon was appointed in June 2020. He began his career as a graduate trainee for Boots before moving on to management roles at Heathrow Airport, BUPA Health Insurance and Danone. He became a Chartered Member of the Chartered Institute of Personnel and Development in 2016. His most recent role was as Group HR Director for DDD Limited.



**Andrew Trigg**

### **Acting Director of Digital, Data and Technology**

Andrew joined in 2005 and has been the interim Director of Digital, Data and Technology since May 2020. His previous role was as Chief Geospatial & Data Officer. He began his career as an academic and then spent time in the geospatial industry working in commercial roles and for a local authority. He then worked for Ordnance Survey for 10 years, where he was responsible for the introduction of MasterMap.



LRB membership	
Non-executive	
Michael Mire	Non-executive Chair
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member, Interim Chair of Remuneration and Nominations Committee (RemCo) (from 8 January 2021)
Diana Breeze	Non-executive Board Member and Chair of RemCo (to 7 January 2021)
Doug Gurr	Non-executive Board Member (to 7 January 2021)
Ann Henshaw	Non-executive Board Member (from 1 June 2021)
Elliot Jordan	Non-executive Board Member and Chair of Audit and Risk Committee
Angela Morrison	Non-executive Board Member
Chris Morson	Non-executive Board Member (to 7 January 2021)
Jeremy Pee	Non-executive Board Member (from 1 June 2021)
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State)
Executive	
Simon Hayes	Chief Executive and Chief Land Registrar
Iain Banfield	Chief Financial Officer
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Chris Pope	Chief Operations Officer

## A year in focus

During 2020/21 matters covered by the LRB included:

- response to COVID-19 and impact on staff, performance, risk and finances;
- business planning, budget and performance framework, including the revision of priorities throughout the reporting year, strategic oversight of the Spending Review 2020 which resulted in HM Treasury agreement to proposals, 2021/22 business planning and development and agreement to a new performance framework;
- business strategy discussions on the ambition of HM Land Registry and the way forward for a new strategy including agreeing a strategic framework to deliver the new strategy and moving to the publication of a live and evolving strategy that is refreshed annually;
- operational and transformation progress, prioritisation and planning including ensuring there was a continued focus on productivity;
- continued to work on reducing the backlog of complex cases;

- acceleration of the Local Land Charges Programme and associated business cases resulting in HM Treasury approval;
- reassessment of HM Land Registry risk appetite resulting in a new risk appetite statement;
- Civil Service People Survey results and development of the diversity and inclusion strategy; and
- HM Land Registry new non-ministerial governance arrangements with HM Treasury and BEIS as set out in the Framework which was reviewed and agreed by the LRB, as well as improvements to internal governance arrangements.

## Virtual Board meetings

The LRB met 15 times in 2020/21. In light of the COVID-19 pandemic and restrictions that required LRB to meet virtually, the meeting schedule was reorganised to meet more frequently which enabled LRB to keep pace with the changing environment. Longer board meetings were held every six weeks, with shorter meetings, focusing on performance and risk, held in between.

In November the LRB held an organisation-wide virtual question and answer (Q&A) event with staff. The event was one of the most widely attended virtual Q&A events of the year with over 1,700 staff joining.

## Engaging with stakeholders

Engaging with stakeholders is a key part of ensuring LRB are well informed.

- HM Land Registry is one of the six core Geospatial Commission partner bodies (the 'Geo6'). Throughout the year, the Chair regularly engaged with the Geospatial Commission. The Chief Executive and Chief Land Registrar met regularly with their counterpart at the Geospatial Commission and with other Geo6 partner bodies as appropriate.
- The Chair continued to engage regularly with the Geospatial Commission and Board members meet regularly with the six core Geospatial Commission partner bodies.
- The Chair and Chief Executive and Chief Land Registrar regularly engage with the BEIS Minister and BEIS Permanent Secretary and met with the Chief Secretary to the Treasury.
- Quarterly meetings took place between the Chair, Chief Executive and Chief Land Registrar and Chief Financial Officer and UK Government Investments (UKGI), with informal meetings in between, to discuss governance, financial performance and other relevant matters as set out in the Framework.
- Members of the Board engaged with their counterparts at other government departments such as HM Treasury and the Ministry of Housing, Communities and Local Government as required.
- Members of the Board regularly met stakeholders who are members of the Land Registry Advisory Council and Industry Forum and drew upon their knowledge and expertise, tested ideas, shared information and discussed land and property-related issues.
- Board members met virtually with their counterparts at the land registries of Scotland, Ireland, Northern Ireland and Isle of Man four times throughout the year at the 'five registries meeting', as well as others from around the world.

## Committees of the HM Land Registry Board

### Audit and Risk Committee

The Audit and Risk Committee supports the LRB and the Accounting Officer by reviewing and seeking assurance on the risk management framework, the control framework, governance, compliance with policies, procedures, external standards and statutory requirements. It reviews the Principal Risks of the organisation and provides oversight and challenge in the preparation of the annual report and accounts.

At every meeting, the Audit and Risk Committee sees the risk register, along with other performance related data as well as a more detailed risk management report of at least one Principal Risk.

During 2020/21 matters covered by the Audit and Risk Committee included:

- oversight and input into the development of the risk and assurance framework, maturity plans, risk taxonomy and the risk appetite statement;
- monitoring and challenge of HM Land Registry's Principal Risks, including provision of direction;
- oversight of the risk-based programme of internal audit assurance activity and monitoring of the implementation of agreed management actions;
- oversight of transition away from a trading fund to a non-ministerial department;
- challenge to business continuity and cyber security-related activity;
- oversight of and challenge to data and register quality;
- oversight of and challenge to the Indemnity Fund Provision;
- monitoring and challenging fraud controls and the counter-fraud strategy;
- review of the whistleblowing process;
- consideration and challenge of key financial judgements.

#### Audit and Risk Committee membership

Elliot Jordan	Non-executive Board Member and Chair of Audit and Risk Committee
Angela Morrison	Non-executive Board Member
Chris Morson	Non-executive Board Member (to 7 January 2021)
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State)
<b>Attendees</b>	
Simon Hayes	Chief Executive and Chief Land Registrar
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Iain Banfield	Chief Financial Officer
Stuart Brown	Acting Head of Internal Audit (1 October 2020 to 4 April 2021)
Rick Deuttenburg	Deputy Director, Risk and Assurance (to 6 November 2020)

Harnaik Dhillon	Head of Internal Audit (from 5 April 2021)
Patrick Green	Head of Internal Audit (to 30 September 2020)
Alastair Vella-Sultana	Interim Deputy Director, Risk and Assurance (from 7 November 2020)
Representative of the National Audit Office	National Audit Office

### Remuneration and Nominations Committee

The Remuneration and Nominations Committee ensures that remuneration (and where appropriate nomination arrangements), including senior pay strategy, support HM Land Registry's aims and oversees the recruitment, retention and performance of the executive team and other Senior Civil Service within the Civil Service pay policies.

During 2020/21 the main matters covered by the Remuneration and Nominations Committee included:

- performance of the Chief Executive and Chief Land Registrar;
- Senior Civil Service performance and pay;
- pay business case; and
- senior leadership structure, development and succession planning.

#### Remuneration and Nominations Committee membership

Ann Henshaw	Non-executive Board Member and Chair of the Remuneration and Nominations Committee (from 1 June 2021)
Kirsty Cooper	Non-executive Board member and Interim Chair of the Remuneration and Nominations Committee (from 8 January 2021 to 31 May 2021)
Diana Breeze	Non-executive Board member and Chair of the Remuneration and Nominations Committee (to 7 January 2021)
Chris Morson	Non-executive Board Member (to 7 January 2021)
Simon Hayes	Chief Executive and Chief Land Registrar
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State)
<b>Attendees</b>	
Simon Morris	Director of Human Resources (from 8 June 2020)
Jon Cocking	Acting Director of Human Resources (to 5 June 2020)



## Attendance schedule for LRB, Audit and Risk Committee and Remuneration and Nominations Committee

Name	Title	Period*	Board LRB	Committee	
				Audit	Remuneration
<b>Non-executive board members</b>					
Michael Mire	Non-executive Chair		14/15	–	–
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member		13/15	–	–
Diana Breeze	Non-executive Board Member	To 7 January 2021	10/12	–	1/1
Doug Gurr**	Non-executive Board Member	To 7 January 2021	0/12	–	–
Elliot Jordan	Non-executive Board Member		14/15	4/4	–
Angela Morrison	Non-executive Board Member		15/15	4/4	–
Chris Morson	Non-executive Board Member	To 7 January 2021	12/12	3/3	1/1
Ed Westhead	Non-executive Board Member/ UKGI representative		14/15	4/4	1/1
<b>Executive directors</b>					
Simon Hayes	Chief Executive and Chief Land Registrar		15/15	4/4	1/1
Iain Banfield	Chief Financial Officer		15/15	4/4	–
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar		15/15	4/4	–
Chris Pope	Chief Operations Officer		15/15	–	–
Simon Morris	Director of Human Resources (from 8 June 2020)		–	–	1/1

\* appointment relates to the whole of the reporting year unless otherwise specified.

\*\* Doug Gurr has given advice to HMLR outside of scheduled board meetings and has not taken any payment in the reporting year.

### Executive Board

The Executive Board (EXB) is chaired by the Chief Executive and Chief Land Registrar and its members are HM Land Registry's executive directors. The EXB is responsible for leading and managing the delivery of HM Land Registry's approved Business Strategy, annual business plan, agreed performance targets and for the day-to-day operational management of the organisation, including compliance with the HM Land Registry Framework. During 2020/21 EXB met twice a week.

Members of the EXB meet monthly as the Transformation Board, which includes an expanded membership from appropriate areas of the organisation. The Transformation Board oversees the delivery of operational and digital change within the organisation through oversight of delivery programmes and projects, their strategic alignment, benefits, risks and finance.

Through the mechanism of individual letters of delegation, members of the EXB handle the day-to-day running of HM Land Registry.

The EXB has continued to work with and develop the wider 'Leadership Group' by establishing weekly performance discussions and 'lunch and learn' sessions to pick up specific topics that need an informal deep dive. All EXB members and members of the wider Leadership Group have taken part in 360 feedback exercises to inform development.

### Executive Board membership

Simon Hayes (Chair)	Chief Executive and Chief Land Registrar
John Abbott	Director of Digital, Data and Technology (to 11 May 2020)
Iain Banfield	Chief Financial Officer
Jon Cocking	Acting Director of Human Resources (to 5 June 2020)
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Simon Morris	Director of Human Resources (from 8 June 2020)
Chris Pope	Chief Operations Officer
Karina Singh	Director of Transformation
Andrew Trigg	Acting Director of Digital, Data and Technology (from 12 May 2020)

### Attendees

Cathy Jenkins	Chief of Staff
Ronal Patel	Head of Corporate Communications
Rick Deuttenburg	Deputy Director, Risk and Assurance (to 6 November 2020)
Alastair Vella-Sultana	Interim Deputy Director, Risk and Assurance (from 7 November 2020)

## Other executive committees and panels

A number of committees report to EXB. These were reviewed and refreshed during 2020/21 as part of HM Land Registry's change in status to a non-ministerial department. The new committees provide additional support for the Chief Executive and Chief Land Registrar as Accounting Officer, as well as bringing them in line with best practice, providing clearer accountability and to meet the needs of EXB better. They now comprise:

- Investment, Commercial and Finance Committee: Advises EXB on the overall commercial and financial frameworks that are deployed by HM Land Registry, including scrutiny of and provision of advice on business cases, contract management and advice to the Accounting Officer on the Financial Delegation Framework.
- People and Estates Committee: Develops recommendations for EXB on people and estates strategy-related matters and provides assurance on the effective application of people strategies and policies, including workforce planning, cumulative impact of change on people, engagement, culture and health and safety.
- Performance and Performance Data Committee: Oversees the monitoring of performance and performance management information including making recommendations to EXB for future performance monitoring and key performance indicators and providing assurance that performance-related data is collected and managed appropriately.
- Risk and Integrity Committee: Supports HM Land Registry's objective of maintaining trust and confidence in the data that HM Land Registry holds in its registers and to understand, monitor and coordinate effort to control risks across the organisation, including reviewing risk data, considering emerging trends and risks, periodic reviews of strategies and audit reports, and has oversight of practice change proposals with a material risk impact.
- Tactical Implementation Group: Plans and implements, as directed by EXB, events/activities that require cross-organisation coordination and cooperation beyond that which is readily achievable via normal management arrangements, in particular in the light of COVID-19, including fulfilling part of the command structure as part of Business Continuity arrangements.

The EXB committees meet approximately monthly and report back to EXB after every meeting. Each sub-committee is chaired by an Executive Director and membership comprises senior leaders drawn from across the organisation. Sub-committees are supported by a number of groups on specific items such as diversity and inclusion, health and safety and counter-fraud.

The Transformation Board is supported by programme and project groups. Significant progress has been made across programme areas on digital and data, service improvement, customers, local land charges, IT infrastructure and people and team development.

## Security incidents

Security is overseen by the Security and Resilience Panel. There were four physical security incidents during the year and none of those were for significant (Class 1) incidents. Class 1 incidents cover matters such as injury to a staff member or third party, major property damage, major theft or breach of system.

There were 39 minor cyber security incidents during the year and of those, none were significant (class 1) incidents.

## Personal data-related incidents

There were three data-related incidents reported to the Information Commissioner's Office (ICO) during this reporting period. The ICO determined that no further action was required by them in relation to the incidents reported.



# Statement of Accounting Officer's responsibilities

## Resource Accounts

Under the Government Resources and Accounts Act 2000, HM Treasury has directed HM Land Registry to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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

# Governance statement by Simon Hayes, Chief Executive and Chief Land Registrar

## Scope of responsibility

As the Accounting Officer for HM Land Registry I have responsibility for maintaining corporate governance structures that support the achievement of HM Land Registry's aims, objectives and targets, while safeguarding public funds and HM Land Registry's assets.

I was appointed Chief Executive and Chief Land Registrar from 11 November 2019. I have received a ministerial letter of appointment pursuant to the Land Registration Act 2002 and a letter from the Permanent Secretary to HM Treasury, appointing me as Accounting Officer.

HM Land Registry became a non-ministerial department on 1 April 2020. My duties as Accounting Officer are set out in Managing Public Money guidance, which are to ensure public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The main statutory duties relating to maintaining the registers HM Land Registry holds are found in the Land Registration Act 2002, the Land Charges Act 1972 and the Local Land Charges Act 1975.

## HM Land Registry's status

In consequence of a reclassification of HM Land Registry by the Office for National Statistics into the central government subsector for national accounts' statistical purposes, it was decided that HM Land Registry's trading fund status should come to an end at the end of the 2019/20 financial year.

On 1 April 2020 HM Land Registry's trading fund status was revoked in law and HM Land Registry joined other central government departments in having its annual expenditure control totals delegated directly by HM Treasury and receives its expenditure controls via the main supply estimate process. Further details on the estimate and HM Land Registry's settlement for 2021/22 can be found on GOV.UK. Under this new status, HM Land Registry surrenders its income to Government through the consolidated fund and accounts for it in the Trust Statement which can be found on pages 118 to 126.

## Purpose of the governance framework

The governance framework is designed to give assurance that HM Land Registry carries out its duties in a manner that fulfils the appropriate standards of effective internal control and risk management. It is based on processes designed to identify and prioritise the opportunities and risks to the delivery of HM Land Registry's strategy, its strategic objectives and performance targets. It aligns with our statutory duties and is designed to support the governance and strategic aims of HM Land Registry's sponsor department, BEIS. The governance of HM Land Registry and its relationship with other government bodies is set out in a Framework which was agreed with Ministers in November 2020 and published on GOV.UK on 8 January 2021. Our approach to governance is in line with HM Treasury's Corporate Governance in Central Government Departments: Code of Good Practice. HM Land Registry's governance team attend BEIS Partners Governance Network meetings to share and learn from best practice.

## Central controls

My role as Chief Land Registrar is referred to in the Land Registration Act 2002, the Land Charges Act 1972, the Agricultural Credits Act 1928 and the Local Land Charges Act 1975. The Chief Executive and Chief Land Registrar is responsible for keeping those registers established for the purposes of those Acts and has all the power, responsibilities and duties conferred and imposed on the Registrar by those Acts and by the rules and other secondary legislation made under them. In carrying out those specific statutory functions which relate mainly to the ownership of and transactions in property, the Chief Executive and Chief Land Registrar is not subject to any ministerial control or direction. Those functions are subject to supervision by the court.

In managing its business more generally, HM Land Registry operates within the delegation's framework as defined by the Cabinet Office for arm's length bodies, the specific delegations authorised by officials at BEIS and HM Treasury and the Framework. The Framework sets out the relationship HM Land Registry has with the Geospatial Commission. Separately, there is also a requirement to work with the Government Digital Service to ensure that product releases conform to standards in terms of security, effectiveness and consistency.

## Business Strategy 2017/22

HM Land Registry has an ambitious Business Strategy for the period 2017/22. Its objectives are to realise the Government's commitment for HM Land Registry to become the world's leading land registry for speed, simplicity and an open approach to data.

During 2020/21 the LRB and EXB have worked on refreshing the Business Strategy as referenced in the Performance report.

## Framework for risk management

HM Land Registry utilises the Three Lines of Defence model for assuring the effectiveness of risk management and to provide LRB with an appropriate level of assurance that HM Land Registry is managing risks within risk appetite.

In February the EXB proposed a new Risk Appetite statement which was reviewed by the Audit and Risk Committee and agreed by the LRB. The appetite statement was further developed for each category of our risk taxonomy.

HM Land Registry continually reviews its principal risks. The risk owners review them once every month and the EXB looks at them collectively once every quarter. While many of the risks remained the same in substance, such as fraud, error, business continuity, processing capacity and cyber security, the changed working arrangements and operating environment during the pandemic brought a keen focus on how controls needed to change to meet appetite.

The LRB and Audit Committee consider the Principal Risks formally on a quarterly basis. The Risk and Integrity Committee considers the Principal Risks on a monthly basis and carries out a deep dive on each Principal Risk on a cyclical basis, which is then followed by a review by the Audit Committee. The EXB and the Audit Committee also receive assurance from the Register Integrity Team regarding casework quality and the Counter-Fraud Group of fraud resilience.

