



Office of the  
Public Guardian



# Annual Report and Accounts

2016/17

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# Office of the Public Guardian Annual Report & Accounts

2016/17

Annual Report presented to Parliament pursuant to Section 60 of the Mental Capacity Act 2005

Accounts presented to the House of Commons pursuant to Section 7 of the  
Government Resources and Accounts Act 2000

Accounts presented to the House of Lords by Command of Her Majesty

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# Performance report

# Overview

The purpose of the overview is to give a summary about the Office of the Public Guardian (OPG), our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

The overview includes:

- the Chief Executive's statement, giving his perspective on our performance in 2016/17
- a description of OPG's purpose, what we do, our customers and stakeholders, our relationship with the Ministry of Justice (MoJ), and the key risks and issues we managed during the year
- a performance summary, outlining how we performed against our service delivery aims.

Our performance and accountability are explained in greater detail in the remaining pages of the report.

## Chief Executive's statement

As we end the financial year and look forward to the next, it is the perfect time to reflect on what the Office of the Public Guardian (OPG) has achieved in 2016/17.

Demand for our services has continued to increase, but we have still met or increased the majority of our performance targets, whilst offering a high level of service to our customers who are people who may lack mental capacity and be at risk of abuse or neglect, as well as their agents and supporters – a considerable achievement.

Our key successes include:

- delivery of the new digital reporting service for lay deputies who can now submit their property and finance annual reports to us online. All new lay deputies will use the service as the default way to report, with support if needed
- developing a pilot of the digital reporting service for public authority deputies which will improve the communications between us, and benefit the person lacking mental capacity
- starting the replacement of our supervision and investigations case management system, which will allow us to fully transition to our new IT system, improving productivity and efficiency and the degree of protection we can provide
- moving our HR and finance systems to a government-wide, single platform generating important efficiencies, savings and quality improvements
- undertaking a considerable piece of work to understand more about existing and potential lasting power of attorney (LPA) customers so that we can predict future workloads and judge where intervening in under-represented parts of society would be most useful so that we continue to offer the highest level of service.

We registered 648,318 LPAs and enduring powers of attorney (EPAs) – an increase of 18% on the previous year. The supervision caseload at the end of the year was 57,702, which was also an increase from last year of 1%. This shows a continued increase in uptake in our services and OPG has had to adapt its processes, ways of working and workforce to ensure that we still deliver the level of service that our customers would expect.

The number of investigations has risen but that is to be expected with an increasing workload in registration of powers of attorney (PoAs) and deputyship cases.

At the same time we have continued to iterate our existing digital tools and for the last financial year over 27% of all LPAs received for registration had been completed using our online digital tool.

But as always there is still more to do.

### Our plans for the future

In the year ahead, we will continue to focus on our digital transformation, the improvement of our digital tools and ensure that the customer is at the heart of all we do. We will look to use customer feedback to drive improvements in our services.

We will ensure we have the staff with the right skills to support our customers and that our processes make that as simple as possible for all involved. We'll work with our partner organisations to develop a safeguarding network that includes and involves all the relevant bodies at the right time.

We will continue to work closely with our partners and stakeholders to ensure deputies and attorneys are able to use their powers to make decisions with, or on behalf of, a vulnerable person as effectively and easily as possible.

We want to ensure that all parts of society have access to the right information, so they are fully informed and empowered to decide whether an LPA is suitable for them.

From our analysis, we see that there are parts of society who are under-represented when it comes to putting an LPA in place. Often this under-representation is in areas where there is a significant need. We will trial ways of engaging with these hard-to-reach groups and learn from what works in order to provide the right information and make LPAs accessible to people who need it most.

Once again, I would like to take this opportunity to express my thanks to all OPG staff for their hard work, the OPG board for their continued support and the help of all our partner organisations, both within and outside of government, in ensuring that together we safeguard those adults who are vulnerable through the loss of mental capacity.

A handwritten signature in black ink, appearing to read 'A. Eccles'.

**Alan Eccles CBE**

Chief Executive and Accounting Officer

5 July 2017

## About the Office of the Public Guardian

### Introduction

The Public Guardian is appointed by the Lord Chancellor under Section 57 of the Mental Capacity Act 2005 (MCA). As the Chief Executive and Accounting Officer of the Office of the Public Guardian (OPG), the Public Guardian is personally responsible to the Lord Chancellor and Secretary of State for Justice for the effective operation of the agency, including the way the agency spends public money and manages its assets.

The Public Guardian is supported by OPG in the delivery of his statutory functions under the MCA.

The Public Guardian's responsibilities extend throughout England and Wales. Separate arrangements exist for Scotland and for Northern Ireland.

### What does OPG do?

OPG was established in October 2007 and is an executive agency of the Ministry of Justice (MoJ). We support and enable people to plan ahead for both their health and finances to be looked after should they lose capacity in the future. We also safeguard the interests of people who may lack the mental capacity to make certain decisions for themselves.

We are responsible for:

- registering lasting powers of attorney (LPA) and enduring powers of attorney (EPA)
- supervising deputies appointed by the Court of Protection (CoP)
- maintaining the public registers of deputies, LPAs and EPAs and respond to requests to search the registers
- investigating complaints, or allegations of abuse, made against deputies or attorneys acting under registered powers.

### Our customers and stakeholders

We serve several types of customers and stakeholders, including:

- donors – people who have made an LPA or EPA to protect their welfare or finances should they lose capacity in the future
- attorneys – people who have been appointed by donors to manage their welfare or finances should they lose capacity in the future
- clients (known as 'P') – people who have lost capacity and whose welfare or financial affairs are subject to proceedings before the CoP
- deputies – lay or professional individuals or authorities (such as solicitors or local authorities) who have been appointed by the court to manage the welfare or finances of a client
- other stakeholders – relatives of a client or donor, local authorities, GPs or other health professionals, charities, and the legal sector.

## **Ministry of Justice**

OPG is an executive agency of MoJ.

The government ministers responsible for OPG in this reporting period are:

- The Right Honourable Elizabeth Truss MP, Lord Chancellor and Secretary of State for Justice
- Dr Phillip Lee MP, Parliamentary Under Secretary of State for Victims, Youth and Family Justice.

As an MoJ executive agency, alongside HM Courts and Tribunals Service (HMCTS), HM Prison and Probation Service (formerly National Offender Management Service (NOMS)) and the Legal Aid Agency (LAA), our aims are in line with MoJ's single departmental plan. We act to ensure the best possible service for citizens by working to make our services efficient and more open, through policies driven by evidence.

### **Key issues, risks and uncertainties**

The key risks identified and managed during the year were staff attendance, workforce growth and staff retention, benefits realisation from digital transformation and the future fees structure.

Emerging risks identified were around the reliability of demand forecasting, future income generation, regulation on data protection and gaining clarity around governance following the introduction of the functional leadership model.

Issues encountered during this period have included moving our finance and HR systems to the MoJ's single operating platform (SOP), migration of legacy data, attaining LPA delivery targets, not achieving profiled staffing levels and exceeding our cost recovery objective.

Further information may be found on pages 45-47 in the governance statement.

As at 31 March 2017 we were supervising **57,702 deputyship orders**, an **increase of 1.02%** from the end of 2015/16.



The number of applications to register LPAs and EPAs received in **2016/17** was

**648,318**



This is an increase of **19%** on the previous year.

We ended the year with



**2,478,758**

current instruments on the register.

**Against this backdrop we achieved the following performance (as detailed in the performance analysis):**



# Performance analysis

## 2016/17 business priorities and objectives

### Power of attorney forms and applications

In 2016/17, LPA applications increased by 19%, with 648,318 new powers of attorney (PoA) processed. For the first time, we have used a new demand forecast model, developed in conjunction with MoJ analysts, which has greatly assisted in predicting likely increases in workload and enabling evidence based workforce planning.

Power of attorney applications	2016/17	2015/16	Increase (decrease)
EPAs	12,778	13,792	(1,014)
LPAs	635,540	533,229	102,311
<b>Total PoA</b>	<b>648,318</b>	<b>547,021</b>	<b>101,297</b>

For the second year in a row we have met our end-to-end customer service target of 40 days or less average actual clearance time (AACT). The final whole year AACT was within target at 38 days. This achievement is particularly commendable as we started the year still facing the challenges from the previous business year, which we resolved by mid year. We deployed a detailed recovery plan and invested heavily in overtime in order to achieve set milestones and ensure our customers received their registered instruments in a timely manner.

We have undertaken continuous improvement work across our registration process and further digital development of our case management system, which will assist in managing the further increase in workload forecast in 2017/18.

At present, the majority of our fee payments for PoAs are by cheque, which requires considerable staff resource. This position has been greatly improved by the increased use of our digital LPA tool (an increase of over 27% this year) which allows customers to complete their application form and pay online for an LPA.

In 2017/18, we will be looking at other payment methods to improve our customer service and cost effectiveness in this area.

**Impact indicator: powers of attorney**

An EPA must be registered when the donor loses capacity. An LPA, although similar in principle, requires the Public Guardian to have a more active role in the notification process. There is a 20-day statutory waiting period for the registration of an LPA, once OPG sends out notification to the party or parties who did not make the application.

Purpose	Calculation method	Data source	Achieved to 31 March 2017
<p>This indicator calculates the average number of working days taken to register and dispatch all PoAs in a given reporting period.</p> <p>This is the time taken between the date of application and the date of dispatch.</p>	<p>Of all PoAs, with a date of dispatch within a reporting period, the number of working days (excluding bank holidays and weekends) between the 'date of dispatch' and the 'date of receipt' are summed and then averaged between the number of applications.</p> <p>'Date of receipt' is the day the application is received by OPG supported by a valid payment received or, alternatively, the date of decision for a successful remission or exemption application. This is the point OPG begins processing the application.</p> <p>'Date of dispatch' is the date the registered PoA is dispatched as the last part of the application process which then shows an application as registered within our internal case management systems.</p>	OPG's internal case management systems.	AACT of 38 working days against a target of 40 working days.

**The register**

This year we received 42,730 requests to search our register of PoAs and deputyships, which is a 41% increase on the previous year.

**Impact indicator: searches of the register**

Average time to clear tier 1 searches of the register is within 5 working days

Purpose	Calculation method	Data source	Achieved to 31 March 2017
<p>OPG has a statutory duty to hold a register of PoA and deputyships.</p> <p>This indicator measures OPG's service aim to provide accurate search responses within a 5 day target.</p>	Sum of working days to undertake search requests completed within the month divided by total number of requests completed within the month.	Casework support team	Average clearance time of 3.5 working days.

## Customer contact centre

Our customer contact centre received 336,902 calls in 2016/17, a 7% increase on the previous year. At the beginning of the business year, the contact centre was receiving high call volumes and plans to recruit more staff had been delayed due to accommodation constraints. With the move to a new location in December 2015, we were able to address staffing numbers in the contact centre from the summer of 2016. This improved our in month response times, which have been well within the 60 second target since October 2016.

We have also undertaken a review of the customer contact centre (referred to in last year's annual report) and have implemented some changes: 10% of our call volume has been eliminated by introducing a different route for processing application pack requests.

We have also increased our support to customers wanting assisted digital services to complete LPAs online.

Customer service indicator: customer contact centre			
Target average caller wait time for calls to OPG's customer contact centre is 60 seconds			
Purpose	Calculation method	Data source	Achieved to 31 March 2017
This indicator measures timely and accurate support and guidance for all of OPG's services, and signposting to CoP services where appropriate.	Total call wait time* divided by total calls presented.  Calls that are re-directed, as they do not relate to our services are deducted from our total calls to avoid double counting.  * wait time does not include the time the caller listens to the pre-recorded introductory message.	OPG's telephony data management system.	Average wait time at year end was 100 seconds.

## Digital

We continued on our journey to becoming a fully digital agency this year.

In 2016/17, we began a 3 year programme of work to make more of our services available digitally. We focused on recruiting multi-skilled teams into our regional offices in Nottingham and Birmingham.

Our online LPA service – introduced in May 2014 and the first government exemplar to pass the Digital by Default service standard – has continued to be developed and improved as a direct result of user feedback. We have made improvements to the design and flow of the service which has helped to reduce by more than 50% the number of incomplete digital LPAs received. Significantly fewer incomplete digital applications are received than through traditional paper channels.

We changed our online payment system from Worldpay to GOV.UK Pay. We now process all online payments through this service giving the user a seamless transaction experience. Of those who applied to register an LPA this year, over 27% used the online LPA service to complete their application. This service has maintained a steady user satisfaction score with 94% of those surveyed saying that they were satisfied or very satisfied with the service.

In May 2015 we introduced our purpose-built LPA case management system, called Sirius. Since then, we have processed over 860,000 new applications with more than 1,000 staff using the system. This year, we have continued to improve the application for operational users, ensuring it is fit for purpose and efficient, providing them with the tools to deliver a good service for our customers.

Our LPA case management processes also rely on our ability to scan application forms submitted, typed and handwritten, and use, where possible, recognition software to transfer information from the forms to Sirius. This year we have continued to improve our scanning system and have increased accuracy while reducing the number of staff required to keep up with demand.

In the last quarter of the financial year, we introduced a new phase of feature development in Sirius for deputyship case management and to integrate the system with customer-facing products. Sirius remains the first case management system in government developed using Government Digital Service principles. It is open source with open standard code, cloud hosted and maintained by MoJ digital teams based in OPG. As a result of more government departments moving towards 'build not buy' solutions, OPG continues to be a model for this type of back office delivery and facilitates the mutual reuse of code and best practice across government.

More is said on the digital achievements under 'Protecting the vulnerable', on page 15.

<b>Impact indicator: OPG digital customer satisfaction surveys</b>			
Target percentage of customers 'very' or 'fairly satisfied' with OPG digital services is 80%			
<b>Purpose</b>	<b>Calculation method</b>	<b>Data source</b>	<b>Achieved to 31 March 2017</b>
This impact indicator helps to ensure we are developing our digital services to meet our customer's needs.	Number of customers who are 'very' or 'fairly satisfied' with digital services divided by number of survey responses received answering this question.	LPA digital tool customer satisfaction survey.	Customer satisfaction survey score at year end was 94%.

## Change management

By focusing on our users, we have identified and made improvements to processes and customer experience through a continuous improvement approach. During the year, we completed an extensive review of our operations department.

The review focused on the impact of digital change and looked at 75 processes, learning and development, people and engagement, and performance and management information. The change management team supported operations to carry out recommendations from the review, in order to achieve greater efficiency against the challenge of an increasing workload.

We have strengthened the networks we have across the public and private sectors, completing a series of 'go see' visits to observe best practice in action, ensuring that all teams from OPG had the opportunity to attend. This has involved us visiting market leading organisations for change management, staff engagement, operational excellence and digital business transformation. We are using this learning to identify opportunities to improve services and management across OPG.

We have modernised our approach to project delivery, working specifically on using agile project methods to deliver non-software and digital change across our portfolio. This has helped us blend delivery styles across our projects using both agile and traditional techniques to get the best outcome. This approach has enabled project leads to deliver value more quickly, and place customer feedback at the heart of all change activity.

We have worked closely with our colleagues in the customer relationship management team to help focus change activity based on customer insights and research. We will therefore be in a position to use insight to prioritise changes to deliver increased customer value.

Throughout the year, we have developed our portfolio management framework. We now have an organisational view of change activity, ensuring valuable contribution to the wider OPG strategy and delivering further benefit for users of our services.

### **Customer relationship management**

In December 2016, we hosted the 'Planning for the future – meeting the needs of our ageing population' conference. The event captured the views of new and existing stakeholders on how OPG can improve its services and raise awareness of LPAs to a larger and more varied demographic. These views complemented engagement events carried out throughout the year and will inform future awareness raising activities in 2017/18.

Over the course of the year, we have worked closely with Baroness Finlay in her role as chair of the National Mental Capacity Forum to improve implementation of the MCA. We are pleased to have had Baroness Finlay's support with a range of engagement events, notably the Welsh safeguarding roundtable. This event led to a number of bilateral meetings to raise the profile of LPAs and OPG's safeguarding provision.

A broad range of research and data analysis has been conducted over the year to better understand the satisfaction and needs of customers. For example, we carried out research for the first time with users from safeguarding and investigations and the feedback received has informed and improved the experiences of clients, concern raisers, attorneys and deputies. Our satisfaction surveys are now completed entirely online, making it easier and quicker for customers to provide a response whilst reducing costs and overheads for OPG.

We continue to see success from engagement with the finance sector and have also begun to replicate this approach with health and social care organisations. Strategic relationships have been built to explore awareness of the MCA and LPAs among frontline staff in these sectors, with the objective of delivering a safe and quality service for all our customers when making health and welfare decisions.

We have continued to improve the quality of training and guidance provided by stakeholders, to ensure that both their frontline professionals and our customers have relevant information about the services we provide. Successes include the development of the Department for Work and Pensions' guidance in partnership with DOSH (a financial advocacy organisation supporting people with a disability) to clarify the differences between deputyship orders and appointeeships, and a training video produced by the College of Policing to educate police recruits on the Public Guardian's safeguarding role.

The customer relationship management team is putting customer insight at the heart of all that we do, ensuring that OPG becomes a more data driven department to forecast future demand, using our new demand forecast model, as well as gaining a better understanding of the needs of our stakeholders.

Customer service indicator: OPG customer satisfaction survey			
Target percentage of customers 'very' or 'fairly satisfied' with OPG services is 80%			
Purpose	Calculation method	Data source	Achieved to 31 March 2017
This indicator helps us to understand our customers' needs. It also helps us to identify trends so we can continually improve services.	Number responding 'very' or 'fairly satisfied' divided by number of survey responses.	LPA and deputyship customer satisfaction surveys.	Customer satisfaction survey score at year end was 80%.  In response to the main area of concern OPG is implementing a plan to allocate a designated case manager to each lay deputy to provide end to end support.