All directors are required to submit a biannual statement of assurance covering their principal and key directorate risks and the efficiency and efficacy of the controls in mitigation of these.

The second line assurance function's primary focus has been the integrity of the registers, and the quality of output from our casework teams. It also provides bespoke, ad hoc assurance engagements for projects and changes when required. There has been a transition towards delivering more thematic, risk-based assurance and advisory services.

The Chief Security Advisor (CSA), as approved by the Cabinet Office under the Transforming Government Security programme, is responsible for all business continuity and security arrangements, physical, personnel and cyber. The CSA provides assurance to the EXB and Audit and Risk Committee that business continuity and security risk management activities are undertaken to the standards set by government.

HM Land Registry has a robust whistleblowing policy in place and remains committed to the highest standards of public service. There were no new cases of whistleblowing during the reporting period.

## Response to coronavirus

The coronavirus (COVID-19) national emergency impacted HM Land Registry and the property market generally. HM Land Registry invoked its Pandemic Response Plan in March 2020. This included establishing the crisis response structure to oversee preparations, based on clear prioritisation to minimise disruption to land registration services with immediate, medium and longer-term impacts on the property market and customers.

HM Land Registry followed government guidance and put in place arrangements to enable staff to remain connected and supported. HM Land Registry provided equipment to ensure staff had the means to work safely and productively from home where practical and ensured social distancing guidance was maintained in offices where work could not be carried out remotely. More details of this can be found in the Performance report.

HM Land Registry enhanced its internal and external customer communications including to increase reporting to BEIS Ministers and the LRB. As part of that, HM Land Registry set up an Industry Forum to enable HM Land Registry to work quickly to address customer and stakeholder needs.

HM Land Registry has continued to adapt and respond to the changing situation, including bringing forward and introducing new technical and procedural changes to assist customers; development of management information to provide assurance and support decisions at board level; and the introduction of a three-month rolling business plan to support revised business priorities.



## EU Exit

HM Land Registry put a team in place to ensure readiness for EU Exit, including the management of associated risks.

HM Land Registry has complied with changes to procurement procedures and monitored risks to contracts in line with Cabinet Office guidance, including to manage potential impacts to supply chains, employees and data protection compliance. Regular updates were provided to LRB and BEIS on potential implications.

## Performance reporting

In addition to the monthly financial reports from the Chief Financial Officer, I receive information on organisational performance, which is compiled from wider performance data received and reviewed by the Performance and Performance Data Committee before its submission monthly to the EXB. As laid out in the Performance section of this report, we have evolved our approach to performance this year, transitioning to an increasingly data-led and outcome-focused approach including measuring the organisational cultural maturity through our newly developed 'Cultural Maturity Model'.

HM Land Registry has a dedicated analysis team falling under the umbrella of the Finance and Business Services Directorate which quality assures the management information in use throughout the organisation. The EXB receives near real-time data on service delivery alongside business-critical management information on a weekly basis, with appropriate levels of management information (MI) provided to other key boards and teams.

HM Land Registry operates a number of models critical to its core business. A dedicated Modelling and Decision Support Oversight Group provides oversight and relevant challenge to our business-critical models, and we have implemented Aqua Book-compliant ownership structures and quality assurance (QA) documentation.

Financial performance is monitored and reported using monthly reports. There is a procedure for setting annual budgets and reviewing financial performance and full-year forecasts. Quarterly forecast reviews are in operation and give the EXB and LRB appropriate oversight and assurance.

I have held virtual 'office' and 'national' Q&A sessions throughout the year, as have other members of the EXB and deputy directors. The sessions provided vital opportunities to engage with staff on managing through COVID-19 as well as on other issues of concern to our staff at all levels of the organisation. I and other members of the EXB regularly write blogs covering important key messaging, which are published on a platform allowing comment and conversation.

I hold frequent one-to-one meet-ups with the Chair which have been virtual over the last 12 months. I have also met with a wide range of external stakeholders through regular meetings and formal stakeholder engagement groups to understand their concerns and operational context.

## Procurement assurance

I am assured by the Chief Financial Officer, regarding specific procurements, that procurement activities are conducted in line with Cabinet Office (including Cabinet Office controls) and HM Treasury guidance and that senior managers have complied with these and HM Land Registry specific procurement guidelines. Throughout COVID-19, we have considered and applied where relevant the Cabinet Office guidance on supplier relief from contractual obligations and emergency procurement approaches. We have also adopted enhanced supplier financial stability monitoring for our most business-critical contracts.

We have enhanced our commercial governance in 2020 by introducing a new Investment, Commercial & Finance Committee (ICFC) which is a sub-committee of EXB with regular reporting, and now holds responsibility for approval of contracts over £1m as well as review and endorsement of all programme business cases. Work is underway to expand the remit of this group to be responsible for decisions on fees and charges, and to have oversight of contract management assurance.

## Internal Audit and opinion

For the 12 months ending 31st March 2021, the Head of Internal Audit's opinion for HM Land Registry is as follows 'HM Land Registry has an adequate and effective framework for risk management, governance and internal control to support the satisfactory achievement of its business objectives and enable key risks to be effectively managed. Whilst our work has identified that continuing enhancements are required to the risk and control framework to ensure that it remains adequate and effective as the business continues with its transformation, the overall rating remains unchanged from the prior year'.

## Conclusion

As Accounting Officer, I have considered the evidence provided regarding the operation of internal control, the independent advice and assurance provided by the Audit and Risk Assurance Committee, the results of the internal audit assurance process, and taking account of the observations of the external auditor. Taking this evidence into account I am content that appropriate systems of internal control and risk management have been in place for the year under review and up to the date of approval.



## Simon Hayes

Chief Executive and Chief Land Registrar  
9 July 2021



# Parliamentary accountability report

## 1. Remuneration Report

### Policy for senior civil servants

The remuneration of senior civil servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

In reaching its recommendations, the Review Body has regard to:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The salary of the Chief Land Registrar and Chief Executive is set by BEIS. The HM Land Registry Remuneration and Nomination Committee, acting on the authority of the LRB, considers pay recommendations provided by line managers and decides the distribution of performance pay in the annual pay review for HM Land Registry senior civil servants, in accordance with Cabinet Office guidance.

Both base pay and non-consolidated performance related awards are dependent on performance, which is assessed through an annual appraisal system for senior civil servants, more details of which can be found at <https://www.gov.uk/government/publications/senior-civil-service-performance-management>.

During the year the members of the Remuneration Committee were Non-executive Board Members Diana Breeze (Chair) and Chris Morson until their appointments ended in January 2021, Non-executive Board Members Kirsty Cooper and Ed Westhead, Simon Hayes as Chief Executive and Chief Land Registrar, Mike Harlow as Deputy Chief Executive and Chief Land Registrar. This was also attended by Simon Morris, Director of Human Resources and Organisation & Employee Development, from his appointment on 8 June 2021 and Jon Cocking as Acting Director of Human Resources and Organisation & Employee Development until 8 June 2021 and as Deputy Director of Human Resources and Organisation & Employee Development for the remainder of the year.

### Policy for other civil servants

Pay for HM Land Registry employees who are not in SCS grades is determined each year following negotiation and consultation between HM Land Registry and the unions and is subject to approval by the Secretary of State, taking into account guidance issued by HM Treasury.

### Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition.

The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise specified, all the directors covered by this report hold appointments that are open-ended and are subject to a notice period of three months. Early termination for the directors on open-ended service contracts, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk)



## Salary and performance pay – executive directors<sup>1</sup> 2020/21

	Salary £'000	Performance pay £'000	Benefits in kind To nearest £100	Pension benefits <sup>2</sup> £	Total £'000
Simon Hayes Chief Executive and Chief Land Registrar	135 – 140	–	–	142,000	275 – 280
Mike Harlow General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	120 – 125	10 – 15	–	52,000	185 – 190
John Abbott <sup>3</sup> Director of Digital, Data and Technology	10 – 15	–	–	0	10 – 15
Annual equivalent	(120 – 125)	–	–	–	(120 – 125)
Dr Andrew Trigg <sup>4</sup> Interim Director of Digital, Data and Technology	85 – 90	–	–	108,000	190 – 195
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Simon Morris <sup>5</sup> Director of Human Resources and Organisation & Employee Development	90 – 95	–	–	37,000	130 – 135
Annual equivalent.	(110 – 115)	–	–	–	(110 – 115)
Jon Cocking <sup>6</sup> Acting Director of Human Resources and Employee & Organisation Development	15 – 20	5 – 10	–	36,000	60 – 65
Annual equivalent.	(85 – 90)	–	–	–	(85 – 90)
Iain Banfield Chief Financial Officer	110 – 115	10 – 15	–	60,000	185 – 190
Chris Pope Chief Operations Officer	130 – 135	–	–	52,000	185 – 190
Karina Singh Director of Transformation	110 – 115	–	–	78,000	190 – 195

1. Audited.
2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
3. John Abbott's appointment ended on 11 May 2020.
4. Dr Andrew Trigg's appointment as Acting Director of Digital, Data and Technology began on 1 May 2020. The disclosed amounts above relate to his appointment as Acting Director of Digital, Data and Technology.
5. Simon Morris' appointment as Director of Human Resources and Organisation & Employee Development began on 8 June 2020.
6. Jon Cocking's appointment as Acting Director of Human Resources and Organisation & Employee Development ended on 5 June 2020. The disclosed amounts above relate to his appointment as Acting Director of Human Resources and Organisation & Employee Development.

## Salary and performance pay – executive directors<sup>1</sup> 2019/20

	Salary £'000	Performance pay £'000	Compensation for loss of office £'000	Benefits in kind To nearest £100	Pension benefits <sup>2</sup> £	Total £'000
Simon Hayes <sup>3</sup> Chief Executive and Chief Land Registrar	50 – 55	–		–	73,000	125 – 130
Annual Equivalent	(135 – 140)	–		–	–	(135 – 140)
Mike Harlow <sup>4</sup> General Counsel and Deputy Chief Land Registrar	125 – 130	10 – 15		–	44,000	185 – 190
John Abbott <sup>5</sup> Director of Digital, Data and Technology	120 – 125	10 – 15		–	28,000	160 – 165
Jon Cocking <sup>6</sup> Acting Director of Human Resources and Organisation & Employee Development	85 – 90	10 – 15		–	70,000	165 – 170
Iain Banfield Chief Financial Officer/Director of Finance and Business Services	110 – 115	–		–	125,000	235 – 240
Chris Pope Chief Operations Officer/Operations Director	130 – 135	–		–	52,000	180 – 185
Karina Singh Director of Transformation	110 – 115	–		–	48,000	155 – 160
Robin Malpas <sup>7</sup> Head of Local Lawyer Group	85 – 90	5 – 10		–	95,000	170 – 175
Annual equivalent	(85 – 90)	–		–	–	(85 – 90)
Mike Westcott-Rudd <sup>8</sup> Board Legal Adviser	80 – 85	0 – 5	40 – 45	–	24,000	150 – 155

1. Audited.
2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.
3. Simon Hayes' appointment as Chief Executive and Chief Land Registrar commenced on 11 November 2019.
4. Mike Harlow's temporary promotion to Acting Chief Executive and Chief Land Registrar ended on 10 November 2019. The salary total includes a period from 11 November 2019 to 31 March 2020 when he returned to his role as General Counsel and Deputy Chief Land Registrar.
5. John Abbott's appointment ended on 11 May 2020.
6. Jon Cocking's performance pay for 2019/20 comprised performance-related and Corporate Performance Award elements in his substantive capacity as Deputy Director. Jon's temporary promotion to Acting Director of Human Resources and Organisation & Employee Development ended on 5 June 2020, and he subsequently returned to his role as Deputy Director.
7. Robin Malpas' temporary promotion ended on 10 November 2019. The amounts disclosed above relate to his appointment as Acting General Counsel and Deputy Chief Land Registrar.
8. Mike Westcott-Rudd's appointment ended on 31 March 2020.



## Salary – non-executive directors<sup>1</sup>

	2020/21 £'000	2019/20 £'000
Michael Mire Non-executive Chair	55 – 60	55 – 60
Diana Breeze <sup>3</sup> Non-executive Director (Annual Equivalent)	15 – 20 (20 – 25)	20 – 25
Kirsty Cooper Non-executive Director	20 – 25	20 – 25
Doug Gurr <sup>5</sup> Non-executive Director	–	–
Elliot Jordan <sup>6</sup> Non-executive Director (Annual Equivalent)	20 – 25	10 – 15 (20 – 25)
Angela Morrison Non-executive Director	20 – 25	20 – 25
Chris Morson <sup>4</sup> Non-executive Director (Annual Equivalent)	15 – 20 (20 – 25)	20 – 25
Ed Westhead <sup>2</sup> Non-executive Director	–	–

1. Audited.
2. Ed Westhead represents the interest of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry. Ed's appointment started on 15 July 2019.
3. Diana Breeze's appointment ended on 7 January 2021.
4. Chris Morson's appointment ended on 7 January 2021.
5. Doug Gurr does not receive any remuneration from HM Land Registry. His appointment ended on 7 January 2021.
6. Elliot Jordan's appointment commenced on 15 August 2019.

## Salary

'Salary' includes gross salary, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The tables on pages 74 to 76 are based on accrued payments made by Land Registry and thus recorded in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by HM Land Registry and treated by HM Revenue and Customs as a taxable emolument.

## Performance awards

Awards are based on performance levels attained and are made as part of the performance review process. The awards reported relate to the performance in the year in which they were paid to the individual. There were no performance payments made in 2020/21. The awards reported in 2019/20 relate to performance in 2018/19.

## Pension benefits<sup>1</sup>

	Real increase in pension and lump sum at 60		Total accrued at March 2020		Cash equivalent transfer value (CETV) at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	Pension £'000	Lump sum £'000	Pension £'000	Lump sum £'000	2021 £'000	2020 £'000	
Simon Hayes Chief Executive and Chief Land Registrar	5 – 7.5	10 – 12.5	40 – 45	80 – 85	706	580	98
Mike Harlow General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	2.5 – 5	–	30 – 35	–	512	457	31
Dr Andrew Trigg Interim Director of Digital, Data and Technology	2.5 – 5	12.5 – 15	35 – 40	105 – 110	840	702	110
Simon Morris Director of Human Resources and Organisation & Employee Development	0 – 2.5	–	0 – 5	–	25	0	18
Jon Cocking Acting Director of Human Resources and Organisation & Employee Development	0 – 2.5	–	30 – 35	–	507	468	19
Iain Banfield Chief Financial Officer	2.5 – 5	0 – 2.5	30 – 35	55 – 60	440	392	28
Chris Pope Chief Operations Officer	2.5 – 5	–	15 – 20	–	289	232	38
Karina Singh Director of Transformation	2.5 – 5	0 – 2.5	50 – 55	50 – 55	912	822	54

## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into Alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to Alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary



when they leave Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

## **Cash equivalent transfer values**

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

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

## **Real increase in CETV**

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

## 2. Staff report

### Staff costs for 2020/21

	Permanent staff £'000	Apprentices £'000	Others £'000	Total £'000
Salaries	177,533	891	1,524	179,948
Social security costs	17,258	44	121	17,423
Other pension costs	45,798	218	348	46,364
<b>Total staff costs</b>	<b>240,589</b>	<b>1,153</b>	<b>1,993</b>	<b>243,735</b>

### Staff report as at 31 March 2021

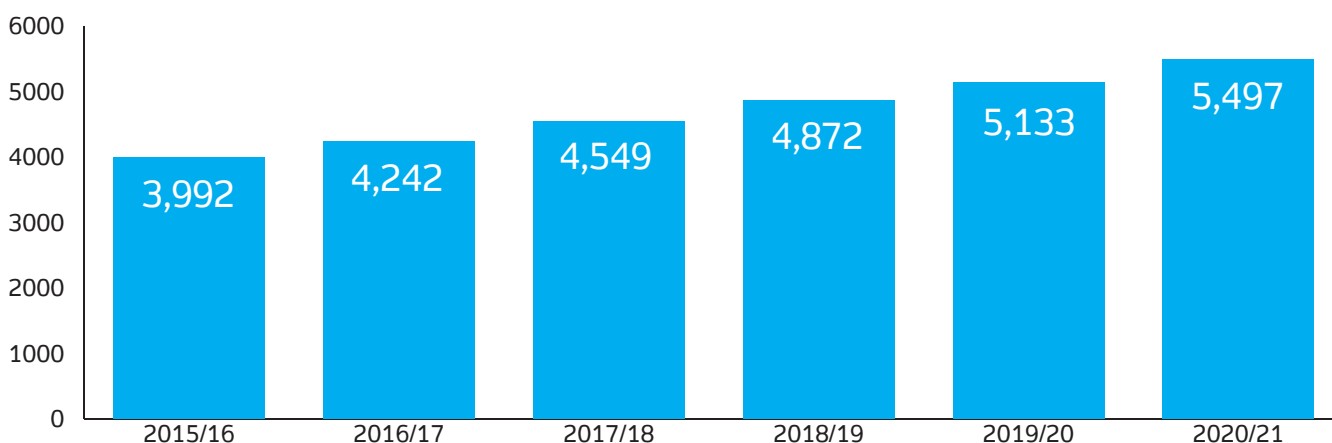
	2020/21	2019/20
Number of employees (including fixed-term appointments)	6,393	5,787
Permanent full-time equivalents	5,800	5,189
Number of apprentices	57	80
Number of temporary/contract staff	87	69
Average sickness days per employee	5.1	7.8
Average number of training days per employee	5.8	4.8
Training days per apprentice	53	44
Training spend as percentage of salary bill	0.42%	0.37%
Female employees	60.1%	60.5%
Employees working part-time	31.4%	33.9%
Employees from ethnic minorities	5.8%	5.5%
Employees who report they have a disability	7.8%	8.3%
Staff turnover	4.5%	5.4%
Staff engagement scores	71%	63%

### Gender analysis at 31 March 2021

	Male	Female	Total
Non-executive board members	3	2	5
Executive directors <sup>1</sup>	6	1	7
Senior Civil Service – band 2 <sup>1</sup>	6	1	7
Senior Civil Service – band 1 <sup>1</sup>	10	9	19
Permanent employees (not including SCS) <sup>2</sup>	2,529	3,838	6,367
Apprentices <sup>2</sup>	29	28	57

1. Some Senior Civil Service employees are also directors and are included in both categories.
2. Some apprentices are also permanent employees and are included in both categories.