## Protecting the vulnerable

### Supervision of deputies

When someone loses mental capacity, and they have not appointed an attorney, the CoP will appoint a deputy to make decisions on their behalf. These deputies are supervised by OPG.

The number of deputyship orders we supervise has increased by 1% from 57,122 in March 2016 to 57,702 in March 2017. This increase is lower than we had forecast and in contrast with an increase of 8% in 2015/16.

### Our performance

We aimed to conclude our first contact process, which involves an introductory and settling-in call with new lay and professional deputies, within 35 days. This process ensures new deputies are supported at an early stage in their appointment. In March 2017, we exceeded our first contact target of 85%, achieving 88%, and we will manage that performance so that it is sustained. We are trying out a new digital way to collect data about the assets of the person the deputy is supporting, and this may offer an 'assisted digital' aspect, to help customers exploit the advantages of using online channels.

Since March 2016, the 'complete the deputy report' service has been available on GOV.UK. Lay deputies with property and finance deputyship orders have been able to use this online service to submit their annual report to OPG. Over 3,800 deputies have now registered to use this service and over 1,700 reports have been submitted online. We have made improvements to the design of the service which has been used in the development of the deputy report. We are currently trialling both systems with a small number of newly appointed deputies. We are also using design improvements to develop the health and welfare deputyship report.

In May 2016, we began researching the requirements and needs for a digital service for public authority deputies to submit their deputy reports, including document upload. These findings informed the design and development of the digital service. The first version of this is due to be completed by June 2017. A number of public authorities have expressed an interest in being early adopters of the service and we will work with them to get them online as quickly as possible.

We have continued to improve how we provide proportionate supervision and support to deputies, building on the requirement for cases with a minimal level of supervision to complete a deputy report each year.

As a result of deputies with minimal supervision reporting for the first time, we have received an additional 12,725 reports this financial year. This represents a 62% increase compared to last year.

We aim to receive all annual reports from our deputies within 40 days of the anniversary of their court order, and review the reports within 15 working days.

Despite the increase in workload, we exceeded our performance indicator for receiving and reviewing deputy reports. We averaged 38 days to receive deputy reports, and 12 days to review them. By achieving our target, customer service and in turn the protection of the person lacking capacity were both improved.

We have made progress against our target to visit 35% of all professional and public authority deputies and we are now in the final year of a 3 year cycle. We also exceeded our programme to review 852 cases by March 2017 – we reviewed 888 cases ensuring adherence to professional standards, in addition to the requirements of the MCA. In December 2016 we reviewed how we monitor professional deputies and as a result we remain confident that the mechanisms we have in place give us reasonable assurance that these deputies are protecting their vulnerable clients. This includes those professional deputies who have a single client – we tailor our scrutiny to address the different risk in those cases.

### **End-to-end case management**

During 2016/17 we continued to work towards implementing an ‘end-to-end’ approach to case management. The aim is to ensure that staff manage all issues in their allocated cases. They specialise in a particular deputy type (for example, lay, professional, health and welfare, panel) so they can understand the different challenges each group faces. They build relationships with their allocated deputies, assess risk as circumstances change, decide the necessary action to maintain protection of the person lacking mental capacity, and ‘own’ the case, supported by the range of resources available to OPG.

This is a significant challenge. While the vast majority of cases benefit from this end-to-end approach, it has been difficult to achieve 100% across the whole caseload. 100% of public authority deputies have dedicated case managers as do professional deputies; the figure for lay deputies by the end of the 2016/17 year was around 80%.

In June 2016, we restructured the teams managing lay supervision caseload in order to support the tailored approach by the case managers which provides the maximum support to customers and in turn to those they protect. We saw a steady increase in the number of lay deputy cases being handled by the end-to-end approach and ended the year at the 80% level.

Other improvements included automated tools to aid identification and prioritisation of caseloads, ensuring staff address risks to customers in the right order.

The end-to-end approach remains a commitment, as the Public Guardian is clear that it, and the culture and way of thinking that it contributes to, is vital to protecting the person lacking capacity.

All panel deputies received contact from their dedicated case manager during the year.

## Digital reporting

Throughout the year we have been encouraging lay deputies to use our digital reporting service because it offers them benefit in terms of how easily they can communicate with us, and how quickly we can respond to them, both of which will provide greater protection for the person who lacks mental capacity

By the end of the year, 25% of new deputies and 17% of existing deputies had registered for the service. With registrations averaging 103 per week by the end of March 2017, we anticipate these percentages will increase considerably in the short term as many deputies will be reporting for the first time since the digital service was made widely available. Existing deputies represent more than three quarters of all registrations.

To improve registrations from new deputies, we have tailored the 'settling-in' calls to encourage them to register early and familiarise themselves with the digital service. This approach was implemented in January 2017, and since then the average number of new deputies registering increased from 15% to 25%.

## Customer satisfaction

We have been working on the way we capture customer feedback using our deputyship surveys. We strive to improve customer service levels and make sure any change made adds value for our deputies.

We have worked with the customer relationship management team to review the questions we ask deputies and their range of responses, in order to gain a better understanding of what our deputies want.

Our aim is to achieve an overall customer satisfaction level of 80% and for the year our average results were as follows:

- lay deputies – 74%
- professional deputies – 78.5%
- public authority deputies – 87.5%

During the next business year, we aim to get a better understanding of why some deputies are dissatisfied with our service and also why a number of deputies are neither satisfied nor dissatisfied. We will use our surveys to identify and analyse feedback from a variety of sources to increase customer satisfaction.

## Bonds

When the Court of Protection (CoP) appoints a deputy to manage the financial affairs of someone who has insufficient mental capacity to do that for themselves, the deputy must put in place a security bond to cover the assets being managed. This adds to the protection of the person lacking capacity.

In October 2016, the CoP and the Public Guardian awarded the contract for the security bond scheme to a new preferred provider, Howden Group UK Limited. The competitive procurement applied lessons learned from previous rounds, and was nominated for a Civil Service award. The contract was awarded to the supplier offering the best value for money to our customers – it is estimated to give a 60% cost saving to customers. OPG has worked closely with Howden, as well as with the other providers, to maximise the service provided to customers.

During 2016/17, OPG undertook a review to ensure that the value of the bond held was in accordance with the court order. A team worked closely with the bond companies and the CoP, and with deputies where necessary. 1,447 cases were found to require attention, of which 1,227 have been addressed during the year. The data in a further 6,000 cases has been updated.

We are putting preventative measures in place to minimise errors re-occurring and will be providing additional training to staff to ensure they can identify an error and correct it promptly.

#### Impact indicator: supervising deputies

- a) Target average time to conclude first contact support within 35 days is 85%
- b) Target average time to obtain annual reports within 40 working days
- c) Target average time to review annual reports within 15 working days
- d) Target to review 35% (852) of all professional and public authority deputyships using the standards

Purpose	Calculation method	Data source	Achieved to 31 March 2017
These indicators help us to ensure that we provide proportional and appropriate support for all deputies.	<ul style="list-style-type: none"> <li>a) The average number of working days between the date the deputy is notified in writing of their supervision level and the date personal contact is concluded. We record: <ul style="list-style-type: none"> <li>• the date introductory and settling-in calls are completed</li> <li>• the date of a completed returned questionnaire</li> <li>• the date a successful visit takes place</li> <li>• the date we decide to refer a case for action that could include discharge of the deputy for non-compliance.</li> </ul> </li> <li>b) The average number of working days between the 'due date' of the report (40 working days after the anniversary of the court order) and the date which the report was received in OPG.</li> <li>c) The average number of working days between the date on which an annual report is received and the date it was reviewed.</li> <li>d) This is measured by recording a count of assurance visits or a desk based review which can be a telephone review, a full review of the financial reports or a case review.</li> </ul>	OPG's internal case management systems.	<ul style="list-style-type: none"> <li>a) 88% of deputies were contacted within 35 working days.</li> <li>b) Average time to obtain annual reports was 38 days.</li> <li>c) All annual reports were reviewed within 12 days.</li> <li>d) 888 deputyships were reviewed, which is 4% more than the 852 planned.</li> </ul>

## Investigations and safeguarding

Safeguarding referrals came from a number of sources, including:

- relatives
- local authorities
- care homes
- financial institutions
- legal professionals
- members of the public
- supervision casework teams for deputy investigations.

We continue to work very closely with our external partners – including the CoP, local authorities, Department for Work and Pensions, security bond providers and the police.

We received 5,327 safeguarding referrals during 2016/17, a decrease of 15% from the previous year. This is due in part to a change in the counting method. Only concerns that have been passed to our investigations team, or those that are signposted, are now counted. This year we investigated 1,266 cases, an increase of 45% from the previous year, of which 272 resulted in an application to the CoP. All of our investigations were concluded within 68 days on average, exceeding the target of 70 days. Where cases were not appropriate for us to investigate, we offered advice or directed referrals to the right agency, such as the local authority or police.

In the last quarter of the financial year, we started work on our safeguarding study to maximise the protection we provide to vulnerable people, especially those who lack mental capacity. The study involves looking at our internal culture and the organisation and procedures around safeguarding.

We are also reviewing how we engage effectively with our external partners, such as social services, the police, financial institutions, and health and care providers, when safeguarding concerns are raised. The aim is to create a new sustainable model for safeguarding, clearly positioning OPG in the landscape.

In May 2016, the investigations team's processes were audited by the Government Internal Audit Agency (GIIA). The outcome of the audit was extremely positive, and we were commended on our robust investigations procedures and record management. It was also noted that we upheld all necessary risk assurance and risk management protocols.

In 2016/17, we transferred deputyship investigations work from Birmingham to our Nottingham office in order to concentrate deputyship staff in one place and use that capability to improve customer service. This allowed us to improve relationships and processes with other teams such as legal, so that the case moves swiftly and efficiently for the protection of the person lacking capacity.

The report which our investigators provide to the Public Guardian has been redesigned to focus everyone's attention on the concerns raised and to ensure that the wishes and needs of the person are at the forefront of all we do. In addition, savings of investigative time and how the findings are presented to the court, where that is the result, contribute to the timely and proportionate safeguarding of the person who is at risk of being or has been abused or neglected. The OPG's quality framework keeps report quality consistently high, with best practice made known to all staff.

**Impact indicator: investigations**

- a) Target is to risk assess 95% of concerns raised within 2 working days
- b) Target is to conclude all investigations within 70 working days
- ci) Target is average time taken to implement OPG owned actions within Public Guardian (PG) recommendations, where court action has been deemed necessary within 35 working days
- cii) Target is average time taken to implement OPG owned actions within PG recommendations, where court action has not been deemed necessary within 25 working days.

Purpose	Calculation method	Data source	Achieved to 31 March 2017
<p>These indicators centre on OPG’s responsibility to safeguard vulnerable adults.</p> <ul style="list-style-type: none"> <li>a) OPG will carry out a risk assessment process to determine:                             <ul style="list-style-type: none"> <li>• whether the Public Guardian has jurisdiction to investigate concerns and, if not, signpost the concern to the relevant agency</li> <li>• whether the vulnerable person is at immediate risk in terms of their personal welfare or finance/property and what immediate action is required</li> <li>• whether the concern can be investigated over a longer period.</li> </ul> </li> <li>b) An investigation is classed as concluded if:                             <ul style="list-style-type: none"> <li>• a formal written report is signed off by the Public Guardian</li> <li>• approval of a court application is agreed (where this pre-dates a Public Guardian report)</li> <li>• a compliance manager agrees to conclude an investigation as a report to the Public Guardian is deemed unnecessary</li> <li>• the client dies (where the compliance manager judges sufficient work had been done on the case to merit classification).</li> </ul> </li> <li>c) A recommendation is classed as concluded if:                             <ul style="list-style-type: none"> <li>i) an application is made to the CoP, where this was as a result of a recommendation approved by the Public Guardian</li> <li>ii) a case is approved for closure where:                                     <ul style="list-style-type: none"> <li>• court action is not deemed necessary</li> <li>• the investigator shares the outcome of the investigation and any further requirements to the attorney/deputy. It will not include any subsequent monitoring of the case.</li> <li>• the deputy makes an application to the CoP.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>a) Two working days start from the date that the concern is received by OPG. Day 1 is the next working day after the concern is received.</li> <li>b) The 70 working day period starts the date that the concern leading to an investigation is received by OPG. Day 1 is the next day after the concern is received.</li> <li>ci) The 35 working day period starts from the date the Public Guardian approves the report. Day 1 will be the next day after the report is approved.</li> <li>cii) The 25 working day period starts from the date the Public Guardian approves the report. Day 1 will be the next day after the report is approved.</li> </ul>	<p>All complaints and concerns are risk assessed and the Public Guardian’s jurisdiction is considered.</p> <p>Referrals are recorded and include:</p> <ul style="list-style-type: none"> <li>• date of concern received by OPG</li> <li>• date of concern received by investigations team</li> <li>• risk assessment date</li> <li>• risk assessment time period (working days)</li> <li>• investigation completion date</li> <li>• outcome of application to the CoP</li> <li>• investigation (pre-report) time period</li> <li>• investigation (post report) time period</li> <li>• recommendations closure approvals date.</li> </ul>	<ul style="list-style-type: none"> <li>a) 95% of concerns were risk assessed within 2 working days.</li> <li>b) Average time to conclude investigations was 68 working days.</li> <li>ci) Average time to conclude all recommendations where court action has been deemed necessary was 41 working days.</li> <li>cii) Average time to conclude all recommendations where court action has not been deemed necessary was 22 working days.</li> </ul>

## Visitors and panel deputies

The visits team commissioned 11,307 visits in 2016/17 and received 10,088 reports – the remainder are due to be received in accordance with our performance targets.

There was also a significant increase in the number of investigation visit commissions received. In 2016/17 we received 1,362 commissions for investigation visits, compared to a total of 1,030 for 2015/16.

The number of special medical visitor commissions was also greater than expected. The team received 444 special visitor commissions, compared to a total of 307 for 2015/16.

To address this increased demand, OPG recruited 32 visitors, 3 of whom are special visitors. By the summer of 2017, we will have completed the recruitment of a further 27 special visitors to meet the demand for special visits.

At the end of the year, OPG's panel of visitors stood at 11 permanent visitors, 85 contractor visitors, and 13 special visitors. We worked to maintain the professional knowledge and development of the cadre of visitors through periodic conferences during the year, as well as case-specific and 'lessons learned' activity. Developing the visitors contributes to the protection that is provided to people who may lack mental capacity.

Also, the way in which visitors are appraised was enhanced. This is important for the quality of service they are able to provide. It contributes to the protection of those people the OPG exists to protect, as well as to the overall safeguarding landscape, as contract visitors go about their work for local authorities or solicitors. Each contractor visitor now receives two pieces of feedback on their visit reports, a shadow visit conducted by a permanent visitor, and two balanced scorecards detailing the visitor's performance across the year. 53 visitors' appraisals were completed during the year.

We administer a panel of deputies, which the CoP draws on in cases where no one is able or willing to act as deputy. In 2016/17, 650 appointments were made. This compares to 390 in 2015/16. With an increasing caseload across both LPAs and deputyships, we predict the number will increase in the coming business year.

In July 2016, we held the third annual panel deputy conference, with the aim of maintaining quality and sharing good practice. Feedback from this event was universally positive.

## Complaints

We manage customer complaints in accordance with our published complaints policy. This is a tiered complaints process – first tier complaints are considered by the business area responsible. If a customer is unhappy with this response, the complaint can be escalated to the second tier. The complaint, and the way it was handled, is then reviewed by the Public Guardian. If a customer remains unhappy, they can ask their MP to refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO) for an independent review.

This year the number of complaints has increased slightly, though there has been a decrease when considered in proportion to our workload. We received 6,988 complaints in 2016/17 compared to 6,945 complaints in 2015/16 and 6,376 complaints in 2014/15.

Complaints relating to power of attorney registrations decreased to 5,725 in 2016/17 from 6,002 in 2015/16. The percentage of complaints against volumes of work has decreased to 0.9% (of 648,318 applications) from 1.1% (of 547,201 applications).

Most complaints were about how LPA and EPA applications were processed. Typically they involved:

- errors in processing applications and refunds
- quality of customer service
- decisions relating to the validity of LPAs and EPAs.

There has been a slight increase in complaints about our supervision of deputies, 411 complaints in 2016/17 compared with 381 in 2015/16. The percentage of complaints against volumes of work is unchanged at 0.7% (against a caseload of 57,702 at the end of 2016/17 compared to a caseload of 57,131 at the end of 2015/16).

We aim to respond to 90% of complaints within 10 working days. In 2016/17, we responded to 77.0% within this timescale, compared to 68.2% in 2015/16. Although the percentage completed within 10 working days was significantly lower than our target, it was an improvement on the previous year. In addition, the average number of days taken to respond to complaints over the year was 9.5 working days, within our 10 working day target.

The percentage of complaints we received that were escalated to tier 2 for a response from the Public Guardian increased to 6.3% from 5.9% in 2015/16. 7 new cases were accepted by the PHSO for full investigation this year and 5 investigations were concluded within the year. Of these, 1 was partially upheld and 4 were not. We use feedback from the PHSO to identify improvements and we have complied with all PHSO recommendations, including a recommendation to carry out a new investigation.

Our focus for the year ahead will be to continue to learn lessons from the complaints we receive. Staff responsible for handling complaints identify and feedback emerging themes to business managers to consider changes and improvements. This complaints forum has been used to improve the design of our forms, guidance and processes. Continuous improvement tools and training are employed to address common themes found in complaints. For example, specialist letter writing training has been developed to improve the quality of external correspondence. In addition, we will ensure that complaints data is combined with other sources of information to form a collective customer voice that can be used to drive the design and implementation of OPG policy, products and services.