### Average full-time equivalent in year





## Off-payroll disclosures

Off-payroll engagements as at 31 March 2021, for more than £245 per day and that last for longer than six months:

	2020/21	2019/20
<b>Existing engagements as of 31 March 2021</b>	<b>26</b>	<b>25</b>
Of which existing:		
— for less than one year at time of reporting	22	16
— for between one and two years at time of reporting	4	9
— for between two and three years at time of reporting	–	–
— for between three and four years at time of reporting	–	–
— for four or more years at time of reporting	–	–
<b>New off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months:</b>		
<b>New engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021</b>	<b>35</b>	<b>42</b>
Of which:		
— have been assessed as caught by IR35	34	40
— have been assessed as not caught by IR35	1	2
— have been terminated as a result of assurance not being received	–	–
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	–	–
Number of engagements reassessed for consistency/assurance purposes during the year	35	42
Number of engagements that saw a change to IR35 status following the consistency review	–	–
<b>Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020</b>		
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	–	–
Total number of individuals on-payroll and off-payroll that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year. This figure includes both off-payroll and on-payroll engagements	9	9

## Expenditure on consultancy

	2020/21	2019/20
	£'000	£'000
Cost of consultancy	1,442	1,719
<b>Total</b>	<b>1,442</b>	<b>1,719</b>

## Resourcing

HM Land Registry's People Strategy sets out how we will build our capacity by maintaining an annual strategic workforce plan and develop resourcing plans to deliver a programme of planned, regular and proactive recruitment.

This year by default we moved to external recruitment to ensure that core operational and support services have the capacity to deliver statutory functions to agreed service standards as internal and across government recruitment were not available. We have addressed front-line needs and future workforce sustainability by

recruiting registration officers and executive registration officers in volume.

We have enhanced specific capability areas, particularly in digital transformation and agile development skills, through regular quarterly recruitment and engagement of delivery partners through the Government Frameworks. This has improved digital capacity to deliver our aims for a digital Land Register and help towards redefining the future role of caseworkers. We have supported the Local Land Charges Programme by increasing capacity within the team.

We have reviewed existing and new entry routes and our apprenticeship schemes were expanded to provide the opportunity for people to gain a qualification in legal, human resources, information technology and finance.

As part of the annual workforce plan we actively encouraged increased representation across all diverse groups. We are governed by the Civil Service Commission Recruitment Principles which requires the selection of people for appointment to be on merit and on the basis of fair and open competition and maintained compliance. All our job opportunities are advertised supporting the Disability Confident Scheme which ensures disabled people will progress to the next stage of the selection process if their application meets the minimum criteria. It is our policy to ensure that any tests used do not discriminate against disabled candidates and adequate reasonable adjustments are made where required.

## Recruitment

In support of our core service standards, and to supplement our substantive workforce, a number of registration officer appointments were made, allowing our more experienced colleagues to focus on more complex core registration activities.

Off-payroll contractors have also been used to meet short-term needs in more specialist areas, and information regarding compliance and disclosures is included on page 80.

## Health and wellbeing

### Supporting our People Strategy – HM Land Registry's Attendance, Health and Wellbeing delivery plan

HM Land Registry's Attendance, Health & Wellbeing Framework aims to provide a holistic approach to health and wellbeing, setting clear expectations for all staff, and helping ensure that we continue to make HM Land Registry a great place to work.

Our framework focuses on the four key areas of:

- culture – we will create the right environment to support attendance, health and wellbeing;
- prevention – we will help ourselves and others to stay healthier and stay in work;
- intervention – we will ensure that the right support is provided at the right time;
- return to Work – we will support our people back to work in a timely way.

Our supporting Attendance, Health and Wellbeing delivery plan aims to create a culture in HM Land Registry that recognises the importance of health and wellbeing, and build an environment that supports our wellbeing and helps us to look after our own health. In respect of mental health, we have wanted to make a real difference in the way we view, talk and act on mental health – for HM Land Registry to be an organisation where mental health issues are widely understood and destigmatised; where our people feel confident to talk about their mental ill health; and where our managers are equipped to identify and understand the spectrum of mental health issues that they may encounter and support those affected.

This year we have delivered a variety of initiatives to support our colleagues and the organisation, including:

- cross-HM Land Registry promotion and participation in health campaigns, supported by our network of local health and wellbeing committees and mental health first aiders, and led by both our HM Land Registry colleagues using their own personal experiences and stories, as well as our Executive Board. Campaigns have included mental health awareness week, stress awareness day, financial awareness, and a 'healthy me' campaign. In addition health kiosks have been introduced across our offices to provide easily available access to health screening;
- creation of toolkits of resources for mental health and neurodiverse conditions, designed for all colleagues to raise awareness and signposting to available support and guidance;
- being awarded a Silver Award in the MIND Workplace Wellbeing Index which is a benchmark of best policy and practice; and creation and implementation of an associated action plan based on the recommendations made. In line with the recommendations made, HR policies have been reviewed to ensure they are supportive of the organisation's commitment to mental health;
- Swansea Office's proactive approach to health and wellbeing has been awarded a Gold Award from Public Health Wales. The Corporate Health Standard award is a mark of quality for health and wellbeing in the workplace and looks at the work the organisation does to create a positive inclusive working environment;
- work has taken place to improve the disclosure process to encourage openness during HM Land Registry's recruitment process and recruitment panels have been trained on neurodiversity;
- repromotion of our Employee Assistance Programme (EAP) range of services through face-to-face talks for all staff across the HM Land Registry estate; and
- delivery of a range of formal and informal training initiatives, collaborating with our Occupational Health and Employee Assistance Programme providers, providing line managers with guidance and advice to improve confidence and capability on sickness absence procedures and supporting staff dealing with physical and mental health issues.

## Capability

This year we have seen many developments around developing our staff. These include the introduction of the Land Registration Academy and moving our learning and development approaches to be more digital.

More detail can be found in Simon Morris' update in the Performance report starting on page 42.



## **Employee involvement**

We continue to engage both informally and formally with our colleagues and their representatives.

Chief Executive and director blogs have continued to be published during the year on a weekly basis and colleagues have been encouraged to respond to these with the aim of creating open and honest dialogue and exchange of views.

Managers are expected to have regular monthly discussions with individual team members to discuss employee performance openly, ideas for improvements to working practices, wider organisational issues, changes and any employee concerns. During the COVID-19 pandemic and the move to remote working, a heightened focus on employee wellbeing has resulted in more regular discussions and support.

We meet regularly with our trade unions. The Chief Executive and members of his team formally meet representatives at the Departmental Whitley Council meetings twice a year. There are structures in place for local Whitley meetings, and unions are consulted on specific issues.

Informal regular dialogue between the Chief Executive and trade union leads has continue during the year. Day-to-day operation of employment relations is managed through monthly Engagement and Consultation meetings between senior management and departmental trade union representatives, alongside fortnightly Transformation and Change meetings. We have also introduced an additional weekly meeting as a result of the introduction of remote working and the need to issue additional guidance and support, and to resolve issues and concerns promptly.

We continue to co-monitor the use of Facility Time with union colleagues, and are within the 0.1% paybill guide figure set by and reported to Cabinet Office; for greater detail see page 84.

Our work on culture was launched in May 2019 and was positively received. The COVID-19 pandemic response forced our culture to change rapidly and the response of the organisation has been incredible. The focus on the wellbeing of our people was at the forefront of all considerations and, as a result, we have again seen further positive improvements in our engagement scores in the Civil Service People Survey.

Regular internal surveys held during the year have shown these improvements have been maintained and people are positively referencing the way HM Land Registry has responded. We are committed to maintaining and building on what we have learned from working and managing differently during the last 12 months as we move to a position of a more structured and planned approach to evolving our culture.

We will do this through alignment with our newly introduced (maturity) model which breaks our initial culture statement into seven more detailed 'lenses'. The model has been developed and adapted throughout the last 12 months as we have learned through our experiences of unplanned remote working and the need to manage in a different way, focusing very much on employee wellbeing. Developing the model has involved a wide range of stakeholders, including managers and

leaders, staff networks and union colleagues, with insight sessions held to test the concept and the detail.

The People and Estates Committee will now oversee progress against the model, having baselined HM Land Registry against it, followed by mapping planned and existing activity to it to form the revised corporate plan. Priority areas for measuring and assessing against it have been identified, and the principal risk revised with lens-specific controls. Similar activity is being replicated within each directorate.

Staff feedback continues to be a key component in planning and assessing progress towards our desired culture. In addition to survey feedback, continued constructive discussion with unions at both departmental and local level, in addition to encouraging staff involvement on other committees (including health and wellbeing, social and sports, diversity and charity), and directors' visits with question and answer sessions, are all essential in ensuring our colleagues' views are heard and understood.

## **Diversity**

### **What is HM Land Registry doing to champion diversity and inclusion?**

We aim to build a workforce which reflects the society we serve and to create an inclusive culture which values and respects diversity. We have continued to build on the foundations laid last year with a wide programme of activity.

Resourcing is a key area and we have sought to continue to attract, retain and develop diverse talent. Our recruitment practice is inclusive, ensuring adverts are checked for language and include positive statements. All are open to reasonable adjustments to support the recruitment process.

COVID-19 has brought a number of issues with colleagues working from home throughout the year. We have ensured colleagues who required workplace adjustments have had these transferred to their home and have worked to support those where new issues have been identified. We have been vigilant in supporting mental health and regularly signposting the variety of sources available.

Our staff networks have played their part in supporting those they represent and their allies with regular contact, signposting advice sources through a range of means including email and webinar opportunities.

A working group supporting progression for our black, Asian and minority ethnic (BAME) colleagues has been established looking at the barriers these colleagues may face with progression. This aims to create opportunities to support a talent pipeline with role models through proactive support. A number of events have taken place including a workshop led by Professor Binna Kandola for all colleagues to prompt thought about racism and bias within the workplace.

We continue to monitor our progress towards closing the gender pay gap and know there is more to do to improve our position.

The year has provided an opportunity to research and develop our new Diversity and Inclusion Strategy for 2020-2024 which was released in early April 2021. This is

underpinned by our work with the analytics team bringing together various data sources to provide clear insight which we have used to set the direction, focusing on improving our evidence base and developing knowledge and skills to support inclusion.

## Reporting of Civil Service and other compensation schemes – exit packages<sup>1</sup>

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
£0–£10,000	–	–	1	11	1	11
£10,001–£25,000	–	–	2	–	2	–
£25,001–£50,000	–	–	2	2	2	2
£50,001–£100,000	–	–	1	–	1	–
£100,001–£150,000	–	–	–	–	–	–
£150,001–£200,000	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–
<b>Total number of exit packages</b>	–	–	<b>6</b>	<b>13</b>	<b>6</b>	<b>13</b>
<b>Total cost</b>	–	–	<b>£181,522</b>	<b>£162,862</b>	<b>£181,522</b>	<b>£166,862</b>

1. Audited.

There were six ex-gratia payments in 2020/21 (2019/20: 10).

## Compensation for loss of office

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of contractual agreement to depart. Where applicable, the additional costs of buy-out of reduced pension benefit are met by HM Land Registry and not by the Civil Service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the table.

## Pay multiples<sup>1</sup>

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

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

	2020/21	2019/20
Band of highest paid director's total remuneration (£'000)	135 – 140	135 – 140
<b>Median total (£)</b>	<b>27,256</b>	<b>26,295</b>
Remuneration ratio	5.0	5.1

1. Audited.

In 2020/21 no employees received remuneration in excess of the highest paid permanent director. Remuneration ranged from £135,000 - £140,000 to £15,000 to £20,000 (2019/20: £135,000 - £140,000 to £15,000 – £20,000).



## Trade union facility time

Time period: 1 April 2020 to 31 March 2021

Months: 12

**Table 1: Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
117	105.33

**Table 2: Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	56
1 – 50%	61
51 – 99%	0
100%	0
<b>Total</b>	<b>117</b>

**Table 3: Percentage of pay bill spent on facility time**

	Amount
Total cost of facility time	£273,293
Total pay bill	£249,665,046
Percentage of total pay bill spent on facility time	0.109%

**Table 4: Paid trade union activities**

Total number of hours spent on paid trade union activities	0.00
Total number of hours spent on paid facility time	11300.82
Time spent on paid trade union activities as a percentage of total paid facility hours	0.00%

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

In addition to the primary financial statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires HM Land Registry to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes. The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

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

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

The format of the SoPS mirrors the Supply Estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

The SoPS and Estimate are compiled against the budgeting framework which is similar but different to IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 88, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

The SoPS provide a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.



## Estimate outturn compared with voted estimate

### Summary table 2020/21

Type of spend	SoPS Note	Outturn			Estimate			Outturn vs estimate saving/ (excess)	
		Outturn voted £'000	Non-voted £'000	Total £'000	Voted £'000	Non-voted £'000	Total £'000	Voted £'000	Total £'000
<b>Departmental Expenditure Limit</b>									
Resource	1.1	332,700	–	332,700	346,357	–	346,357	13,657	13,657
Capital	1.2	32,160	–	32,160	40,211	–	40,211	8,051	8,051
<b>Total</b>		<b>364,860</b>	<b>–</b>	<b>364,860</b>	<b>386,568</b>	<b>–</b>	<b>386,568</b>	<b>21,708</b>	<b>21,708</b>
<b>Annually Managed Expenditure</b>									
Resource	1.1	(858)	–	(858)	22,000	–	22,000	22,858	22,858
Capital	1.2	–	–	–	–	–	–	–	–
<b>Total</b>		<b>(858)</b>	<b>–</b>	<b>(858)</b>	<b>22,000</b>	<b>–</b>	<b>22,000</b>	<b>22,858</b>	<b>22,858</b>
<b>Total budget</b>									
Total resource		331,842	–	331,842	368,357	–	368,357	36,515	36,515
Total capital		32,160	–	32,160	40,211	–	40,211	8,051	8,051
<b>Total budget expenditure</b>		<b>364,002</b>	<b>–</b>	<b>364,002</b>	<b>408,568</b>	<b>–</b>	<b>408,568</b>	<b>44,566</b>	<b>44,566</b>
<b>Non-budget expenditure</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total budget and non-budget</b>		<b>364,002</b>	<b>–</b>	<b>364,002</b>	<b>408,568</b>	<b>–</b>	<b>408,568</b>	<b>44,566</b>	<b>44,566</b>

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available at GOV.UK, for detail on the control limits voted by Parliament.

### Net cash requirement 2020/21

	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs estimate saving / (excess) £'000
<b>Net cash requirement</b>	<b>3</b>	<b>357,549</b>	<b>398,001</b>	<b>40,452</b>

# Notes to the Statement of Outturn against Parliamentary Supply as at 31 March 2021

## SoPS 1. Outturn detail, by estimate line SoPS 1.1 Analysis of net resource outturn by estimate line

Type of spend (Resource)	Resource outturn				Estimate			Outturn vs estimate saving/ (excess) £'000
	Programme			Total £'000	Total £'000	Virements £'000	Total inc. virements £'000	
	Gross £'000	Income £'000	Net £'000					
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
Voted expenditure								
A. HM Land Registry core DEL expenditure	332,700	–	332,700	332,700	346,357	–	346,357	13,657
<b>Total spending in DEL</b>	<b>332,700</b>	<b>–</b>	<b>332,700</b>	<b>332,700</b>	<b>346,357</b>	<b>–</b>	<b>346,357</b>	<b>13,657</b>
<b>Spending in Annually Managed Expenditure (AME)</b>								
Voted expenditure								
B. HM Land Registry core AME expenditure	(858)	–	(858)	(858)	22,000	–	22,000	22,858
<b>Total spending in AME</b>	<b>(858)</b>	<b>–</b>	<b>(858)</b>	<b>(858)</b>	<b>22,000</b>	<b>–</b>	<b>22,000</b>	<b>22,858</b>
<b>Total Resource</b>	<b>331,842</b>	<b>–</b>	<b>331,842</b>	<b>331,842</b>	<b>368,357</b>	<b>–</b>	<b>368,357</b>	<b>36,515</b>

## SoPS 1.2 Analysis of capital outturn by estimate line

Type of spend (capital)	Outturn			Estimate			Outturn vs estimate saving/ (excess) £'000
	Gross £'000	Income £'000	Net £'000	Total £'000	Virements £'000	Total inc. virements £'000	
	£'000	£'000	£'000				
<b>Spending in Departmental Expenditure Limits (DEL)</b>							
Voted expenditure							
A. HM Land Registry core DEL expenditure	84,914	(52,754)	32,160	40,211	–	40,211	8,051
<b>Total spending in DEL</b>	<b>84,914</b>	<b>(52,754)</b>	<b>32,160</b>	<b>40,211</b>	<b>–</b>	<b>40,211</b>	<b>8,051</b>
<b>Spending in Annually Managed Expenditure (AME)</b>							
Voted expenditure							
B. HM Land Registry core AME expenditure	–	–	–	–	–	–	–
<b>Total spending in AME</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital</b>	<b>84,914</b>	<b>(52,754)</b>	<b>32,160</b>	<b>40,211</b>	<b>–</b>	<b>40,211</b>	<b>8,051</b>

The total estimate columns include virements. Virements are the relation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on GOV.UK.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.



## SoPS 2. Reconciliation of outturn to net operating expenditure

	Note	Outturn £'000
<b>Total resource outturn in SoPS</b>	SoPS1.1	331,842
Add: Capital grants in kind	SOCNE	52,752
Less: Other operating income	SOCNE	(2,780)
<b>Total</b>		<b>381,814</b>
<b>Net operating expenditure in Consolidated Statement of Net Comprehensive Expenditure</b>	SOCNE	<b>381,814</b>

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the Financial Statements.

Capital grant-in-kind reflects the budget transfer in relation to the asset transfer to the Government Property Agency.