<b>Customer service indicator: complaints</b>			
Target is to respond to 90% of all customer complaints within 10 working days of receipt			
<b>Purpose</b>	<b>Calculation method</b>	<b>Data source</b>	<b>Achieved to 31 March 2017</b>
This indicator plays an important part in helping OPG understand to what extent we are achieving our customers' expectations.	Performance is measured by adding together the total time to answer all of the complaints answered in month divided by the total number of complaints.  This indicator is measured on a monthly basis.	Management information from each individual business area.	77% of complaints were responded to within 10 working days of receipt.

## Correspondence

This year we received 77,141 (2015/16: 85,109) pieces of correspondence across all areas of the business. Most of this came from customers regarding PoA applications and from deputies regarding their powers and responsibilities.

<b>Customer service indicator: correspondence</b>			
Target is to respond to 90% of correspondence within 10 working days.			
<b>Purpose</b>	<b>Calculation method</b>	<b>Data source</b>	<b>Achieved to 31 March 2017</b>
This indicator helps to ensure we respond to our customers in a timely way. It also informs continuous improvement to the way we work and the way we deliver services.	Number of items of customer correspondence responded to within 10 working days divided by number of items of customer correspondence responded to in month.	OPG's internal case management systems and postal data	90% of correspondence received a response within 10 working days.

## Legal

We draft and submit applications and represent the Public Guardian at CoP hearings. We continue to work very closely with the CoP, in particular, on the regionalisation of court sittings which has had a vast impact on the business.

This year, we have focused on efficiency and speed – our aim has been to reduce the time taken to protect vulnerable people ensuring that any court action is taken quickly. In particular, we looked to give legal support earlier within investigations and have improved court application templates.

Drafting and submitting applications and representing the Public Guardian involves close collaboration between court applications, investigations, safeguarding and supervision teams. It also involves working with partner organisations including local authorities, police, care homes, financial institutions and solicitors as well as with attorneys and deputies.

We have been involved in over 272 unreported cases involving action against attorneys and deputies who were found to be acting improperly. We represented the Public Guardian at 135

court hearings. We also assisted judges under Section 49 of the MCA in 47 cases, instigating new inquiries and investigations where needed.

We represented the Public Guardian in an important judgment, the Public Guardian and PM and SH [2016] EWCOP 25, which is published on [www.bailii.org/ew/cases/EWCOP/](http://www.bailii.org/ew/cases/EWCOP/). The case arose due to a dispute between 2 attorneys.

We continue to simplify the approach to mistakes in LPAs so that the overall aim of allowing people to make choices with a valid LPA is honoured, wherever possible. Customers continue to see severances completed before the end of the statutory waiting period.

In terms of safeguarding we have successfully investigated cases where concerns have been raised about the capacity of a person to make an LPA or where a customer may have been pressured to make one. We have court approval of our proactive approach to seeking evidence on these concerns and making sure that our registration decisions protect the applicant.

We offer guidance to internal and external customers and we have actioned over 3,900 requests for advice.

## Staff engagement

Building on the responses to the staff survey we held staff engagement forums in January 2017 with people across the business to review the results and work with them to develop OPG's corporate engagement action plan for 2016/17. This focussed on bullying, harassment and discrimination (BHD), leadership and managing change and learning and development.

### Bullying, harassment and discrimination

We delivered in house BHD awareness sessions to 90% of OPG staff which highlighted the impact of BHD in the workplace and promoted BHD behavioural expectations.

Equality and diversity advisors have been appointed in two of OPG's largest directorates, operations and practice and compliance, to create 'safe spaces' for staff to raise BHD concerns and receive support and guidance to resolve them. The results of this pilot will be analysed and decisions made on whether to roll it out to the wider OPG.

### Leadership and managing change

We held drop in sessions with staff in February 2017 which provided an opportunity for staff to talk openly with OPG's CEO. Senior staff within OPG have also been given the opportunity to attend the MoJ Band A leadership programme, which a number have taken up and more will be doing so in the year ahead.

### Learning and development

OPG supported 26 apprenticeship starts in 2016/17 – with 3 apprentices recruited externally under the Civil Service Fast Track Apprenticeship Scheme and 23 existing staff undertaking apprenticeships in operational delivery courses.

## Financial performance

### Long term expenditure trend analysis

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Staff costs	17,510	19,930	25,776	32,499	35,172
Other expenditure	10,408	11,965	14,517	20,822	22,543
<b>Total</b>	<b>27,918</b>	<b>31,895</b>	<b>40,293</b>	<b>53,321</b>	<b>57,715</b>
Average Whole Time Equivalents employed	615	682	865	1,071	1,206
Supervision Caseload (at year end)	45,000	49,000	53,000	57,000	58,000
PoA applications	259,182	310,980	410,346	547,021	648,318

Over the last 5 years, total costs have increased by 106%. Over the same period, supervision caseload has increased by 29% while PoA volumes have increased by 150%

There has been an increase in staff costs of 101% compared to an increase in average whole time equivalents of 96%. This demonstrates the effectiveness of our increasingly efficient processes in order to manage the increased volumes of work within agreed service standards.

We are committed to delivering a high quality service in a cost efficient way through more automation of processes and continuous improvement techniques.

### Demand forecasting

OPG has significantly increased its demand forecasting capabilities in the last year, demonstrated by achieving 3% variance against the forecast demand for LPAs. This is a notable success following that of 2015/16 (1%), furthering a robust and sustainable partnership with colleagues in MoJ Analytical Services directorate using a statistically valid demand forecast model that has been assessed by peer review as fit for purpose. Its use by OPG has been independently validated by the Government Internal Audit Agency with a substantial audit opinion.

We continue to refine in year demand forecasts as part of the monthly routines for financial and performance management, using the insight gained to model likely impact of publicity from media coverage and increased awareness of LPAs.

OPG is now well positioned to positively manage demand for its LPA services and consequently to support policy led work to set appropriate fees for LPA services.

Our work has also touched on modelling demand for our deputyship services. In the coming year analysts will be working with OPG and the Court of Protection to develop further our demand forecast capability in this area.

## Financial management

This year has seen the challenges of 2015/16 continue and we have supported significant growth and change in the business, including moving to the MoJ's functional leadership model for delivering professional services.

Our finance team built on the experience gained managing migration from a stand alone finance system to the MoJ's core finance platform in January 2016 and skilfully prepared for and managed OPG-specific interests during the subsequent migration of MoJ's core finance and HR systems to the single operating platform (SOP) when it was delivered in January 2017.

As with any system migration there are a number of defects in reporting and controls which are being urgently resolved with MoJ and the shared service provider. While none of these issues are deemed to be significant, there are multiple issues which when combined have hampered our ability to report accurately on a timely basis across HR and finance activities. Additional assurance procedures and control assessment work have been implemented as part of the production of the financial statements, this will form the focus for controls and systems optimisation in the coming financial year.

During the year the finance team restructured itself, re-engineered all processes to meet future operating requirements, embraced a programme of training, adopted new ways of working such as payroll management and supported centralisation of activities such as capital accounting, forging strong relationships with colleagues along the way. Audits undertaken by the Government Internal Audit Agency across these activities returned 'substantial' ratings.

We have overcome the challenges posed and continued to deliver robust financial management for the agency, supporting effective decision making by senior budget managers, the executive management team and the OPG Board.

We have provided technical input to ensure fees set meet all necessary requirements, with extensive peer review and sign-off achieved throughout the process which in turn has provided assurance to the agency's Accounting Officer. We have further refined our unit costing to ensure transparency, aid planning and to provide robust evidence in support of future fee setting proposals.

An ongoing issue of exceeding our cost recovery objective has been tackled in partnership with MoJ and the fee to register lasting and enduring powers of attorney was reduced on 1 April 2017.

Financial planning and budget setting has been successfully managed throughout the year, as the details in the financial statements demonstrate.

Finally, the team has sustained good staff engagement and were recognised across the government finance profession with two members of staff reaching the finals of the Government Finance Profession awards in November 2016, winning the Emerging Talent category.

As we enter a new financial year we recognise the challenges continue unabated, however we are in a strong position from which to proceed. With the fees for registering lasting and enduring powers of attorney being the lowest since the agency was formed in 2007, MoJ leading a further review of all fees in 2017/18 and strong financial planning and management in place, OPG is in a healthy financial position to continue to deliver services to our customers.

Income forecasts were monitored throughout the year with income achieving budget (£75m) at year end.

Total expenditure for the year was affected by delays in bringing staff on board following recruitment, continued reliance upon agency staff, and slippage in the IT transformation programme caused by delays in securing the necessary contractors. This resulted in a 5% underspend against the cash budget (£52m) at year end.

Delays in invoicing our annual supervision run required us to accrue for the income at year end and adjust our cashflow forecast accordingly. This is seen in note 9 to the accounts.

### Cost recovery

A significant issue faced during the year was fees being charged above the operational cost of delivering the service to register PoAs. This was due to increased volumes coupled with increasing efficiencies in the way we operate. From 1 April 2017, we reduced the fees for applying to register LPAs and EPAs from £110 to £82. This is an 'enhanced fee' which means that a proportion of this fee income can be used to fund wider functions of the OPG. Alongside the reduction in fees, MoJ will also introduce a scheme for refunding a portion of the fee to customers who paid more than they should have. Full details of the scheme will be announced in due course but we are committed to taking such steps as are necessary to make sure that people are made aware of, and receive, the refunds to which they are entitled.

### Voluntary early departure scheme

In March 2016 MoJ announced the launch of a voluntary early departure scheme. Under the terms of the scheme all London based OPG staff were eligible to apply. Staff were supported in their decision making by 2 nominated executive managers, and affected staff reported that the scheme had been managed satisfactorily. Several staff accepted offers and left OPG in September 2016. Further information is provided on page 89.

## Sustainability report

We are committed to reducing our impact on the natural world and to supporting our communities. To do this we measure and reduce our consumption of limited resources and encourage staff to volunteer – allowing 5 days volunteering leave per member of staff per annum.

### Data collection and scope of reporting

We report on utilities used, travel, and waste generated. These are measured against previous years and in conjunction with the Greening Government Commitments (GGC). The GGC's targets lapsed in 2014/15, so we are reporting against their final year targets.

Our data is taken directly from utility meters, suppliers, and waste disposal contractors. Where we share buildings and utility supplies we base our consumption figures on the space occupied.

We do not have fleet vehicles and mileage of personal vehicles (grey fleet) used for business travel are recorded in expenses claims.

Paper usage reduction targets were required only for back office uses. However, we also report on LPA packs issued to customers.

Our data is collated into the MoJ's year end figures and reported in the departmental annual report and accounts.

### Our estates information

After several years of estates growth and change, this year we focused on consolidation, with the exception of a small increase in occupied space in the Axis building, Birmingham. We can now set baseline figures for future monitoring and reporting.

We have a small presence in Petty France, London, and so figures for this site are reported by MoJ.

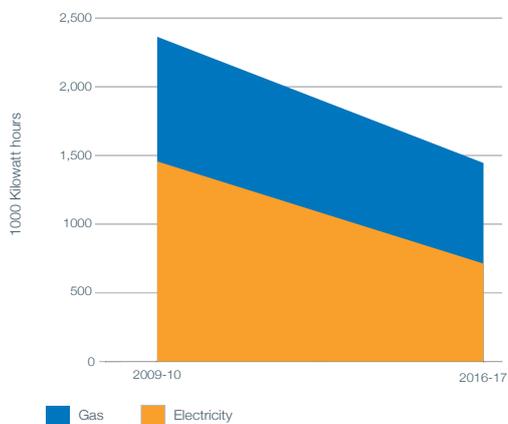
### Our targets

In 2016/17, we exceeded last year's performance and met all but one of the GGC commitments – back office paper use.

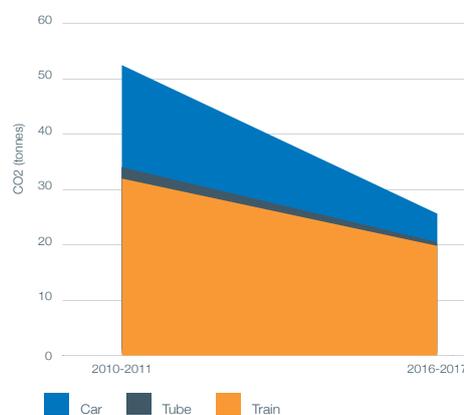
Greening Government Commitment		Government reduction target to 31 March 2015*	Performance to 31 March 2017	Outcome
	<b>Greenhouse gas emissions</b>	25%	67% reduction	<b>Met</b>
	<b>Waste</b>	25%	35% reduction	<b>Met</b>
	<b>Water</b>	6m <sup>3</sup> per FTE	4.6m <sup>3</sup> per FTE	<b>Met</b>
	<b>Paper</b>	10%	115% absolute increase 66% reduction per case	<b>Not met</b>
	<b>Travel</b>	25%	60% reduction	<b>Met</b>

\* The GGC's targets lapsed in 2014/15, so we are reporting against their final year targets.

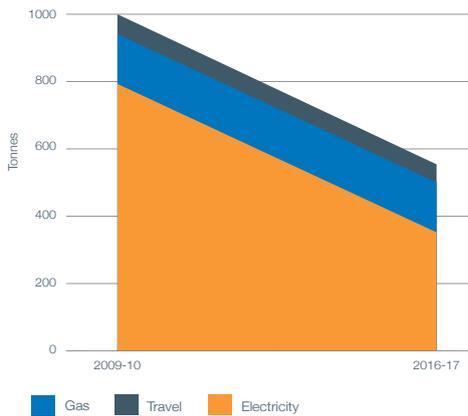
Energy use



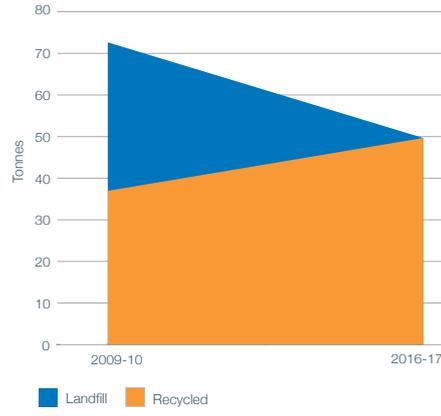
Travel emissions



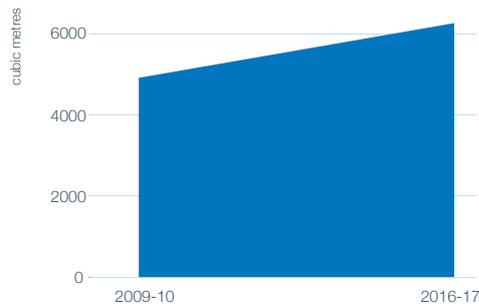
### CO2 Emissions



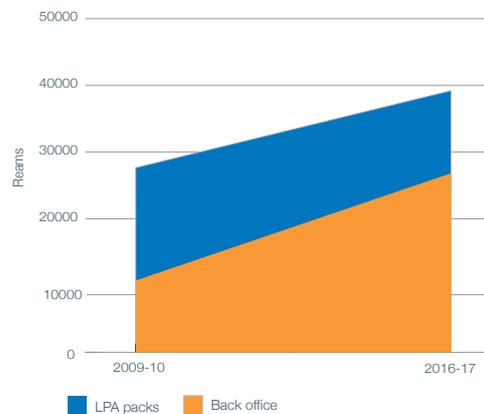
### Waste



### Water use



### Paper use



## Waste

We have zero to landfill waste disposal contracts in our Birmingham and Nottingham offices, so all of our waste this year was recycled or converted to fuel oil. 100% of paper and cardboard waste was recycled in a closed loop. Overall waste figures have fallen 35% despite our headcount tripling since 2009.

## Water

In our buildings we have low-flush toilets and foaming taps. This has led to a consistent reduction in water usage per full time equivalent (FTE). Last year, we received incorrect water usage figures from our building management company and we do not have the correct figures on record. As a result, data on file shows that there has been an increase from 1.3m<sup>3</sup> in 2015/16 to 4.6m<sup>3</sup> per FTE in 2016/17. This is not the case and the current usage is well below the target set. However, it does not yet meet the best practice figure of 4m<sup>3</sup> per FTE.

## Paper usage

Our use of paper has increased by 115% since 2009. This is due to consistent year-on-year increases in LPAs processed and deputies managed. Our workload has increased approximately six-fold and our headcount three-fold in that time, while our use of paper per case has fallen by two-thirds. New digital deputyship management tools are being rolled out to our customers and we expect to see further improvements to this figure in the future.

The number of LPA applications received has increased from 84,600 in 2009 to 636,000 in 2016/17. However, the number of packs has remained roughly consistent at around 60,000 per year, which is equivalent to 13,000 reams of paper. Customers are making use of our digital channels to complete LPA registration forms which may partly explain why figures for LPA packs have not increased.

## Travel

In 2016/17, travel in OPG fell dramatically as a result of the estates transformation project ending, and the government's travel restrictions taking effect. Staff travel reduced by 54% and we generated 55% less CO<sub>2</sub> than in 2015/16. However, as overall travel fell, the proportion of travel by private car increased to 21% this year. This was because the majority of visits by CoP visitors were made by car and the number of these carried out each year has increased with business growth. Yet, the overall amount of emissions from cars has fallen by half since 2009.

Following the move to Embankment House, we worked closely with Nottingham City Council and Nottingham Community Transport to enable staff to take advantage of heavily discounted bus travel and park and ride facilities. As a result, we have saved money on excess fares, travel and subsistence claims, and reduced the need for staff to drive to work.

We also make use of teleconferencing to reduce unnecessary travel. We now have more flexible teleconferencing and videoconferencing tools installed in our buildings, such as Skype.