## SoPS 3. Reconciliation of net resource outturn to net cash requirement

	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs estimate saving / (excess) £'000
<b>Resource outturn</b>	SoPS1.1	331,842	368,357	36,515
<b>Capital outturn</b>	SoPS1.2	32,160	40,211	8,051
		<b>364,002</b>	<b>408,568</b>	<b>44,566</b>
Adjustments to remove non-cash items:				
Depreciation and amortisation		(11,806)	(11,357)	449
Repayment of capital finance leases		273	-	(273)
Other non-cash items (Indemnity Provision Movement)		(3,029)	(22,000)	(18,971)
Impairment of non-current assets		(2,200)	-	2,200
Auditor's remuneration		(106)	-	106
Adjustments to reflect movements in working balances				
Increase/(decrease) in receivables		(1,686)	-	1,686
(Increase)/ decrease in payables		6,013	22,790	16,777
Use of provisions		6,087	-	(6,087)
Movements in payables relating to items not passing through the SOCNE		1	-	(1)
<b>Net cash requirement</b>		<b>357,549</b>	<b>398,001</b>	<b>40,452</b>

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

## SoPS 4. Amounts of income to the Consolidated Fund

### SoPS4.1 Income payable to the Consolidated Fund

#### Amounts are payable to the Consolidated Fund

The following income is payable to the Consolidated Fund (cash receipts being shown in italics).

	2020/21 Outturn total	
	Accruals £'000	Cash basis £'000
Income outside the ambit of the Estimates	2,780	<i>2,403</i>
Excess cash surrenderable to the Consolidated Fund	-	<i>377</i>
<b>Total amounts paid and payable to the Consolidated Fund</b>	<b>2,780</b>	<b><i>2,780</i></b>

## SoPS4.2 Consolidated Fund income

Consolidated Fund income shown in note 4.1 does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the main financial statements) are reported as part of the Trust Statement of this Annual Report and Accounts.

# 4. Parliamentary accountability disclosures

## 1. Losses and special payments (audited)

There are no losses or special payments to disclose as the total of all losses was below £300,000 and there have been no special payments.

## 2. Fees and charges (audited)

### Fees and charges<sup>1</sup>

The following information on the main activities of HM Land Registry is produced for fees and charges purposes and does not constitute segmental reporting under IFRS 8 (see note 2).

	Statutory			Non-statutory		Total
	Registration of title <sup>2</sup>	Land Charges and Agricultural Credits <sup>3</sup>	Local Land Charges <sup>5</sup>	Rental income	Commercial income <sup>4</sup>	
2020/21	£'000	£'000	£'000	£'000	£'000	£'000
Income	226,042	6,268	225	2,780	3,857	239,172
Cost of service	(294,768)	(163)	(3,178)	–	(2,412)	(300,521)
Administrative expenses	(26,460)	(27)	(3,610)	(329)	(373)	(30,799)
<b>Operating surplus / (deficit)</b>	<b>(95,186)</b>	<b>6,078</b>	<b>(6,563)</b>	<b>2,451</b>	<b>1,072</b>	<b>(92,148)</b>
<b>2019/20</b>						
Income	288,860	7,019	126	2,675	7,182	305,862
Cost of service	(253,911)	(183)	(1,691)	–	(2,252)	(258,037)
Administrative expenses	(21,285)	(30)	(4,436)	(346)	(348)	(26,445)
<b>Operating surplus / (deficit)</b>	<b>13,664</b>	<b>6,806</b>	<b>(6,001)</b>	<b>2,329</b>	<b>4,582</b>	<b>21,380</b>

1. Audited.
2. Registration of title – includes HM Land Registry's statutory duties under the Land Registration Act 2002.
3. Land Charges and Agricultural Credits – register of short-term loans secured on farming stock and other agricultural assets.
4. Commercial income – includes commercial release of HM Land Registry data.
5. Local Land Charges – The Infrastructure Act 2015 passed to HM Land Registry the responsibility for maintaining a register of Local Land Charges (LLC). Approval was given for a phased delivery of LLC and the phase 1 service went live in July 2018.

## 3. Remote contingent liabilities

The judgements taken to place a value on the Indemnity Fund are an assessment for events at this point in time and do not include an assessment for events that are too uncertain or remote to include. Therefore there is no recognition of the potential change in value of the provision for uncertain events and an assessment is only made for changes in value of known events. Further details of the impact of changes in known events are shown on page 110 and 111.



**Simon Hayes**  
Chief Land Registrar and Chief Executive  
9 July 2021

# The Certificate and Report of the Comptroller and Auditor General to the House of Commons

## Opinion on financial statements

I certify that I have audited the financial statements of HM Land Registry for the year ended 31 March 2021 under the Government Resources and Accounts Act 2000. The financial statements comprise: HM Land Registry's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

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

In my opinion, the financial statements:

- give a true and fair view of the state of HM Land Registry's affairs as at 31 March 2021 and of the net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2021 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

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

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

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

## Conclusions relating to going concern

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

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

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

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

## Other Information

The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.



## Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

In the light of the knowledge and understanding of HM Land Registry and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

## Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the HM Land Registry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, HM Land Registry's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the HM Land Registry's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HM Land Registry's controls relating to The Land Registration Act 2002, the Land Registration Rules 2003, the Agricultural Credits Act 1928 and the Land Charges Act 1972;
- discussing among the engagement team and involving relevant internal and or external specialists, including relating to the Indemnity Fund regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following area: revenue recognition and posting of unusual journals;
- obtaining an understanding of HM Land Registry's framework of authority as well as other legal and regulatory frameworks that HM Land Registry operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of HM Land Registry. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2020 and employment, tax and pensions legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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

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

## **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**9 July 2021**



# Departmental financial statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2021

		2020/21	Restated 2019/20
	Note	£'000	£'000
Other operating income	3.1	(2,780)	(2,675)
<b>Total operating income</b>		<b>(2,780)</b>	<b>(2,675)</b>
Staff costs	5.1	243,735	225,869
Purchase of goods and services	3.2	70,497	65,880
Depreciation, amortisation and impairment charges	3.2	14,005	9,577
Indemnity provision and payments for Indemnity including legal costs	3.2	3,049	(16,850)
<b>Total operating expenditure</b>		<b>331,286</b>	<b>284,476</b>
<b>Net operating expenditure</b>		<b>328,506</b>	<b>281,801</b>
Capital grant-in-kind	3.2, 19	52,752	–
Finance income	6	(19)	(3,268)
Finance expense	7	575	605
Loss on disposal of non-current assets		–	1,583
Restructure and reorganisation costs	4	–	(3,129)
<b>Net expenditure for the year</b>		<b>381,814</b>	<b>277,592</b>
<b>Other comprehensive net expenditure</b>			
Items which will not be reclassified to net operating expenditure			
Net (gain)/ loss on revaluation of property, plant and equipment	8.1, 8.2	2,484	(4,574)
Net (gain)/ loss on revaluation of intangible assets	9.1, 9.2	–	–
Net (gain)/ loss on revaluation of investment property	8.3	–	(180)
<b>Comprehensive net expenditure for the year</b>		<b>384,298</b>	<b>272,838</b>

All activities are continuing in operations. The 2019/20 balances have been restated to reflect the removal of those balances now reported in the HM Land Registry Trust Statement.

The notes on pages 97 to 117 are an integral part of these accounts.



# Statement of Financial Position as at 31 March 2021

		2020/21	Restated 2019/20	
	Notes	£'000	£'000	£'000
<b>Non-current assets</b>				
Property, plant and equipment	8.1	22,949	75,584	
Investment properties	8.3	–	3,130	
Intangible assets	9.1	45,554	26,870	
Trade and other receivables	11.2	472	925	
<b>Total non-current assets</b>			<b>68,975</b>	<b>106,509</b>
<b>Current assets</b>				
Trade and other receivables	11.1	5,439	6,672	
Cash and cash equivalents	10	23,474	–	
<b>Total current assets</b>			<b>28,913</b>	<b>6,672</b>
<b>Total assets</b>			<b>97,888</b>	<b>113,181</b>
<b>Current liabilities</b>				
Trade and other payables	12.1	60,815	43,354	
Obligations under finance leases	12.1	310	273	
Short-term provisions	13.1	60	517	
			61,185	44,144
Indemnity Fund	13.2		70,600	73,200
<b>Total current liabilities</b>			<b>131,785</b>	<b>117,344</b>
<b>Non-current assets plus net current (liabilities)/ assets</b>			<b>(33,897)</b>	<b>(4,163)</b>
<b>Non-current liabilities</b>				
Obligations under finance leases	12.2	3,699	4,009	
Long-term provisions	13.1	–	5	
<b>Total non-current liabilities</b>			<b>3,699</b>	<b>4,014</b>
<b>Net (liabilities)/ assets</b>			<b>(37,596)</b>	<b>(8,177)</b>
<b>Taxpayers' equity</b>				
Revaluation reserve			–	24,981
General Fund			(37,596)	(33,158)
<b>Total equity</b>			<b>(37,596)</b>	<b>(8,177)</b>

The 2019/20 balances have been restated to reflect the removal of those balances now updated as part of HM Land Registry Trust Statement.

The notes on pages 97 to 117 are an integral part of these accounts.

*Simon Hayes*

**Simon Hayes**  
Chief Executive and Chief Land Registrar  
9 July 2021

# Statement of cash flows for the period ended 31 March 2021

	Note	2020/21 £'000	Restated 2019/20 £'000
<b>Cash flows from operating activities</b>			
Net operating income/(expenditure)	SOCNE	(328,506)	(281,801)
Restructure and reorganisation costs	4	–	3,129
Adjustments for non-cash transactions:			
Depreciation of property, plant and equipment	3.2	7,173	4,978
Amortisation of intangible assets	3.2	4,632	4,068
Impairment of non-current assets	3.2	2,200	512
(Increase)/ decrease in trade & other receivables	11	1,686	709
Increase/(decrease) in trade & other payables	12	(6,013)	2,948
Less movements in payables relating to items not passing through the SOCNE		(1)	–
Auditor's remuneration	3.2	106	–
Decrease/(increase) in Indemnity Fund	13.2	3,029	(27,550)
Use of Indemnity Fund Provision	13.2	(5,629)	5,350
Use of other provisions	13.1	(458)	(1,837)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(321,781)</b>	<b>(289,494)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	8.1	(8,847)	(13,914)
Purchase of intangible assets	9.1	(23,316)	(9,248)
Proceeds from disposal of tangible assets		–	3
Interest received	6	19	3,268
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(32,144)</b>	<b>(19,891)</b>
<b>Cash flows from financing activities</b>			
Financing from the Consolidated Fund (supply)	SOCTE	380,650	–
Dividends paid (as trading fund)		–	–
Repayments of capital element of obligations under finance leases	15.1	(273)	(241)
Interest element of obligations under finance leases	7	(575)	(605)
<b>Net financing</b>		<b>379,802</b>	<b>(846)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund</b>		<b>25,877</b>	<b>(310,231)</b>
Payments of amounts due to the Consolidated Fund		(2,403)	(2,675)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>23,474</b>	<b>(312,906)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>–</b>	<b>312,906</b>
<b>Cash and cash equivalents at the end of the period</b>	SOFP	<b>23,474</b>	<b>–</b>

All activities are continuing in operations. The 2019/20 balances have been restated to reflect the removal of those balances now reported in the HM Land Registry Trust Statement.

The notes on pages 97 to 117 are an integral part of these accounts.

# Statement of changes in taxpayers' equity for the period ended 31 March 2021

	Revaluation reserve	General fund	Total reserves
	£'000	£'000	£'000
<b>Restated balance at 31 March 2019</b>	<b>20,308</b>	<b>247,028</b>	<b>267,336</b>
<b>Changes in reserves 2019/20</b>			
Comprehensive net expenditure for the year	–	(277,592)	<b>(277,592)</b>
Amounts payable to the Consolidated Fund	–	(2,675)	<b>(2,675)</b>
Revaluation gains and losses	4,754	–	<b>4,754</b>
Other reserves movements including transfers	(81)	81	–
<b>Restated balance at 31 March 2020</b>	<b>24,981</b>	<b>(33,158)</b>	<b>(8,177)</b>
<b>Changes in taxpayers' equity 2020/21</b>			
Net Parliamentary Fund – drawn down	–	380,650	<b>380,650</b>
Comprehensive net expenditure for the year	–	(381,814)	<b>(381,814)</b>
Amounts paid to the Consolidated Fund	–	(2,403)	<b>(2,403)</b>
Auditor's remuneration	–	106	<b>106</b>
Revaluation gains and losses	(2,484)	–	<b>(2,484)</b>
Revaluation reserve transfer	(22,497)	22,497	–
Income payable to the Consolidated Fund		(377)	<b>(377)</b>
Supply (payable)/ receivable adjustment	–	(23,097)	<b>(23,097)</b>
<b>Taxpayers' equity at 31 March 2021</b>	<b>–</b>	<b>(37,596)</b>	<b>(37,596)</b>

All activities are continuing in operations. The 2019/20 balances have been restated to reflect the removal of those balances now reported in the HM Land Registry Trust Statement.

The notes on pages 97 to 117 are an integral part of these accounts.



# Notes to departmental accounts

## 1 Statement of accounting policies

### 1.1 Basis of preparation

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2020/21 and comply with the Accounts Direction given by HM Treasury. The accounting policies contained in the FReM follow 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 that has been judged to be the most appropriate to the particular circumstances of HM Land Registry for the purposes of giving a true and fair view has been selected. HM Land Registry's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

On 1 April 2020, HM Land Registry transitioned from a trading fund to a non-ministerial department. As a trading fund, HM Land Registry was funded through income, with any surplus returned to HM Treasury as a dividend. As a non-ministerial department, HM Land Registry has its annual expenditure control totals delegated directly by HM Treasury (HMT) and surrenders the fees and charges it collects to the Consolidated Fund.

These financial statements have been prepared on a going concern basis. Management is of the opinion that a going concern basis is appropriate as we are legally obliged under the Land Registration Act 2002 to provide statutory services relating to land registration and there are sufficient reserves to support the organisation going forward. Furthermore, in common with other government departments, the future financing of the department's liabilities is to be met by future grants of supply and the application of future income, both to be approved annually by Parliament.

#### *Accounting standards issued but not yet effective*

IFRS 16 Leases came into effect on 1 January 2019 and replaced IAS 17 Leases. However, HMT recommended that government departments defer the adoption of this accounting standard until 1 April 2022 although some departments were permitted early adoption in limited circumstances. HM Land Registry has elected to adopt this standard from 1 April 2021, and this is covered in more detail in note 1.18.

The change from 1 April 2021 using the retrospective approach is expected to affect three property operating leases and one property held on a non-commercial basis within government. The capitalised values of these right to use assets have been calculated using an existing lease rate of 1.99%\* (\* HM Treasury PES 2020 12 issued December 2020) which together have a right to use capital value of £4.2m. Since HM Land Registry will create right to use assets, and corresponding lease liabilities, net assets are not expected to change significantly. No extra capital funding will be required, and instead of being charged rent the payments falling due will be a reduction in the right to use liability and finance interest expense, together with amortised depreciation of the right to use asset values. An initial cost will be recognised as a retrospective re-statement for 2020/21.

IFRS 16 permits a lessee to exclude assets and liabilities attached to leases with terms of less than 12 months. HM Land Registry currently has one lease with a term of less than 12 months.

IFRS 17 Insurance Contracts will become effective from 1 January 2023 for public sector organisations. This reporting standard is anticipated to have no accounting impact upon HM Land Registry as no such insurance contracts are held.

### 1.2 Accounting convention

The financial statements have been prepared on an accruals basis under the historical cost convention modified for the revaluation of property, plant and equipment, investment properties, assets held for sale and intangible assets to fair value as determined by the relevant accounting standard.

### 1.3 Areas of significant estimate and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period are:

- Note 9 – the valuation and useful economic life of the intangible assets. The valuation is the direct replacement cost of the register and the data that is currently in use. The replacement cost includes all costs that are reliably measured and the economic life is reviewed each financial year to determine whether events and circumstances continue to support the life chosen. Intangible assets are also assessed annually for impairment in accordance with IAS 36.
- Note 13.2 – estimation of the provision required to settle all known and incurred but not reported indemnity claims - where uncertainty exists for the proportion of outstanding claims that will ultimately be paid, the value of those payments and the effect of any legal judgements. For IBNR claims, the number of unreported claims is unknown as is the point at which an error is discovered and the value of any potential claim.

### 1.4 Income from contracts with customers

IFRS 15 Revenue from Contracts with Customers has been adopted. The income recognition criteria within IFRS 15 are consistent with HM Land Registry accounting policy.

All Statutory fees and charges are held in a separate HM Land Registry Trust Statement. Income in the Statement of Net Expenditure relates to property rental income which is recognised as the amounts fall due.

### 1.5 Operating segments

HM Land Registry's operating segments are the directorates which are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The seven reportable business segments are: Chief Executive & Chief Land Registrar's Office, Human Resources, Finance & Business Services, Operations, Legal, Transformation and Digital, Data & Technology. This is based on the group's internal organisation and management structure, and is the primary way in which the CODM is provided with financial information. The CODM of HM Land Registry is Simon Hayes, Chief Executive and Chief Land Registrar.

### 1.6 Employee benefits

The cost of providing employee benefits is recognised in the period in which HM Land Registry receives services from its employees, rather than when it is paid or payable. Short-term employee benefits are recognised as an expense in the period in which the employee renders the service. Performance payments are recognised only when there is a legal or constructive obligation to pay them and the costs can be reliably estimated. Termination benefits are recognised when it can be demonstrated that there is an irreversible agreement to terminate the employment of employee(s) before the schemes' retirement date or as a result of an offer to encourage voluntary redundancy.

### 1.7 Pensions

HM Land Registry employees are civil servants who are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS) or the Civil Servant and Other Pension Scheme (CSOPS) – known as 'Alpha'. These are unfunded multi-employer defined benefit schemes, but HM Land Registry is unable to identify its share of the underlying assets and liabilities on a reasonable and consistent basis. HM Land Registry has therefore accounted for contributions and payments to these schemes under International Accounting Standard (IAS) 19 Employee Benefits as if they were defined contribution schemes. Liability for the payment of future benefits is a charge on the PCSPS or Alpha scheme.

### 1.8 Property, plant and equipment

Freehold and leasehold land and buildings are professionally valued by external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Montagu Evans (Royal Institution of Chartered Surveyors (RICS) registered valuer) carried out a desktop valuation in March 2021 to facilitate the transfer of assets to the Government Property Agency (see Note 19).

HM Land Registry is required by the FReM to disclose non-current assets in the Statement of Financial Position at fair value. For assets in use the FReM requires operational assets to be measured at current value in existing use, rather than market value as required by IAS 16 Property Plant and Equipment. Details of FReM adaptations which continue to apply for 2020/21 can be found on GOV.UK (search 'Financial Reporting Manual 2020/21').

For short-life non-property assets, historical cost is used as an approximation to the fair value of the asset. Freehold land and buildings and leasehold buildings are included at revaluation less accumulated depreciation and impairment losses. All other tangible non-current assets are included at historical cost less accumulated depreciation and impairment losses.

Assets in the course of construction are not depreciated. For other assets the depreciation charge is calculated so as to allocate the cost or revalued amount, less the estimated residual value, of non-current assets systematically over their remaining useful lives using the straight-line method.

Other property, plant and equipment includes IT and office equipment and machinery. HM Land Registry capitalises expenditure over £1,000 for an individual asset. Where appropriate, individual assets falling below the minimum value for capitalisation are grouped. It is HM Land Registry's policy not to capitalise expenditure on fixtures and fittings, principally office furniture, as they are not considered material.

Asset lives are reviewed at the end of each financial year.

The following asset depreciation rates are used:

Freehold land	Nil
Freehold buildings	Estimated useful life
Leasehold buildings	Period of the lease or estimated useful life
Telecommunications equipment	5 years
Office equipment	5 years
Computers: mainframe	5 years
Computers: PCs	5 years
Structured cabling	10 years
Plant and heavy machinery	10 years

### 1.9 Impairment of non-current assets

Impairment reviews are undertaken at each year-end and if there are indications that the asset has suffered an impairment loss a charge is reflected in the Statement of Comprehensive Net Expenditure in the year in which it occurs. If the asset is carried at a revalued amount, the impairment loss is treated as a revaluation decrease, to the extent of the revaluation reserve that relates to the asset, with any excess in the Statement of Comprehensive Net Expenditure. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use.

For assets under development, an annual review is undertaken to confirm that these assets still meet the measurement criteria within IAS 38 Intangible Assets.

### 1.10 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses as a proxy for fair value, since no active market exists for the department's intangible assets. This treatment is also known as Depreciated Replacement Cost.

#### *Software licences*

Separately acquired intangible assets are shown at historical cost. The costs incurred to acquire and bring these assets to use are capitalised. These include contractors' charges, materials, directly attributable labour and directly attributable overhead costs.

Software licences are included at cost less accumulated amortisation. They are amortised on a straight-line basis at a rate of:

Mainframe	5 years
PCs	5 years

#### *Software development costs*

In accordance with IAS 38, expenditure incurred on developing new IT infrastructure (covering third-party costs and the direct costs of in-house staff effort) is capitalised. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by HM Land Registry are recognised as intangible assets when the requirements of IAS 38 are met.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

All research expenditure is written off as incurred.

Expenditure incurred in software development is recorded as an intangible asset under construction and is then transferred into use as an intangible asset once that software and associated data is made available by HM Land Registry to its customers.

Software development costs are categorised as assets under development within Note 9.

#### *Local Land Charges*

HM Land Registry completed the building and development of a computerised register to hold the Local Land Charges data in July 2018. As of 31 March 2021, the data relating to 13 local authorities has been added to the register and is in use.

Under IAS 38, development costs have been capitalised for two separate assets: a database to hold the information; and the data itself, which needs to be cleansed, digitised and migrated to this database. Following commencement of the register service, these components are amortised over their respective useful lives of:

Local Land Charges register	5 years
Local Land Charges data	10 years

#### **1.11 Investment properties**

Investment properties are measured at its fair value. The fair value valuation is its current market value in existing use.

When an investment property is sold or transferred, it is revalued to the recoverable amount and any residual amount held in the Revaluation Reserve is transferred to Retained Earnings (see Note 1.8 for details of the valuer engaged).

All investment properties were included in the asset transfer to the Government Property Agency on 31 March 2021. Further details of this transfer are in Note 19.

#### **1.12 Trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for irrecoverable amounts. These impairment provisions are recorded in administrative expenses within the Statement of Comprehensive Net Expenditure. The carrying amount of trade receivables is deemed to be an approximation of fair value.

If collection of amounts receivable is expected in one year or less they are classified as current assets.

#### **1.13 Cash and cash equivalents**

Cash represents cash-in-hand, cash held with the Government Banking Service (GBS) and commercial banks. The commercial bank and GBS deposits are immediately available funds.

#### **1.14 Trade payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are stated at their nominal value. The carrying amount of trade payables is deemed to be an approximation of fair value.

#### **1.15 Provisions**

HM Land Registry provides for legal and constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date, on the basis of management's best estimate at that date of the expenditure required to settle the obligation. As the effect of discounting is immaterial, it is included as part of the revaluation to that provision in year, rather than disclosed on a separate line. Provisions are charged to the Statement of Comprehensive Net Expenditure and recorded as liabilities in the Statement of Financial Position. (Further details, including sensitivities, are given in Note 13.)

#### **1.16 Indemnity Fund**

Schedule 8 to the Land Registration Act 2002 requires HM Land Registry to indemnify third parties against loss caused by mistakes in the register, mistakes in search results and loss of documents by HM Land Registry. Most of HM Land Registry's indemnity claims arise as a result of mistakes in the register, and some of these mistakes are the result of forgery of documents such as charges. Indeed fraud/forgery usually accounts for the largest share of indemnity payments, and this year is no exception. Under Schedule 8 to the Act, HM Land Registry has statutory rights to recover these payments from third parties, where it is the case that third parties are at fault, either wholly or partly, for the loss.

As at the current accounting date, future claim payments are uncertain in timing and amount. The Indemnity Fund is established on the basis of the best estimate of the expenditure required to settle the obligation. The Indemnity Fund is determined after considering actuarial estimates of the cost of claims reported but not settled, as well as claims incurred but not reported. The estimated cost of claims includes expenses incurred in settling these claims.

The carrying amount of the Indemnity Fund is derived from critical judgements, estimates and assumptions based upon historical experience and other factors which are considered to be relevant. These estimates



and underlying assumptions are reviewed on a quarterly basis by HM Land Registry, supported by its independent actuary, the Government Actuary's Department (GAD).

After the accounting date, a further review of claims received by HM Land Registry (up to the date the Accounting Officer approves the Annual Report and Accounts) is made to see if the Indemnity Fund is still appropriately valued. Provided in these accounts are the likely settlement values of current and future claims against the Indemnity Fund. Further details of the Indemnity Fund are shown in Note 13.2 of this report.

### **1.17 Contingent liabilities**

Where appropriate, liabilities that have only a possible chance of crystallising and do not meet the provisions criteria have been classified as contingent liabilities. This includes, but is not limited to, claims for losses arising from errors or fraud in relation to HM Land Registry's statutory responsibility as insurer of titles in England and Wales (see Note 14).

### **1.18 Finance leases**

Where HM Land Registry retains all the risks and rewards of ownership of an asset subject to a lease under IAS 17, the lease is treated as a finance lease. Future instalments payable under finance leases, net of finance charges, are included in liabilities with the corresponding asset values recorded in non-current assets and depreciated over the shorter of their estimated useful lives or their lease terms. Lease payments are apportioned between the finance element, which is charged to the Statement of Comprehensive Net Expenditure as interest, and the capital element, which reduces the outstanding obligation for future instalments.

### **IFRS 16 will apply to HM Land Registry in 2021/22**

IFRS 16 Leases provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset meets the IFRS 16 criteria to be classified as of "low value". The IFRS is effective in the private sector for accounting periods commencing on or after 1 January 2019. HM Land Registry will adopt IFRS 16 in the financial year commencing 1 April 2021.

IFRS 16 gives a narrower definition of a lease than IAS 17 (Leases) and IFRIC 4 (Determining Whether an Arrangement Contains a Lease) by requiring that assets and liabilities will be recognised initially at the discounted value of the minimum lease payments, and that the assets, to be described as "right of use" assets, will be presented under property, plant and equipment. HM Land Registry expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. Therefore, implementation of IFRS 16 will increase the value of property, plant and equipment assets and the value of lease liabilities.

After initial recognition, right-of-use assets will be amortised on a straight-line basis and interest will be recognised on the liabilities. Except where modified for revaluation where material, the cost model will be applied to assets for leases other than leases with a peppercorn rental, which will be measured on a depreciated replacement cost basis. As a result, the timing of the recognition of the total costs of leasing will change, as interest costs will be higher at the start of a lease.

HMT proposes that IFRS 16 will be implemented using the cumulative catch-up method; as a result, comparatives will not be restated and the measurement of the asset and liability balances recognised with effect from 1 April 2021 will reflect the group's intentions as at that date. HMT also proposes to issue a central internal rate of borrowing for entities to apply, when they cannot obtain the rate implicit in the lease contract.

As IFRS 16 will be implemented using the cumulative catch-up method, comparatives for 2020/21 will not be re-stated, and the adjustment to net assets will be made with effect from 1 April 2021. For the material arrangements within the scope of IFRS 16, the impact of implementation is currently considered to be an increase in assets and liabilities of approximately £79.17m.

The right-of-use assets and leasing obligations have been calculated according to the policy described above.

### **1.19 VAT**

HM Land Registry accounts for VAT on its statutory activities under HMT's Taxing and Contracting Out of Services Directions. For non-statutory activity – which is business activity – VAT is charged and recovered according to commercial VAT rules. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets. Where output tax is charged or input tax is recoverable the amounts are stated net of VAT.

### **1.20 Restatement of 2019/20 results**

The results of 2019/20 have been restated to reflect the transfer of Consolidated Fund Extra Receipts to a separate HM Land Registry Trust Statement. The impact of this is detailed in Note 18.

## 2 Operating segments

### 2.1 Operating segments

	Business as Usual £'000	Central Costs £'000	Projects £'000	Total Expenditure £'000
<b>2020/21</b>				
Chief Executive & Chief Land Registrar's Directorate	3,408	–	–	<b>3,408</b>
Human Resources (HR)	7,265	(3)	591	<b>7,853</b>
Finance & Business Services (FaBS)	11,102	84,199	2,999	<b>98,300</b>
Operations	186,389	–	8,083	<b>194,472</b>
Legal and Assurance	19,377	3,049	–	<b>22,426</b>
Transformation Directorate	2,080	3,651	3,479	<b>9,210</b>
Digital, Data & Technology	37,209	490	11,226	<b>48,925</b>
<b>Total</b>	<b>266,830</b>	<b>91,386</b>	<b>26,378</b>	<b>384,594</b>
<b>2019/20</b>				
Chief Executive & Chief Land Registrar's Directorate	3,481	–	–	<b>3,481</b>
Human Resources (HR)	6,894	(3,133)	92	<b>3,853</b>
Finance & Business Services (FaBS)	11,881	18,713	170	<b>30,764</b>
Operations	175,886	12	4,456	<b>180,354</b>
Legal and Assurance	18,628	(16,823)	–	<b>1,805</b>
Transformation Directorate	2,363	4,448	3,081	<b>9,892</b>
Digital, Data & Technology	36,383	(44)	13,779	<b>50,118</b>
<b>Total</b>	<b>255,516</b>	<b>3,173</b>	<b>21,578</b>	<b>280,267</b>

Operating segments are determined in accordance with IFRS 8 Operating Segments based on what information is presented for decision making purposes to the Chief Operating Decision Maker (CODM). The CODM for HM Land Registry is the Accounting Officer.

The structure of HM Land Registry means that materially all of the assets included in the Statement of Financial Position are used for general administration and benefit of HM Land Registry as a whole. Consequently, they are not apportioned to operating segments in the table above.

The description for each operating segment is stated below.

#### Chief Executive and Chief Land Registrar's Directorate

The directorate works to uphold and enhance the reputation of HM Land Registry on behalf of the Chief Executive and Chief Land Registrar through effective corporate communications, governance, policy and stakeholder functions.

#### Human Resources

Human Resources works to help HM Land Registry deliver its operational and organisational priorities, and build organisational capacity and capability to meet new challenges.

#### Finance and Business Services

The Finance and Business Services (FaBS) Directorate includes Facilities Management, Finance, Commercial, Group and Strategic Planning and Performance.

#### Operations

The Operations Directorate's main function is to register land and provide a high quality and sustainable level of service to our customers, measured against a set of key performance indicators.

#### Legal and Assurance

Legal and Assurance works to protect the integrity of the register, ensuring we have the rules, orders, directions and notices in place to operate effectively.

#### Transformation Directorate

The Transformation Directorate designs and coordinates the transformation activity that takes place across all other directorates.

#### Digital, Data and Technology

The Digital, Data and Technology (DDaT) Directorate is responsible for: building new digital services; defining and implementing HM Land Registry's data strategy; developing data products; and managing, maintaining and developing all the technology staff use.

#### Expenditure streams

The expenditure streams are split into three categories: business as usual (BAU); central costs; and projects. This division is designed to show the costs of running the directorate (BAU), additional tasks being completed by the directorate (projects), and to separate out the central running costs for HM Land Registry (central costs).

#### Central costs

This category includes items such as staff leave accruals, property costs, depreciation, amortisation, provisions, and impairments which are monitored by a single directorate but could be apportioned across the organisation. Below are explanations relating to the most significant variances arising in the category.

In 2020/21, £52.75m of central costs in FaBS is attributable to the capital grant-in-kind for the transfer of property to the Government Property Agency (see note 19).

## Variance between Note 2. Operating Segments and Statement of Net Comprehensive Expenditure

The operating segments shown above are presented net of revenue (see note 3).

### 3 Goods and services

#### 3.1 Operating Income

	Note	2020/21 £'000	2019/20 £'000
Income from sale of goods and services		(2,780)	(2,675)
<b>Total operating income</b>		<b>(2,780)</b>	<b>(2,675)</b>

#### 3.2 Other costs

	Note	2020/21 £'000	2019/20 £'000
<b>Cash items</b>			
IT services		16,065	14,854
Hire of machinery		2,792	3,032
Other staff costs including training		4,828	3,116
Charge for operating leases – buildings	15.2	1,627	1,627
Professional fees		10,294	9,151
First-tier Tribunal costs		3,141	2,901
Accommodation costs		18,898	15,970
Survey and scanning costs		3,695	5,185
File store costs		4,121	3,766
Other costs		4,930	6,198
Auditor's remuneration – audit fee		–	80
<b>Total cash expenditure</b>		<b>70,391</b>	<b>65,880</b>
<b>Non-cash items</b>			
Indemnity provision and payments for Indemnity including legal costs	13	3,049	(16,850)
Capital grant-in-kind	19	52,752	–
Depreciation of tangible non-current assets – owned	8.1	6,570	4,728
Depreciation of tangible non-current assets – leased	8.1	603	250
Amortisation of intangible assets	9.1, 9.2	4,632	4,068
Impairment in value of non-current assets	8.1, 8.2	2,200	531
Auditor's remuneration – audit fee		106	–
<b>Total non-cash expenditure</b>		<b>69,912</b>	<b>(7,273)</b>
<b>Total other costs</b>		<b>140,303</b>	<b>58,607</b>

In 2019/20, Auditor's Remuneration was a cash transaction of £80k. Following HMLR's change in status from a trading fund to a department in 2020/21, the Auditor's Remuneration became a notional fee of £106k that is paid through the Supply Process. Of the £106k, £86k relates to the audit of the Resource Accounts and £20k relates to the audit of the Trust Statement..

### 4 Restructure and reorganisation costs

	Early retirement £'000	Early severance £'000	2020/21 Total £'000	Early retirement £'000	Early severance £'000	2019/20 Total £'000
Costs incurred in year	–	–	–	(3,133)	4	(3,129)
Costs provided in year	–	–	–	–	–	–
	–	–	–	<b>(3,133)</b>	<b>4</b>	<b>(3,129)</b>



## 5 Employee information

### 5.1 Staff costs

	2020/21			2019/20		
	Permanent staff	Others	Total	Permanent staff	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	177,533	2,415	<b>179,948</b>	167,057	2,079	<b>169,136</b>
Social security costs	17,258	165	<b>17,423</b>	16,052	139	<b>16,191</b>
Other pension costs	45,798	566	<b>46,364</b>	40,097	445	<b>40,542</b>
	<b>240,589</b>	<b>3,146</b>	<b>243,735</b>	<b>223,206</b>	<b>2,663</b>	<b>225,869</b>

### 5.2 Staff numbers

The average number of persons employed (full-time equivalent) by HM Land Registry during the year was made up as follows.

	2020/21			2019/20		
	Permanent staff	Others	Total	Permanent staff	Others	Total
	Senior management	8	–	<b>8</b>	9	–
Operations	4303	24	<b>4,327</b>	4,048	34	<b>4,082</b>
Head office	567	8	<b>575</b>	491	11	<b>502</b>
DDaT	548	45	<b>593</b>	509	34	<b>543</b>
	<b>5,426</b>	<b>77</b>	<b>5,503</b>	<b>5,057</b>	<b>79</b>	<b>5,136</b>

**5.3** The salary and pension entitlements of the Chief Executive and the directors of HM Land Registry are included in the Remuneration and staff report on pages 73 to 84.

The staff costs in note 5.1 do not include those staff costs capitalised as part of the building of intangible assets. During 2020/21 £5.9m (2019/20: £4.3m) of staff costs was capitalised in the construction of these intangible assets.

### 5.4 Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes but HM Land Registry is unable to identify its share of the underlying assets and liabilities. The scheme actuary, the Government Actuary’s Department (GAD), valued the PCSPS as at 31 March 2016, with the report published on 26 February 2019. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2020/21, employers’ contributions of £46.8m were payable to the PCSPS (2019/20 £39.7m) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £0.30m were paid to one appointed stakeholder pension provider. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £8,270, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £0.03m. Contributions prepaid at that date were £0.

Three individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £13,669 (2019/20: £12,480).

Further information relating to pension arrangements can be found in the Remuneration and staff report on pages 73 to 84 and Note 1.7.