## Utilities

Overall our CO<sub>2</sub> emissions from utilities have fallen by 67% since 2009/10. This is because we moved to newer, more efficient buildings and reduced the number of sites operated.

Even with recent increases in headcount and occupancy of our buildings, our electricity use has only increased slightly since 2015/16. Gas use continues to fall year-on-year, due to consistently milder winters and the fact that the Axis building is our only site heated by gas.

## Community and charity

In 2016/17, staff voluntarily held a number of fundraising initiatives and donated all the proceeds to the charities below.

Charity	Donations
Sport Relief	£118
Macmillan Cancer Support	£431
Alzheimer's Society	£273
UNICEF	£216
Save the Children	£469
Comic Relief	£1,510
<b>TOTAL:</b>	<b>£3,017</b>

## Embedding sustainability in our work

We will continue to improve our performance in the coming years with specific emphasis on reducing paper use and maintaining the savings on travel.

To increase use of public transport we hold regular travel information and ticket sale events at our Birmingham and Nottingham offices, and we have facilities for cyclists at both sites. The majority of our staff travel to work by public transport.

Dr Bike, the bicycle maintenance service, has visited our Midlands sites on a number of occasions, to provide cycling information and carry out free service and repairs to bicycles owned by staff.

We give staff regular sustainability updates through internal bulletins and have a small network of sustainability champions to engage staff and encourage a sustainable approach to all our work. The sustainability champions review ideas from staff on how to reduce our environmental impact and implement suggestions where practical.

We make use of the Civil Service furniture clearing house to dispose of and obtain furniture, helping reduce waste and expenditure.



### **Alan Eccles CBE**

Chief Executive and Accounting Officer

5 July 2017

# Accountability report

# Corporate governance report

## Introduction

The purpose of the corporate governance report is to explain how the organisation is structured and how these arrangements have supported the achievement of our objectives during 2016/17.

Our framework document sets out the arrangements for governance, accountability, financing, staffing and operations. The document can be read in full on GOV.UK, follow the link below.

<https://www.justice.gov.uk/downloads/publications/corporate-reports/OPG/opg-framework-january-2014.pdf>

As Chief Executive and Accounting Officer for OPG, I am responsible for OPG's use of resources in carrying out its functions as set out in the framework document. Managing Public Money as issued by HM Treasury also sets out the responsibilities of an Accounting Officer. As Accounting Officer, I am personally responsible for: safeguarding the public funds for which I have charge, ensuring propriety and regularity in the handling of public funds, and day-to-day operations and management of OPG. In addition, I must ensure that OPG as a whole is run in accordance with the standards, in terms of governance, decision making and financial management.

My report outlines the governance arrangements in place to manage risks to the achievement of OPG's agreed objectives and targets. It also provides effective oversight and control over OPG's resources and assets. It includes:

- directors' report
- statement of Accounting Officer's responsibilities
- governance statement.

## Directors' report

This report includes the structure of the OPG Board, the audit and risk committee (ARC) and the executive team. They are responsible for setting OPG's strategic direction and monitoring performance against agreed objectives.

### Statement of directors' interests

Non-executive directors are required to declare any directorships and conflicts of interest on appointment. All board members are also required to declare any conflicts of interest before the start of each meeting. There were no declarations made during 2016/17.

### Personal data incidents

Consideration was given to whether any incident involving personal data was so serious it should be reported to the Information Commissioner's Office. There were no incidents of such severity during the year.

The governance statement (on pages 49-50) considers further information assurance and data security practices in OPG.

## Health and safety

OPG acknowledges its legal responsibilities in relation to the health, safety and welfare of its employees and for all people using its premises.

The governance statement (on pages 50-51) considers further health and safety practices in OPG.

## OPG Board

### Our executives



**Alan Eccles CBE**

Public Guardian, Accounting Officer  
and Chief Executive



**Karen Morley**

Head of Corporate Services



**Iain Dougall**

Head of Operations



**Angela Johnson**

Head of Practice and Compliance



**Ria Baxendale**

Head of Supervision and Investigations



**Chris Jones**

Head of Strategy and Business Development

### **Our non-executive directors**



**Dean Parker**

Non-executive Director and Chair of  
OPG Audit and Risk Committee



**Professor Anthony Schapira**

Non-executive Director



**Janet Grossman**

Non-executive Director

### **Our MoJ Representative**



**Dr Elizabeth Gibby**

MoJ Deputy Director, Strategy and Specialist Policy

## Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the agency to prepare a statement of accounts each financial year in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of OPG and its net resource outturn, application of resources, changes in taxpayers' equity 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. In particular:

- 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.

The Principal Accounting Officer of the MoJ has designated the Chief Executive of OPG as the Accounting Officer for the agency. 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 OPG's assets, are set out in Managing Public Money published by the HM Treasury.

As Accounting Officer, I confirm that:

- in so far as I am aware there is no relevant information of which the auditors to OPG are unaware
- I have taken all the steps I ought to ensure that I am aware of the relevant audit information
- I have taken all the steps I ought to establish that the auditors are aware of such information
- the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

5 July 2017

## Governance statement

This statement explains how I, as Accounting Officer, have discharged my responsibility to manage and control OPG's resources during the year. This statement describes OPG's governance arrangements and provides an assessment of how I have balanced risk, assurance and control throughout 2016/17.

### Introduction

The MoJ Permanent Secretary is the department's Principal Accounting Officer. The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money, issued by HM Treasury. The Principal Accounting Officer designated me as the Accounting Officer for OPG's administrative expenditure, defined my responsibilities and the relationship between OPG's Accounting Officer and the Principal Accounting Officer.

The Public Guardian is a statutory office holder appointed by the Lord Chancellor and Secretary of State for Justice under Section 57 of the Mental Capacity Act 2005 (MCA). This statutory role is combined with the administrative role of the Chief Executive of OPG and Accounting Officer for the agency, as set out in the MoJ/OPG framework document.

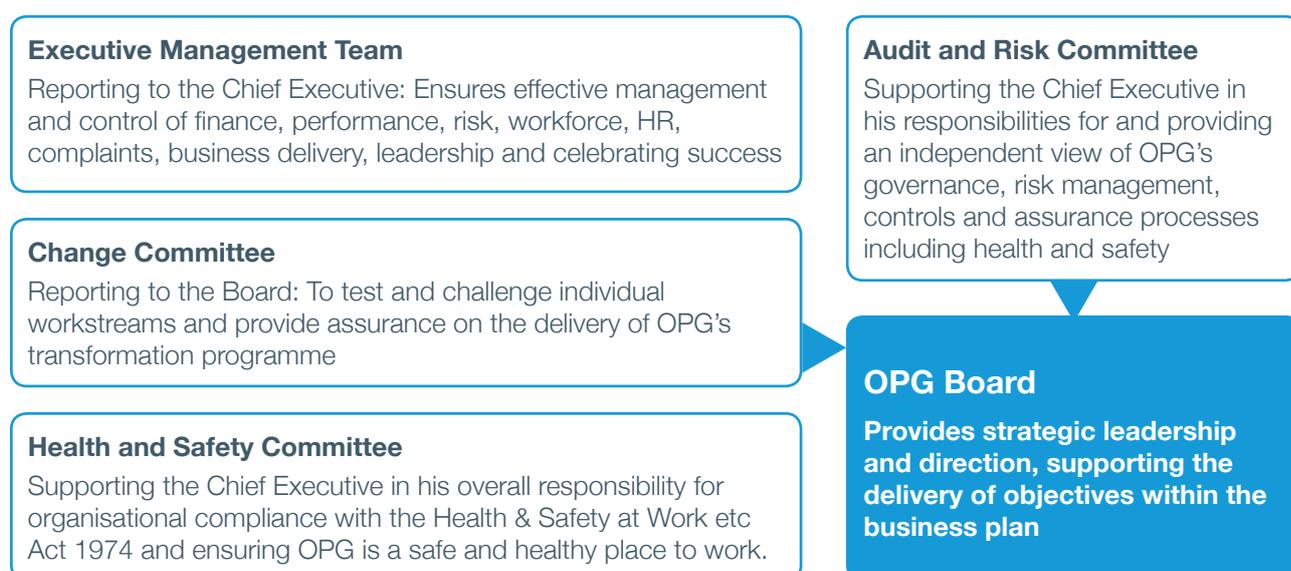
### Governance framework

The effectiveness of OPG's governance arrangements, risk management and the system of internal control are set out within this governance statement.

The statement includes the required assessment of compliance with the Treasury's Corporate Governance Code. While the focus of the code is on ministerial departments, where applicable, OPG applies the principles that it considers are commensurate with its size, status and legal framework.

### OPG governance framework

The current board and committee structures are shown in the diagram below.