## 6 Investment income

	2020/21	2019/20
	£'000	£'000
Interest on bank deposits	19	3,268

## 7 Finance costs

	2020/21	2019/20
	£'000	£'000
Interest on obligations under finance leases	575	605

## 8 Property, plant and equipment

### 8.1 Cost or valuation

	Property Freehold land	Buildings	Leasehold buildings	Plant and equipment			Total
	£'000	£'000	£'000	Restated: Assets under construction*	IT-related assets	Other plant and equipment	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	12,255	54,162	13,448	767	83,086	5,865	169,583
Transfer from investment property	80	2,122	1,112	-	-	-	3,314
Additions	-	-	-	4,584	3,745	518	8,847
Assets brought into use	-	-	-	(4,293)	4,293	-	-
Revaluation	(1,170)	(3,392)	2,078	-	-	-	(2,484)
Reclassification of assets	-	-	-	-	-	-	-
Impairment	(105)	(2,095)	-	-	-	-	(2,200)
Disposals	(11,060)	(50,797)	(16,638)	-	(403)	(3,882)	(82,780)
Transferred from assets held for sale	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,058</b>	<b>90,721</b>	<b>2,501</b>	<b>94,280</b>
<b>Accumulated depreciation</b>							
At 1 April 2020	-	19,964	6,161	-	63,773	4,101	93,999
Transfer from investment property	-	60	124	-	-	-	184
Charged in year	-	1,277	603	-	5,881	291	8,052
Revaluation	-	(481)	(397)	-	-	-	(878)
Reclassification of assets	-	-	-	-	-	-	-
Disposals	-	(20,820)	(6,491)	-	(402)	(2,313)	(30,026)
Transferred from assets held for sale	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,252</b>	<b>2,079</b>	<b>71,331</b>
<b>Carrying amount at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,058</b>	<b>21,469</b>	<b>422</b>	<b>22,949</b>

## 8.2 Cost or valuation

	Property		Plant and equipment				Total
	Freehold land	Buildings	Leasehold buildings	Restated: Assets under construction*	IT-related assets	Other plant and equipment	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	9,795	52,352	13,163	14	71,415	5,339	152,078
Additions	–	–	–	8,634	4,506	526	13,666
Reclassification from assets under construction	–	–	–	(7,881)	9,765	–	1,884
Revaluation	2,460	1,829	285	–	–	–	4,574
Reclassification of assets	–	–	–	–	–	–	–
Impairment	–	(19)	–	–	–	–	(19)
Disposals	–	–	–	–	(2,600)	–	(2,600)
<b>At 31 March 2020</b>	<b>12,255</b>	<b>54,162</b>	<b>13,448</b>	<b>767</b>	<b>83,086</b>	<b>5,865</b>	<b>169,583</b>
<b>Accumulated depreciation</b>							
At 1 April 2019	–	19,019	5,911	–	62,670	3,840	91,440
Charged in year	–	1,394	636	–	3,522	261	5,813
Revaluation	–	(449)	(386)	–	–	–	(835)
Reclassification of assets	–	–	–	–	–	–	–
Disposals	–	–	–	–	(2,419)	–	(2,419)
<b>At 31 March 2020</b>	<b>–</b>	<b>19,964</b>	<b>6,161</b>	<b>–</b>	<b>63,773</b>	<b>4,101</b>	<b>93,999</b>
<b>Carrying amount at 31 March 2020</b>	<b>12,255</b>	<b>34,198</b>	<b>7,287</b>	<b>767</b>	<b>19,313</b>	<b>1,764</b>	<b>75,584</b>

See Note 1.8 for details of the property, plant and equipment accounting policy.

See Note 1.9 for details of the impairment accounting policy.

See Note 8.3 for details of investment properties.

At the end of the year, the net amount relating to finance leases within the leasehold carrying amount above was £0.0m, based upon external valuations (2019/20: £0.0m). However, there remains a finance lease obligation at 31 March 2021 of £4.0m (see note 15.1).

\*Assets under Construction (AUC) has been restated in the prior-year to separate it correctly between Tangible and Intangible assets.

### Valuation of land and property

HM Land Registry transferred its freehold and long leasehold properties to Government Property Agency on 31 March 2021. The transfer value was determined by the Government Property Agency who commissioned Montagu Evans (RICS registered valuer) to carry out a desktop valuation as at 31 March 2021. The transfer value provided by Government Property Agency was used as the final transfer value and GPA will show the receipt of this Land and Property transfer at that same value. See note 19 for further details of the transfer.



### 8.3 Investment properties

	2020/21 £'000	2019/20 £'000
At 1 April	3,130	2,950
Transfer to land and buildings	(3,130)	–
Revaluation during the year	–	180
Reclassification of assets	–	–
Disposals	–	–
<b>At 31 March</b>	<b>–</b>	<b>3,130</b>

Investment properties comprised of a number of properties that are leased to third parties either in part or whole. These investment properties transferred to the Government Property Agency on 31 March 2021. Further information about HM Land Registry's remaining leases is included in note 15.2.

The fair values of investment properties were determined by an external independent property valuer, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued.

Pre-transfer each investment property is measured based upon active market prices adjusted where necessary for any difference in nature, location or condition of each specific property. The active market price is the market rent taking into account any expected or anticipated periods of non-occupancy by a future tenant.

## 9 Intangible assets

### 9.1 Cost or valuation

	E-security £'000	Portal £'000	Business Gateway £'000	Restated: Assets under construction: other* £'000	Assets under construction: Local Land Charges £'000	Local Land Charges £'000	Software and Software licences £'000	Total £'000
At 1 April 2020	9,691	15,967	1,766	9,719	989	19,172	40,097	<b>97,401</b>
Additions	–	–	–	18,361	4,185	–	770	<b>23,316</b>
Assets brought into use	–	–	–	(9,450)	(2,599)	2,599	9,450	–
Reclassification	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
Impairment	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–
<b>At 31 March 2021</b>	<b>9,691</b>	<b>15,967</b>	<b>1,766</b>	<b>18,630</b>	<b>2,575</b>	<b>21,771</b>	<b>50,317</b>	<b>120,717</b>
<b>Amortisation</b>								
At 1 April 2020	9,691	15,967	1,766	–	–	5,137	37,970	<b>70,531</b>
Charged in year	–	–	–	–	–	3,651	981	<b>4,632</b>
Reclassification of assets	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	–	–
<b>At 31 March 2021</b>	<b>9,691</b>	<b>15,967</b>	<b>1,766</b>	<b>–</b>	<b>–</b>	<b>8,788</b>	<b>38,951</b>	<b>75,163</b>
<b>Carrying amount at 31 March 2021</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18,630</b>	<b>2,575</b>	<b>12,983</b>	<b>11,366</b>	<b>45,554</b>

## 9.2 Cost or valuation

	E-security	Portal	Business Gateway	Restated: Assets under construction: other*	Assets under construction: Local Land Charges	Local Land Charges	Software and Software licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	9,691	15,967	1,766	5,889	–	19,113	44,209	<b>96,635</b>
Additions and transfers	–	–	–	5,714	2,450	–	919	<b>9,083</b>
Assets brought into use	–	–	–	(1,884)	(1,461)	1,461	–	<b>(1,884)</b>
Reclassification	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	(1,402)	(5,031)	<b>(6,433)</b>
<b>At 31 March 2020</b>	<b>9,691</b>	<b>15,967</b>	<b>1,766</b>	<b>9,719</b>	<b>989</b>	<b>19,172</b>	<b>40,097</b>	<b>97,401</b>
Amortisation								
At 1 April 2019	9,691	15,967	1,766	–	–	2,091	41,893	<b>71,408</b>
Charged in year	–	–	–	–	–	3,046	1,022	<b>4,068</b>
Reclassification of assets	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	–	(4,945)	<b>(4,945)</b>
<b>At 31 March 2020</b>	<b>9,691</b>	<b>15,967</b>	<b>1,766</b>	<b>–</b>	<b>–</b>	<b>5,137</b>	<b>37,970</b>	<b>70,531</b>
<b>Carrying amount at 31 March 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,719</b>	<b>989</b>	<b>14,035</b>	<b>2,127</b>	<b>26,870</b>

See note 1.10 for details of the intangible assets accounting policy.

The e-security, portal and Business Gateway assets had all been fully amortised by the start of the financial year, but are included in the accounts as they are still in use. Assets under development relate to the capitalisation of Local Land Charges costs during the year, case management improvements, mainframe to cloud-based migration and digital mortgage. More details about digital mortgage can be found on GOV.UK (search 'HM Land Registry Digital Mortgage Service Contingent Liability').

\*Assets under Construction (AUC): Other has been restated in the prior-year to separate Asset Under Construction correctly between Tangible and Intangible assets.

## 10 Cash at bank and in hand

	2020/21	2019/20
	£'000	£'000
Balance at 1 April	–	313,389
Net change in cash balances	23,474	(313,389)
<b>Balance at 31 March</b>	<b>23,474</b>	<b>–</b>

### The balance at 31 March was held at

Government Banking Service	23,498	–
Commercial banks and cash-in-hand	(24)	–
<b>Balance at 31 March</b>	<b>23,474</b>	<b>–</b>

HM Land Registry's financial assets are bank balances and cash, and trade and other receivables which represent the maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to trade and other receivables and is spread over a large number of customers. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by management based on past experience and an assessment of the current economic climate.

HM Land Registry's bank balances were primarily held with the Government Banking Service, with limited funds retained within commercial banking facilities.

The 'Commercial banks and cash-in-hand' balance includes 'Cash in transit', with the associated bank accounts being in credit at year-end.

## 11 Trade and other receivables

### 11.1 Current

	2020/21	2019/20
	£'000	£'000
Trade receivables	–	–
Other receivables	1,845	1,880
Prepayments and accrued income	3,594	4,792
	<b>5,439</b>	<b>6,672</b>

The average credit period taken on provision of services is 4.2 days. No interest is charged on the receivables.

Rents receivable are received and accounted for in advance of the occupancy period and the likelihood of non-collection of rents and credit risk exposure have both been determined as insignificant in terms of overall risk, with these assessments unchanged in light of the impact of coronavirus (COVID-19).



## 11.2 Non-current

	2020/21	2019/20
	£'000	£'000
Other receivables	128	180
Prepayments and accrued income	344	745
	<b>472</b>	<b>925</b>

The carrying amounts of trade and other receivables are deemed to be an approximation of their fair values.

## 12 Trade and other payables

### 12.1 Current

	2020/21	2019/20
	£'000	£'000
Trade payables	969	584
Taxation and social security	5,165	4,087
Other payables	4,859	4,109
Accruals	26,348	34,574
	<b>37,341</b>	<b>43,354</b>
Net obligations under finance leases – buildings	310	273
Income payable to the Consolidated Fund	377	–
Amounts issued from the Consolidated Fund for Supply but not spent at 31 March	23,097	–
	<b>61,125</b>	<b>43,627</b>

The average credit period taken for trade purchases is 2.4 days. The carrying amounts of trade payables are deemed to be an approximation of their fair values.

### 12.2 Non-current

	2020/21	2019/20
	£'000	£'000
Net obligations under finance leases – buildings	3,699	4,009
	<b>3,699</b>	<b>4,009</b>

## 13 Provisions for liabilities and charges

### 13.1 Early release schemes and other

	2020/21		2019/20	
	Early retirement & other £'000	Total £'000	Early retirement & other £'000	Total £'000
At 1 April	522	522	5,872	5,872
Provided in the year	–	–	–	–
Revaluation of provision	(4)	(4)	(12)	(12)
Provision utilised in the year	(458)	(458)	(2,071)	(2,071)
Provision written back unused	–	–	(3,267)	(3,267)
<b>At 31 March</b>	<b>60</b>	<b>60</b>	<b>522</b>	<b>522</b>
Included in current liabilities	60	60	517	517
Included in non-current liabilities	–	–	5	5
		<b>60</b>		<b>522</b>

The early retirement provision (ERP) gives retirement benefits to certain employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme (PCSPS). HM Land Registry bears the cost of these benefits until the normal retirement age of the employees retired under the scheme. Total payments in the year

amounted to £0.5m in 2020/21, of which £0.5m had been provided for within the ERP provision in the 2019/20 accounts. The total pension liability up to normal retiring age in respect of each employee is charged to the Statement of Comprehensive Income in the year in which the employee takes early retirement and a provision for future pension payments is created. Pension and related benefit payments to the retired employee until normal retiring age are then charged annually against the provision.

Other provisions relate to property dilapidation costs.

### 13.2 Indemnity Fund

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR).

	Outstanding Provision	IBNR Provision	2020/21 Total	Outstanding Provision	IBNR Provision	2019/20 Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	6,500	66,700	<b>73,200</b>	11,200	84,200	<b>95,400</b>
Provided in the year	5,629	–	<b>5,629</b>	5,350	–	<b>5,350</b>
Provisions utilised in the year	(5,629)	–	<b>(5,629)</b>	(5,350)	–	<b>(5,350)</b>
Claims revaluation	1,200	–	<b>1,200</b>	(4,700)	–	<b>(4,700)</b>
IBNR revaluation	–	(3,800)	<b>(3,800)</b>	–	(17,500)	<b>(17,500)</b>
<b>At 31 March</b>	<b>7,700</b>	<b>62,900</b>	<b>70,600</b>	<b>6,500</b>	<b>66,700</b>	<b>73,200</b>

Following the actuarial review by the Government Actuary's Department (GAD), the fund in respect of reported but not settled claims (Outstanding Provision) has increased in 2020/21 by £1.2m (2019/20: £4.7m decrease). The provision for claims incurred but not reported (IBNR Provision) has decreased in 2020/21 by £3.8m (2019/20: £17.5m decrease).

The reason for the £1.2m increase in outstanding claims is due to an increase in the value of claims received.

The £3.8m IBNR Provision movement was as a result of lower projected claim numbers.

The Outstanding Provision for claims received but not yet settled is an estimate and as it involves projecting future payments, the final amounts paid on these claims is uncertain. The main uncertainties are:

- the proportion of outstanding claims that will ultimately be paid;
- the value of the payments made; and
- the effect of any legal judgements.

The presence of large outstanding claims can add significantly to this uncertainty.

The IBNR Provision is greater and inherently more uncertain than the Outstanding Provision. Unlike the Outstanding Provision, which is based on existing claims information, the IBNR Provision covers potential claims that may be made as a result of errors that have already been introduced into the register as a result of day-to-day update activity (either through fraud and forgery or

administrative error). The main uncertainties within the IBNR Provision are:

- the number of unreported errors currently within the register is unknown;
- at what point in the future these errors will be discovered and claims made; and
- how much the cost of the corresponding claims will be.

Claims can take many years to be reported and subsequently settled.

In estimating the IBNR Provision, the actuary projects the number and timing of future claim reports and average claim sizes, using assumptions about claims settlement patterns, the expected effects of any known legal judgements and claims inflation. The resulting projected future claims cash flows are then discounted to a net present value at the accounting date using HM Treasury-prescribed discount rates.

The assumptions used in the projections are based on analysis of historical claims data, allowance for recent trends and consideration of the potential effects of underlying factors such as the volume of HM Land Registry activity and numbers of registered titles. We provide input to the actuaries on these assumptions, based on the knowledge of the legal team that handles the claims.

#### **Uncertainty in the provisions – sensitivity analysis**

The values of the Indemnity Fund Provisions are subject to future uncertain final settlement value, both for known claims and claims incurred but not reported (IBNR). The uncertainty in value of outstanding claims could lead to a variation in the proposed provision. A range of scenarios have been considered in respect of the assumptions on:

- the proportion of claims that settle for zero;
- the average claim size;
- the HM Treasury prescribed discount rate;
- the number of claims that will be received; and
- the rate of inflation.

These scenarios have been considered in isolation and combination as shown in the sensitivity analysis table below.

On the basis of this analysis work it is reasonably foreseeable that the value of liabilities could be in the region of £7.7m (Outstanding Provision) or £62.9m (IBNR Provision).

It is possible that in extreme favourable scenarios the value of liabilities could be as little as £7.4m (Outstanding Provision) and £41.4m (IBNR Provision).

We have also considered extreme adverse scenarios, where the value of liabilities is as much as £8.0m (Outstanding Provision) and £85.1m (IBNR Provision). The long-term open-ended nature of statutory indemnity means that these figures do not represent the maximum possible liability. However, we believe the likelihood of such scenarios to be small.

The degree of uncertainty at future accounting dates may be different from that illustrated here. This could be for

a number of reasons, for example because the profile of claims has changed or because the outlook on future claim trends has changed.

At future accounting dates, it should be expected that:

- the outstanding provision will fluctuate depending on the volume of claims reported at the time, especially large claims;
- all else being equal, the IBNR Provision will increase over time because of inflationary forces; and
- both the Outstanding Provision and the IBNR Provision will be particularly sensitive to the number and value of fraud and forgery claims as these are the most financially significant category of claims.

The Indemnity Fund Provision of £70.6m is a best estimate. Additionally, the future values of Indemnity Fund Provisions are subject to inherent uncertainties.



## Sensitivity analysis

	2020/21 Outstanding Provision Maximum £m	2020/21 Outstanding Provision Minimum £m	2020/21 Percentage movement %
Provided in these accounts (reasonably foreseeable value – see note 13.2)	7.7	7.7	0%
<b>Impact of scenarios</b>			
<b>Discount rate</b>			
1. Increase Treasury prescribed discount rate by 0.5% pa	(0.1)		-1%
2. Decrease Treasury prescribed discount rate by 0.5% pa		0.1	1%
<b>Settlement costs</b>			
3. Increase settlement costs for the first development year by 5% for error claims	0.2		3%
4. Decrease settlement costs for the first development year by 5% for error claims		(0.2)	-3%
5. Increase settlement costs for the first development year by 5% for fraud claims	0.2		3%
6. Decrease settlement costs for the first development year by 5% for fraud claims		(0.2)	-3%
<b>Extreme favourable scenarios</b>			
(2) + (4) + (6)		7.4	
<b>Extreme adverse scenarios</b>			
(1) + (3) + (5)	8.0		

	2020/21 IBNR Provision maximum £m	2020/21 IBNR Provision minimum £m	2020/21 Percentage movement increase %	2020/21 Percentage movement decrease %
Provided in these accounts (reasonably foreseeable value – see note 13.2)	62.9	62.9	0	0
<b>Impact of scenarios</b>				
<b>Favourable but foreseeable scenarios</b>				
<b>Nil claims proportion</b>				
1. Change the nil claims proportion for attritional claims by +/- 5%	2.5	(2.5)	4%	-4%
2. Change the nil claims proportion for large claims by +/- 5%	1.9	(1.9)	3%	-3%
<b>Average cost per claim</b>				
3. Change average cost per claim for attritional error claims by +/- 10%	1.9	(1.9)	3%	-3%
4. Change average cost per claim for large error claims by +/- 10%	1.9	(1.9)	3%	-3%
5. Change average cost per claim for attritional fraud claims by +/- 10%	1.9	(1.9)	3%	-3%
6. Change average cost per claim for large fraud claims by +/- 10%	1.3	(1.3)	2%	-2%
<b>Discount rate</b>				
7. Increase Treasury prescribed discount rate by 0.5% pa		(2.5)		-4%
8. Decrease Treasury prescribed discount rate by 0.5% pa	2.5		4%	
<b>Projected number of IBNR claims</b>				
9. Increase projected number of attritional IBNR claims by 10% for incident years since 2016/17	1.3		2%	
10. Decrease projected number of attritional IBNR claims by 10% for incident years since 2016/17		(1.3)		-2%
11. Increase projected number of large IBNR claims by 10% for incident years since 2016/17	1.3		2%	
12. Decrease projected number of large IBNR claims by 10% for incident years since 2016/17		(1.3)		-2%
<b>Future claims inflation</b>				
13. Increase assumed future claims inflation by 1%	5.7		9%	
14. Decrease assumed future claims inflation by 1%		(5.0)		-8%
<b>Extreme favourable scenarios</b>				
(1)+(2)+(3)+(4)+(5)+(6)+(7)+(10)+(12)+(14)		41.4		
<b>Extreme adverse scenarios</b>				
(1)+(2)+(3)+(4)+(5)+(6)+(8)+(9)+(11)+(13)	85.1			

## 14 Contingent liabilities

### 14.1 Indemnity

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry, for example there may have been an historic error that we could not have been expected to spot or avoid. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR) (see Note 13.2) based upon the assumed likelihood that claims will be successful.

As at 31 March 2021, the value of pending indemnity claims made to HM Land Registry is shown below. The estimated settlement value of these claims included within the Indemnity Fund Provision is £7.7m (see note 13.2).

	2020/21	2019/20
Errors or omissions	£'000	£'000
Mistakes	9,900	7,064
Fraud and forgery	16,627	15,107
	<b>26,527</b>	<b>22,171</b>

### 14.2 Employment tribunals

At 31 March 2021, HM Land Registry has three employment tribunal cases, which are considered contingent liabilities. At this time, it is not possible to estimate the likely outcomes and timings.

## 15. Obligations under leases

### 15.1 Finance leases

Minimum lease payments	2020/21	2019/20
	£'000	£'000
<b>Amounts payable under finance leases</b>		
Within one year	846	846
In the second to fifth years inclusive	3,384	3,384
After five years	2,538	3,384
<b>Total minimum lease payments</b>	<b>6,768</b>	<b>7,614</b>
Less future finance charges	(2,759)	(3,332)
<b>Total minimum lease payments</b>	<b>4,009</b>	<b>4,282</b>

	2020/21	2019/20
Present value of minimum lease payments	£'000	£'000
<b>Amounts payable under finance leases</b>		
Within one year	310	273
In the second to fifth years inclusive	1,714	1,512
After five years	1,985	2,497
<b>Present value of minimum lease payments</b>	<b>4,009</b>	<b>4,282</b>
Amount due for settlement within 12 months (shown in current liabilities)	310	273
Amount due for settlement after 12 months (shown in non-current liabilities)	3,699	4,009
<b>Total</b>	<b>4,009</b>	<b>4,282</b>

## 15.2 Operating leases

### Leases as lessee

	2020/21	2019/20
	£'000	£'000
Minimum lease payments under operating leases recognised in the year	1,627	1,627
	<b>1,627</b>	<b>1,627</b>

At the Statement of Financial Position date, HM Land Registry had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	2020/21	2019/20
	£'000	£'000
Within one year	–	4
In the second to fifth years inclusive	1,122	1,116
After five years	358	408
<b>Total lease payments payable in year</b>	<b>1,480</b>	<b>1,528</b>
<b>Lease payments payable over total lease terms</b>	<b>4,866</b>	<b>8,958</b>

Operating lease payments represent rentals payable by HM Land Registry for land and buildings, including the Nottingham and Peterborough local offices.

### Leases as lessor

HM Land Registry leases investment properties (see note 8.3).

At 31 March the future minimum lease payments under non-cancellable leases are receivable as follows.

	2020/21	2019/20
	£'000	£'000
Within one year	–	–
In the second to fifth years inclusive	–	–
After five years	–	428
	<b>–</b>	<b>428</b>

During the year, rental income from investment properties of £0.2m was receivable. Whereas previously the properties were let under Memorandum of Terms of Occupation (MOTO) to other public sector organisations, these are now let on commercial terms.

## 16 Capital commitments

	2020/21	2019/20
	£'000	£'000
Capital expenditure	55	750
<b>Contracted for but not provided in these accounts</b>	<b>55</b>	<b>750</b>



## 17 Related party disclosures

In accordance with IAS 24 Related Party Disclosures, as interpreted by the FReM, the following information is provided on related party transactions.

On 1 April 2020, HM Land Registry became a non-ministerial department. During 2020/21, HM Land Registry had a number of material transactions with other government departments and other central government bodies. Most of these transactions have been with Ordnance Survey and HM Courts and Tribunals Service.

None of the Board members, or members of the key management staff or other related parties, have undertaken any material transactions with HM Land Registry during the year.

The Remuneration report provides information on key management compensation.

## 18 Prior year restatements 2019/20

In accordance with a direction from HM Treasury, HM Land Registry is now producing an annual Trust Statement, which reports the revenue and other income collected by the department and payable into the Consolidated Fund. This new statement results in the following restatements of amounts previously reported in the HM Land Registry Annual Report and Accounts.

	2019/20 Department restated £'000	2019/20 Trust Statement restated £'000	Reconciling Items £'000	2019/20 Published accounts £'000
<b>Statement of Comprehensive Net Expenditure</b>				
Income from contracts with customers <sup>1</sup>	–	301,688	4,175	305,863
Miscellaneous income	2,675	41	–	2,716
Cost of service	(258,038)	–	–	(258,038)
<b>Gross surplus</b>	<b>(255,363)</b>	<b>301,729</b>	<b>4,175</b>	<b>50,541</b>
Administrative expenses	(26,438)	(7)	–	(26,445)
<b>Operating surplus</b>	<b>(281,801)</b>	<b>301,722</b>	<b>4,175</b>	<b>24,096</b>
(Loss)/ gain on disposal of non-current assets	(1,583)	–	–	(1,583)
Investment income – interest receivable	3,268	–	–	3,268
Finance costs	(605)	–	–	(605)
Restructure and reorganisation costs	3,129	–	–	3,129
<b>Surplus for the financial year</b>	<b>(277,592)</b>	<b>301,722</b>	<b>4,175</b>	<b>28,305</b>
Dividend payable <sup>2</sup>	–	(22,014)	(2,675)	(24,689)
<b>Retained surplus prior to special dividend</b>	<b>(277,592)</b>	<b>279,708</b>	<b>1,500</b>	<b>3,616</b>
Special dividend payable	–	(483,514)	–	(483,514)
<b>Retained (loss)/ surplus transferred to retained reserves</b>	<b>(277,592)</b>	<b>(203,806)</b>	<b>1,500</b>	<b>(479,898)</b>
Gain on revaluation of property, plant and equipment	4,754	–	–	4,754
<b>Comprehensive (loss)/ surplus for the financial year</b>	<b>(272,838)</b>	<b>(203,806)</b>	<b>1,500</b>	<b>(475,144)</b>
<b>Statement of Financial Position</b>				
<b>Non-current assets</b>				
Property, plant and equipment <sup>3</sup>	75,584	–	(767)	74,817
Investment properties	3,130	–	–	3,130
Intangible assets <sup>3</sup>	26,870	–	767	27,637
Trade and other receivables	925	–	–	925
<b>Total non-current assets</b>	<b>106,509</b>	<b>–</b>	<b>–</b>	<b>106,509</b>

	2019/20 Department restated £'000	2019/20 Trust Statement restated £'000	Reconciling Items £'000	2019/20 Published accounts £'000
<b>Current assets</b>				
Contract assets <sup>1</sup>	–	–	9,845	9,845
Trade and other receivables	6,672	2,874	–	9,546
Cash and cash equivalents	–	20,094	–	20,094
<b>Total current assets</b>	<b>6,672</b>	<b>22,968</b>	<b>9,845</b>	<b>39,485</b>
<b>Total assets</b>	<b>113,181</b>	<b>22,968</b>	<b>9,845</b>	<b>145,994</b>
<b>Current liabilities</b>				
Trade and other payables	43,354	46,889	–	90,243
Obligations under finance leases	273	–	–	273
Short-term provisions	517	–	–	517
Indemnity Fund	73,200	–	–	73,200
<b>Total current liabilities</b>	<b>117,344</b>	<b>46,889</b>	<b>–</b>	<b>164,233</b>
<b>Non-current assets plus net current(liabilities)/ assets</b>	<b>(4,163)</b>	<b>(23,921)</b>	<b>9,845</b>	<b>(18,239)</b>
<b>Non-current liabilities</b>				
Obligations under finance leases	4,009	–	–	4,009
Long-term provisions	5	–	–	5
<b>Total non-current liabilities</b>	<b>4,014</b>	<b>–</b>	<b>–</b>	<b>4,014</b>
<b>Net (liabilities)/ assets</b>	<b>(8,177)</b>	<b>(23,921)</b>	<b>9,845</b>	<b>(22,253)</b>
<b>Capital and reserves</b>				
Revaluation reserve	24,981	–	–	24,981
Income and expenditure reserve <sup>1</sup>	(33,158)	(23,921)	9,845	(47,234)
	<b>(8,177)</b>	<b>(23,921)</b>	<b>9,845</b>	<b>(22,253)</b>

1. In 2019/20, HM Land Registry recognised Contract Assets of £9.8m (2018/19: £5.7m), which related to incomplete applications that had been partially processed and have incurred costs. As income is now reported in the Trust Statement and surrendered to HM Treasury, no contract assets are recognised and costs reported in the year in which they were incurred. The £9.8m of contract assets included £4.2m of costs relating to 2018/19 that are now recognised as expenditure in the restated comparatives.
2. Within the Dividend Payable line, £2.7m represents the payment made to the Consolidated Fund in relation to the sale of goods and services reported in the Departmental Accounts. This can be seen in the Statement of Changes in Taxpayers' Equity.
3. Assets under Construction (AUC): Other has been restated in the prior-year to separate 'AUC: Other' correctly between Tangible and Intangible assets.

## 19 Government Property Agency transfer of freehold and leasehold assets

On 31 March 2021, HM Land Registry entered into agreement with the Government Property Agency (GPA), an executive agency of the Cabinet Office, to transfer the following freehold properties owned by HM Land Registry, alongside the majority of HM Land Registry's long-leasehold properties, including all revaluation reserve balances associated with the assets shown below.

This transfer includes a transfer of legal ownership of land, buildings and any associated components that are a result of subsequent enhancements since recognition of the original asset.

Asset detail	Purchase date	Net Book Value as at 31 March 2021
		£'000
Trafalgar House, 1 Bedford Park, Croydon CR0 2AQ	26/04/2007	14,550
Seaton Court and Nursery, 1 William Prance Road, Plymouth, PL6 5WS	15/01/2005	4,310
Southfield House, Southfield Way, Durham DH1 5TR	01/01/1990	4,225
Rosebrae Court, Woodside Ferry Approach, Birkenhead CH41 6DU	01/03/1991	4,100
Westbridge Place, 1 Westbridge Close, Leicester LE3 5DR	01/09/1997	3,850
Weymouth Office and Nursery, Melcombe Court, Cumberland Drive Weymouth	01/06/1996	3,485
Ty Cwm Tawe, 9A Phoenix Way, Swansea Enterprise Park, Swansea SA7 9FQ	01/09/2000	3,400
Wreabrook Court, Lytham Road, Warton, Preston PR4 1TE	01/03/2000	2,965
Gladiator House, Gloucester Business Park, Hurricane Road, Gloucester GL3 4A	01/03/2003	2,910
Parkside Court, Hall Park Way, Telford, TF3 4LR	01/03/1990	2,550
Earle House, South Wing, Colonial Street, Hull HU2 8JN	01/01/1990	2,388
Earle House, Portland Street, Hull HU2 8JN	01/01/1990	2,100
Pennard House, Phoenix Way, Swansea SA7 9FQ	01/09/2000	350
Building plant and machinery	Various	1,569
<b>Total grant in kind</b>		<b>52,752</b>

The assets were transferred to the GPA on 31 March 2021 at nil consideration and in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, they were transferred at fair value resulting in a capital grant in kind expense of the same amount.

We will begin to pay rent per the terms set out in the Occupation Agreement that was signed on 23 December 2020, between us and GPA commencing 1 April 2021.

All freehold and leasehold assets were subject to a professional valuation by Montagu Evans as of 31 March 2021, the date of the transfer and the reporting date. Any movements in book value as a result of this revaluation were adjusted prior to the transfer to the GPA.

## 20 Events after the reporting period

In accordance with the requirements of IAS 10 Events After the Reporting Period, events after the Statement of Financial Position date are considered up to the date on which the financial statements are authorised for issue. This is interpreted as the date of the certificate and report of the Comptroller and Auditor General.





# HM Land Registry Trust Statement 2020/21

## Statement of Accounting Officer's responsibilities

Under the Exchequer and Audit Departments Act 1921, HM Treasury has directed the HM Land Registry to prepare, for each financial year, a Trust Statement ("the Statement") in the form and on the basis set out in the Accounts Direction. The Statement is to be prepared on an accruals basis and must give a true and fair view of the state of affairs of the fees and charges, and of the related expenditure and cash flows for the financial year.

In preparing the accounts and trust statement, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

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

## Governance Statement

As the Accounting Officer for HM Land Registry I have responsibility for maintaining corporate governance structures that support the achievement of HM Land Registry's aims, objectives and targets, while safeguarding public funds and HM Land Registry's assets.

HMLR operates and follows the principles of good governance in accordance with HM Treasury guidance. The Governance Statement, which covers all aspects of HMLR, including those reported here in this Trust Statement, is provided in the Accountability Report (pages 63 to 84).



**Simon Hayes**  
Chief Executive and Chief Land Registrar  
9 July 2021

# The Certificate and Report of the Comptroller and Auditor General to The House of Commons

## Opinion on financial statements

I certify that I have audited the financial statements of the HM Land Registry Trust Statement for the year ended 31 March 2021 under the Exchequer and Audit Departments Act 1921. The financial statements comprise the Statement of Revenue, Other Income and Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

In my opinion:

- the HM Land Registry Trust Statement gives a true and fair view of the state of affairs of HM Land Registry Trust Statement as at 31 March 2021 and of the net revenue for the consolidated fund for the year then ended; and
- the financial statements have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

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

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

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

## Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions

that, individually or collectively, may cast significant doubt on HM Land Registry's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

## Other Information

The other information comprises information included in the Annual Report but does not the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate. I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

In the light of the knowledge and understanding of HM Land Registry and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

## Responsibilities of the Accounting Officer for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing HM Land Registry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

My responsibility is to audit and report on the financial statements in accordance with the Exchequer and Audit Departments Act 1921.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud.

My procedures included the following:

- Inquiring of management, HM Land Registry's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to HM Land Registry's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Managing Public Money, HM Land Registry's controls relating to the Land Registration Act 2002, the Land Registration Rules 2003, the Agricultural Credits Act 1928 and the Land Charges Act 1972;
- discussing among the engagement team and involving relevant internal and or external specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and the posting of unusual;

- obtaining an understanding of HM Land Registry's framework of authority as well as other legal and regulatory frameworks that HM Land Registry operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of HM Land Registry. The key laws and regulations I considered in this context included the Exchequer and Audit Departments Act 1921, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2020 and employment, tax and pensions legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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

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

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**9 July 2021**



# Trust statement

# Financial statements

Statement of Revenue, Other Income and Expenditure  
as at 31 March 2021

	Note	2020/21 £'000	Restated 2019/20 £'000
<b>Fees and charges revenue</b>			
Registration of title	2	226,042	290,082
Land Charges and Agricultural Credits	2	6,269	7,019
Local Land Charges	2	225	126
<b>Total fees and charges revenue</b>		<b>232,536</b>	<b>297,227</b>
<b>Commercial Income</b>			
Income from commercial activities	2	3,857	4,502
<b>Total commercial income</b>		<b>3,857</b>	<b>4,502</b>
<b>Total revenue and other income</b>		<b>236,393</b>	<b>301,729</b>
<b>Expenditure</b>			
Bad debts written off	3.1	(12)	(7)
Other debts written off	3.3	(22)	–
Dividend paid in 2019/20		–	(22,014)
Special Dividend paid in 2019/20		–	(483,514)
<b>Total expenditure</b>		<b>(34)</b>	<b>(505,535)</b>
<b>Net revenue for the Consolidated Fund</b>	5	<b>236,359</b>	<b>(203,806)</b>

Special Dividend paid in 2019/20 relates to historic income paid over to HM Treasury when HM Land Registry transitioned to a department from a trading fund.

There were no recognised gains or losses accounted for outside the above Statement of Revenue, Other Income and Expenditure.

The notes at pages 124 to 126 form part of this statement.

# Statement of Financial Position as at 31 March 2021

	Note	2020/21 £'000	Restated 2019/20 £'000
<b>Receivables falling due within one year</b>			
<b>Current assets</b>			
Other receivables	3.1	1,361	2,874
Cash and cash equivalents		100,508	20,094
<b>Total current assets</b>		<b>101,869</b>	<b>22,968</b>
<b>Current liabilities</b>			
Payables	4.1	–	–
Dividend payable relating to 2019/20	4.1	–	6,322
Deferred revenue	4.1	96,998	40,567
<b>Total current liabilities</b>		<b>96,998</b>	<b>46,889</b>
<b>Net current assets</b>		<b>4,871</b>	<b>(23,921)</b>
<b>Total net assets</b>		<b>4,871</b>	<b>(23,921)</b>
Represented by:			
<b>Balance on Consolidated Fund Account</b>	5	<b>4,871</b>	<b>(23,921)</b>

The notes at pages 124 to 126 form part of this statement.

*Simon Hayes*

**Simon Hayes**  
Chief Land Registrar and Chief Executive  
9 July 2021

# Statement of cash flows for the year ended 31 March 2021

	Notes	2020/21 £'000	Restated 2019/20 £'000
<b>Net cash flow from operating activities</b>	A	287,980	(186,798)
Cash paid to the Consolidated Fund	5	(207,566)	–
<b>Increase/(decrease) in cash in this period</b>		<b>80,414</b>	<b>(186,798)</b>
<b>Notes to Cash Flow Statement</b>			
<b>A: Reconciliation of net cash flow to movement in net funds</b>			
Net revenue for the Consolidated Fund	5	236,359	(203,806)
(Increase)/ decrease in receivables	3.1	1,513	596
Increase/(decrease) in liabilities	4.1	50,108	16,412
Increase/(decrease) in provisions for liabilities		–	–
<b>Net cash flow from operating activities</b>		<b>287,980</b>	<b>(186,798)</b>
<b>B: Analysis of changes in net funds</b>			
Increase/(decrease) in cash in this period		80,414	(186,798)
Net funds at 1 April (net cash at bank)		20,094	206,892
<b>Net funds at 31 March (closing balance)</b>		<b>100,508</b>	<b>20,094</b>
<b>The following balances as at 31 March were held at:</b>			
Government Banking Service		100,508	2
Commercial banks and cash-in-hand		–	20,092
<b>Balance at 31 March</b>		<b>100,508</b>	<b>20,094</b>

The notes at pages 124 to 126 form part of this statement.



# Notes to the Trust Statement

## 1. Statement of Accounting Policies

### 1.1 Basis of accounting

The Trust Statement is prepared in accordance with:

- the 2020/21 Financial Reporting Manual (FRoM) issued by HM Treasury, in particular Chapter 8.2 which deals with Consolidated Fund revenue and Trust Statements. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector; and
- the accounts direction issued by HM Treasury under section 2 (3) of the Exchequer and Audit Departments Act 1921.

The accounting policies adopted in the Trust Statement are described below. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which HM Land Registry handles on behalf of the Consolidated Fund and where it is acting as agent rather than principal.

The financial information contained in these statements and in the notes is rounded to the nearest £'000.

### 1.2 Changes in accounting policy and disclosures

There have been no changes in accounting policies for the reporting period. New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2021 and not early adopted:

- IFRS 16 Leases came into effect on 1 January 2019 and replaced IAS 17 Leases. However, HM Treasury (HMT) recommended that government departments defer the adoption of this accounting standard until 1 April 2022 although some departments were permitted early adoption in limited circumstances. HM Land Registry has elected to adopt this standard from 1 April 2021. However, all leases are held in the Departmental Accounts and there is no impact on the Trust Statement; and
- IFRS 17 Insurance Contracts will become effective from 1 January 2023 for public sector organisations. This reporting standard is anticipated to have no accounting impact upon HM Land Registry as no such insurance contracts are held.

### 1.3 Accounting convention

The Trust Statement has been prepared under the historical cost convention. The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see note 1.6). It also requires management to exercise its judgement in the process of applying the accounting policies.

### 1.4 Revenue recognition

Fees and charges are measured at the fair value of amounts received and in accordance with IFRS 15. Fees and charges are derived from the Land Registration Fee Order 2013 (<https://www.legislation.gov.uk/uksi/2013/3174/made>). They are included within the financial statements of the financial year in which the service is delivered. Income is recognised net of any refunds for transactions that are not completed, or on transactions where erroneous information is provided by customers.

Registration of title and Land Charges and Agricultural Credits income is recognised upon receipt of a completed application. If an application is not complete, the amount received is treated as a fee in advance, regardless of application type. All application types are accounted for consistently. The associated payment amounts received for services not delivered in the financial year reported are subsequently recorded as contract liabilities and disclosed within current liabilities.

Income is recognised once the contract performance obligation under IFRS 15 has been fulfilled, that is once the register has been fully updated following receipt of an application.

### 1.5 Receivables

Receivables are shown net of impairments in accordance with the requirements of IFRS 9. Receivables are derecognised when the rights to receive cash flows from the assets have expired.

### 1.6 Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

When preparing the Trust Statement, HM Land Registry makes estimates and assumptions concerning the future. The most significant judgement area in the preparation of this Trust Statement relates to revenue recognition and the calculation of the deferred revenue balance, which requires a judgement on the percentage of work complete for outstanding applications. Further details on revenue recognition is contained in Note 1.4.

### 1.7 Impairment of debt and credit losses

Receivables are shown net of impairments in accordance with the requirements of the FRoM and IFRS 9. The fair value of receivables is determined by making an impairment to reduce the carrying value of receivables to the estimated future flow of repayments.

HM Land Registry is not exposed to credit risk under IFRS 7 Financial Instruments.

### 1.8 Miscellaneous Consolidated Fund extra receipts (CFER) Income

In accordance with Managing Public Money, HM Treasury has powers to direct that income included in a departmental Estimate and approved by Parliament may be retained and used by the department. This is undertaken by applying this income against specific costs (resource or capital) within that Estimate. Where HM Land Registry receives income outside that authority, the cash must be surrendered to the Consolidated Fund.

## 2. Revenue and other income

	2020/21 £'000	2019/20 £'000
<b>Fees and charges</b>		
Registration of title	226,042	290,082
Land Charges and Agricultural Credits	6,269	7,019
Local Land Charges	225	126
<b>Total fees and charges</b>	<b>232,536</b>	<b>297,227</b>
<b>Commercial income</b>		
Income from commercial activities	3,857	4,502
<b>Total commercial income</b>	<b>3,857</b>	<b>4,502</b>
<b>Total revenue and other income</b>	<b>236,393</b>	<b>301,729</b>

## 3. Receivables

### 3.1 Current receivables

	2020/21 £'000	2019/20 £'000
Receivables	1,373	2,881
Bad debts written off	(12)	(7)
<b>Receivable before impairment</b>	<b>1,361</b>	<b>2,874</b>
less estimated impairments	-	-
<b>Total receivables as at 31 March</b>	<b>1,361</b>	<b>2,874</b>

Receivables represents the amount due from taxpayers and businesses where invoices or other demands for payment have been issued but not paid for at 31 March 2021. Debts are written off only when the debtor is dissolved, bankrupt or in liquidation and the debt is deemed unrecoverable through any further means.

Individual application receipts are only processed once the relevant fee has been accounted for. The total collectable is spread over a high volume of different customers with associated low-value fees. Accordingly, the likelihood of non-collection of fees and credit risk exposure have both been determined as insignificant in terms of overall risk, with these assessments unchanged in light of the impact of the coronavirus (COVID-19).

### 3.2 Non current receivables

There are no amounts falling due after more than one year.

### 3.3 Credit losses

	2020/21 £'000	2019/20 £'000
<b>Note</b>		
Other debts written off	(22)	-
Change in value of impairments	-	-
<b>Total</b>	<b>(22)</b>	<b>-</b>

## 4. Payables and deferred revenue

### 4.1 Current payables

	2020/21	2019/20
	£'000	£'000
Payables	–	–
Dividend payable relating to 2019/20	–	6,322
Deferred revenue	96,998	40,567
<b>Total payables and deferred revenue at 31 March</b>	<b>96,998</b>	<b>46,889</b>

Payables are the amounts established as due at the balance sheet date, but where payment is made subsequently.

Deferred revenue includes income for fees paid in the current year that relate to future financial periods.

### 4.2 Non-current payables

There are no amounts falling due after more than one year.

## 5. Balance on the Consolidated Fund Account

	Note	2020/21	2019/20
		£'000	£'000
Balance on Consolidated Fund as at 1 April		(23,921)	179,885
Net revenue for the Consolidated Fund	SOCNE	236,359	(203,806)
Less amount paid to the Consolidated Fund		(207,566)	–
<b>Balance on Consolidated Fund Account as at 31 March</b>		<b>4,871</b>	<b>(23,921)</b>

## 6. Related party disclosures

In accordance with IAS 24 Related Party Disclosures, as interpreted by the FReM, the following information is provided on related party transactions.

On 1 April 2020, HM Land Registry became a non-ministerial department.

None of the Board members, or members of the key management staff or other related parties, have undertaken any material transactions with HM Land Registry during the year.

The Remuneration report provides information on key management compensation.

## 7. Events after the reporting period

In accordance with the requirements of IAS 10 Events After the Reporting Period, post year end events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. The accounts do not reflect events after this date.

There are no subsequent events to report.



# Appendix A

## Volumes and workloads 2020/21 and 2019/20

### Application intake by type and method of receipt

	2020/21			2019/20		
	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services
Bulk register updates (BRUs)	281,575	–	–	971,542	–	–
Total applications excluding BRUs	31,766,162	30,731,661	96.74	34,676,913	32,879,308	94.82
<b>Total applications/products</b>	<b>32,047,737</b>	<b>30,731,661</b>	<b>95.89</b>	<b>35,648,455</b>	<b>32,879,308</b>	<b>92.23</b>
Substantive applications excluding BRUs	4,026,204	3,714,169	92.25	4,904,994	4,423,494	90.18
Preliminary services products	19,325,983	19,238,451	99.55	20,703,603	20,597,854	99.49
Enquiry services applications	8,413,975	7,779,041	92.45	9,068,316	7,857,960	86.66
<b>Total</b>	<b>31,766,162</b>	<b>30,731,661</b>	<b>96.74</b>	<b>34,676,913</b>	<b>32,879,308</b>	<b>94.82</b>

#### Substantive applications excluding BRUs

First registrations	63,843	0	0	91,093	–	–
Dispositional first leases	140,863	134,854	95.73	195,432	185,723	95.03
Transfers of part of registered land	166,722	156,938	94.13	214,465	200,359	93.42
Dealings of whole with registered land	3,654,776	3,422,377	93.64	4,404,004	4,037,412	91.68
<b>Total</b>	<b>4,026,204</b>	<b>3,714,169</b>	<b>92.25</b>	<b>4,904,994</b>	<b>4,423,494</b>	<b>90.18</b>

#### Preliminary services products

Official copies <sup>1</sup>	16,296,002	16,226,566	99.57	17,351,299	17,273,140	99.55
Official searches	2,346,285	2,344,743	99.93	2,588,407	2,585,783	99.90
Official searches of the index map <sup>1</sup>	683,696	667,142	97.58	763,897	738,931	96.73
<b>Total</b>	<b>19,325,983</b>	<b>19,238,451</b>	<b>99.55</b>	<b>20,703,603</b>	<b>20,597,854</b>	<b>99.49</b>

#### Enquiry services applications

Register views	5,417,240	5,417,240	100	5,591,981	5,591,981	100.00
Title plan views	1,117,284	1,117,284	100	949,475	949,475	100.00
Document views	41,008	41,008	100	50,575	50,575	100.00
Correspondence	214,430	150,944	70.39	305,755	84,446	27.62
Telephone enquiries	571,448	–	–	989,047	–	–
MapSearch downloads	1,052,565	1,052,565	100	1,181,483	1,181,483	100.00
<b>Total</b>	<b>8,413,975</b>	<b>7,779,041</b>	<b>92.45</b>	<b>9,068,316</b>	<b>7,857,960</b>	<b>86.65</b>

For accompanying text see overleaf.

The table above sets out the transactional activities for the year, along with comparatives for the previous year. In this financial year we serviced more than 35.6 million applications, fulfilling the requirements of the 2002 Land Registration Act. These form the core of our activities and the revenues associated with them. The table also details our progress towards electronic delivery, in relation to the various types of application we receive. Excluding bulk register updates, the proportion of applications received electronically increased slightly from 93.77% to 94.82%.

Bulk register updates are groups of applications lodged at HM Land Registry affecting a large volume of registered titles, such as a bank changing the address for service on all of its registered charges. The levels of receipt of such applications are volatile in their nature and are therefore separated from other application types in order to avoid distortion of the data.

Note: An official copy application may result in more than one register and/or title plan being supplied.

A search of the index map application may give rise to more than one title number being revealed. For this reason the number of registers/title plans or the number of title numbers revealed are used as a metric rather than the number of applications themselves. These are termed products.

# Appendix B

## Land Charges and Agricultural Credits volumes and workloads 2020/21 and 2019/20

### The Land Charges Department

The Land Charges Department operates under the authority of the Land Charges Act 1972.

The department maintains registers of Land Charges, pending actions, writs and orders affecting land and other encumbrances registered against the names of owners of property, which are not registered under the Land Registration Acts. The department also maintains the Index of Proprietors' Names (IOPN). This index can be searched against only on production of the appropriate authority and is used to establish whether any property assets are held against individuals or companies.

Some elements of customer accounts are also managed in the Land Charges Department.

Type of application	Number of applications or names in 2020/21	Number of applications or names in 2019/20
New registrations, rectifications and renewals	13,284	23,637
Cancellations	2,571	5,443
Official searches		
– Full searches	106,853	131,601
– Searches limited to insolvency	1,452,781	1,679,703
Office copies	19,630	20,421
<b>Total</b>	<b>1,595,119</b>	<b>1,860,805</b>

### The Agricultural Credits Department

The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

Type of application	2020/21	2019/20
New registrations	210	504
Cancellations and rectifications	420	867
Searches	1,243	2,112
<b>Total</b>	<b>1,873</b>	<b>3,483</b>



# Appendix C

## Sustainability historical data

### Carbon data (tonnes)

Greenhouse gas emissions	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
<b>Non-financial indicators (tCO<sub>2</sub>e)</b>							
Total gross emissions for scopes 1 and 2	3,828	3,900	4,885	5,142	6,818	7,835	8,048
Electricity: green/renewable	646	525	1,824	1,688	1,710	1,195	2,306
Total net emissions for scopes 1 and 2 (having removed renewable elements)	3,182	3,375	3,061	3,454	5,108	6,640	6,839
Gross emissions scope 3 travel	30	645	460	528	510	557	608
Total gross reported emissions	3,859	4,545	5,345	7,361	7,328	8,392	8,656
<b>Non-financial (mWh)</b>							
Electricity: purchased (grid, combined heat and power, and non-renewable)	2,901	8,757	11,994	12,478	12,808	12,956	12,902
Electricity: renewable	1,326	1,896	–	–	–	–	–
Gas	6,909	6,657	6,528	6,659	5,774	7,325	6,989
Other energy sources	–	–	–	–	–	–	–
Total energy	11,137	17,310	18,522	19,137	18,582	20,281	19,891
<b>Financial indicators (£'000)</b>							
Expenditure on energy	1,779	2,102	1,943	1,788	1,485	1,641	1,684
Expenditure on accredited offsets (for example Government Carbon Offsetting Fund)	–	–	–	–	–	–	–
Expenditure on official business travel	24	1,222	1,305	1,193	1,231	1,222	1,142

### Waste arising (tonnes)

Waste	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
<b>Non-financial indicators</b>							
Hazardous waste	0	–	–	6	3	1.6	–
<b>Non-hazardous waste</b>							
Landfill waste	4	20	40	29	13	31.9	105
Reused/recycled waste	194	651	966	986	1,028	1,604	802
Energy from waste	101	123	163	26	5	6.6	–
Total waste arising	299	794	1,169	1,047	1,049	1,644	907
<b>Financial indicators (£'000)</b>							
Hazardous waste	–	–	–	–	–	–	–
<b>Non-hazardous waste</b>							
Landfill waste	–	–	–	–	–	–	–
Reused/recycled waste	–	–	–	–	–	–	–
Incinerated waste	–	–	–	–	–	–	–
Total waste costs	99	138	75	147	129	212	297

### Water reduction (cubic metres)

Water	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
<b>Non-financial indicators (cubic metres)</b>							
<b>Consumption</b>							
Supplied	18,492	41,829	41,548	41,130	34,967	36,395	38,153
Abstracted	–	–	–	–	–	–	–
Total consumption	18,492	41,829	41,548	41,130	34,967	36,395	38,153
<b>Financial indicators (£'000)</b>							
Total supply costs	134	201	164	139	152	173	188

# Appendix D

## Indemnity Fund

In 2020/21, we paid £5,444,362 for 540 claims, compared with £5,295,059 for 845 claims in 2019/20. The largest payment this year was for a fraud claim where we had registered a fraudulent charge, this payment being for £1,346,946. Payment values this year were similar to those last year although the payment count was considerably down, most probably due to the pandemic.

The maximum recorded value of the claims paid was £8,909,591 but these were settled for £5,444,362, saving £3,465,220. During the year a further 165 claims valued at £1,380,016 were settled for no value. Of these, four were for fraud and were valued at £375,000. This year, 694 new claims were received totalling £11,808,155, including 22 fraud claims valued at £5,055,978.

We recovered £93,243 under our statutory rights of recourse, compared with £175,588 last year. Recourse figures can vary considerably from year to year, reflecting the unpredictable interplay of legal and factual elements which will determine the viability of achieving any recovery.

Nature of claim	Number of claims	Substantive loss (£)	Costs (£)	Percentage of total
Inclusion of incorrect extent of land in a registered title	87	253,986	274,092	9.7
Errors in/omissions from register entries	56	882,124	286,882	21.47
Sundry plans errors	2	0	1,003	0.02
Fraud and forgery	17	2,662,624	791,054	63.44
Official searches (plans)	7	22,799	38,578	1.13
Bankruptcy errors	0	0	0	0
Official searches (legal)	0	0	0	0
Official copies	1	0	259	0
Errors in searches of the index map	8	85,750	4,287	1.65
Errors in filed extracts	179	135	38,809	0.72
Lost documents/administrative errors	181	24,281	43,319	1.24
Land Charges errors	2	34,380	0	0.63
Total	540	3,966,079	1,478,283	100

Gross payment	£5,444,362
Less sums recovered under HM Land Registry's statutory right of recourse.	£93,243
Net indemnity	£5,351,119







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