## What the board does

In 2016/17, the board led OPG both strategically and operationally. It also scrutinised and challenged issues affecting our performance and policies. The board has 8 main areas of responsibility:

- to protect and enhance the reputation of OPG. It does so by steering and overseeing the direction of OPG in delivering its aims and objectives
- to operate within the MoJ/OPG framework document agreed with the Minister and the appropriate Director General. Its members take decisions collectively and not as representatives of the business areas which they may lead
- to provide strategic direction for OPG, agreeing business aims, objectives and planning, whilst setting targets for the organisation and delivering the vision
- to monitor performance of OPG, communicating with staff on values and behaviour whilst overseeing operations and managing risk
- to approve the allocation of the annual budget and any significant in year changes to it
- to support the maintenance of a strong working relationship between the staff of OPG and its partner organisations
- to approve OPG's corporate governance framework and controls, and monitor their operation quarterly
- to ensure that the planning, performance and financial management of OPG is carried out efficiently and effectively and with openness and transparency. Also, contribute to the development of, and approve, OPG's annual business plan.

## Key successes and effectiveness

In addition to receiving finance, performance and risk papers at each meeting the board:

- was consulted on, and signed off, the business plan for 2016/17 and organisational strategy, using these documents to review and monitor progress at each meeting on receipt of monthly reports on finance and performance; also incorporating the business plan theme into the agenda bi-monthly
- supported the estates project to allow reconfiguration to accommodation at both offices in Birmingham and Nottingham
- paid particular focus on key undertakings and 'deep dive' activities including monitoring implementation of spending controls; development of robust demand forecasting methodologies, challenging the effectiveness of projects and programme focus to add value now and in the future, reviewing our operating model, capability and future ways of working, absence levels and attendance management, and staff survey and employee engagement activities
- supported the implementation of the functional leadership model in November 2016 following announcement by Permanent Secretary, Richard Heaton, regarding changes across MoJ. Three business areas in OPG now report directly into their functional leads in MoJ
- approved recommendations to amend the power of attorney fees with the change implemented in April 2017
- endorsed or approved the Financial Sector Engagement report, the OPG people plan, roll out of the deputy reporting tool and proposals to focus on 4 market segments to raise awareness of LPAs with a focus on dementia and wider health issues.

### Our sub-committees and independent advisory committee

The board has two sub-committees: the executive management team (EMT) and the change committee (formerly known as the Transformation Programme Committee). OPG's audit and risk committee is an independent advisory committee to the board. The board delegates work to the committees/executives so smaller groups can examine issues in more detail. The committees then present their findings to the board for discussion and conclusion (following 'Corporate governance in central government departments: Code of Good Practice').

	Executive Management Team	Change Committee	Audit and Risk Committee
<b>Roles and responsibilities</b>	To focus primarily on the day-to-day operational delivery of OPG's business, including: finance, performance, risk, workforce change/planning, complaints, HR (attendance management, recruitment), business delivery, leadership, employee engagement and celebrating success.	To bring together the key stakeholders from across OPG, Justice Policy Group (JPG), MoJ IT and partners in delivery, MoJ Digital Services and Government Digital Service to ensure the Transformation programme runs effectively, in particular through providing the primary forum for the relationship between OPG, MoJ, the Government Digital Service, JPG and transformation colleagues.	To provide an independent view of the appropriateness, adequacy and value for money of our governance, risk management, control and associated assurance processes and advise the Accounting Officer and OPG Board on the following: <ul style="list-style-type: none"> <li>• processes for risk management, control and governance and the governance statement</li> <li>• adequacy of information security and assurance procedures with controls specifically covering security of information procedures and responsibilities</li> <li>• accounting policies and accounts for the OPG</li> <li>• planned activity and results of both internal and external audit</li> <li>• adequacy of management responses to issues identified by audit activity, including internal and external audit management letters</li> <li>• assurances relating to MoJ and corporate governance requirements</li> <li>• adequacy of anti-fraud policies, whistleblowing processes, and arrangements for special investigation</li> </ul>
<b>Chair</b>	Alan Eccles, Public Guardian/CEO and Accounting Officer	Alan Eccles, Public Guardian/CEO and Accounting Officer	Dean Parker, Non-Executive Director

	Executive Management Team	Change Committee	Audit and Risk Committee
<p><b>Key successes and effectiveness</b></p>	<p>Continued to build on the performance and finance hub as a means of managing performance and forecasting future workloads, achieving the successes reported in the performance report.</p> <p>EMT members represented the organisation at external events and those hosted by OPG throughout the year.</p> <p>Receives regular reports from the senior leadership team in areas such as Reward and Recognition, Attendance Management, Workforce Profiling and Policy review.</p> <p>Facilitated a series of leadership events to raise standards and capability across the leadership cadre including events for all middle managers in OPG.</p> <p>Managed sensitively and successfully arrangements for staff leaving under the voluntary early departure scheme in September 2016.</p> <p>Supported the implementation of a Mental Wellbeing Action Hub.</p> <p>Ensured representatives from the Project Race and Proud network had opportunities to engage with our staff.</p> <p>Led staff engagement activities across the business, responding to the People Survey results.</p>	<p>OPG has moved towards a formal portfolio management framework for managing projects and programmes within the defined portfolio set out by OPG Board and managed by the change committee.</p> <p>The committee has delegated authority to approve planned changes and to move them through gate phases during their lifecycle. Change is managed with the help of a portfolio dashboard and report to help monitor each change and escalate any exceptions, issues, requests for progression through a phase or exceeding of certain tolerances set by the committee.</p> <p>The committee requested a refresh of its terms of reference to ensure it was providing the best value as a governance board in April 2016. This focused on a refreshed agenda, encompassing the new portfolio and introduced wider government best practice to ensure the right discussions are had at the right level of scrutiny. As a result, membership of the committee has also been refreshed to aid a flexible group of people that attend the most appropriate discussions when needed.</p> <p>Throughout the year, the committee monitored phase 2 of the digital transformation programme and supported the programme during a challenging resourcing period. The committee has worked with the programme to ensure user needs are prioritised and value for money ensured against the capital allocation by providing challenge and resolving blockers raised.</p> <p>The committee also commissioned a lessons learned session around the gateway review held prior to the start of phase two. A decision was also taken to assign specialist</p>	<p>Supporting OPG in two finance system migrations to harmonise the agency's finance and HR systems with that of the MoJ. This has been an extremely challenging period posing significant risks to delivery of the business objectives and the committee has been satisfied with the responses to mitigate these risks.</p> <p>Supporting OPG in working with MoJ to resolve the issue of fees and charges.</p> <p>Sustained improvement of accounts closure process for 2016/17.</p> <p>Continued monitoring of information assurance, in particular the preparations being made in respect of the forthcoming EU General Data Protection Regulation.</p> <p>Participating in a risk workshop with executives to identify and scrutinise risks for the year; including reporting of emerging risks.</p> <p>Encouraging and supporting the business to take a more proportionate view of risk management.</p> <p>Ensuring risk scores reflected the overall risk to the business and that external and emerging risks are also captured and considered by executives.</p> <p>Scrutinising key risks and understanding of specific business areas through a series of 'deep dive' sessions.</p> <p>Supporting OPG in the use of a new demand forecast model from which workflow, income and resources may be forecast.</p> <p>Supporting OPG to achieve significant improvements in the quality of governance and control as demonstrated by reports received from the Government Internal Audit Agency.</p> <p>Supporting OPG during organisational changes including voluntary early departure schemes and moves towards implementing functional leadership across three key areas: finance, digital and communications.</p> <p>Undertaking a review of the effectiveness of the committee, its membership and agenda.</p>

	Executive Management Team	Change Committee	Audit and Risk Committee
<p><b>Key successes and effectiveness (continued)</b></p>	<p>Managed the transition of finance, digital and communications functions into the functional leadership model.</p>	<p>resource to manage migration of data from the existing case management systems to the new Sirius system, recognising the complexity of the task.</p> <p>The committee has commissioned the change management office to do a review of the learning and development review project and the digital learning library to evaluate the intended benefits and progress. As a result, the learning and development review project has been terminated. Also, the digital learning library project has reviewed its priorities and firm up its benefits realisation plan and risk management plan in order to continue.</p> <p>The organisational development and design project has been reviewed during its lifecycle as the committee determined this to be exceeding scope tolerance. This allowed the project to prioritise its deliverables and has now been closed formally and deliverables outstanding have formed part of the people plan strategy.</p> <p>The committee gave approval for the change management office to pilot some non-digital projects using agile methodology and techniques to deliver value and benefits more quickly than traditional project management techniques may do. This has proved successful and OPG has seen benefits delivered early and resource being used in the most effective way.</p>	

Board/committee attendance

	OPG Board			Executive Management Team			Audit and Risk Committee			Change Committee		
	No of meetings attended	No of eligible meeting	No of meetings attended	No of eligible meeting	No of meetings attended	No of eligible meeting	No of meetings attended	No of eligible meeting	No of meetings attended	No of eligible meeting	No of meetings attended	No of eligible meeting
Alan Eccles, CEO and Public Guardian	10	12	10	12	4	4	1	4	1	4	1	5
Karen Morley, Head of Corporate Services	11	12	12	12	4	4	3	4	3	4	3	5
Iain Dougall, Head of Operations	11	12	10	12			5		5		5	5
Angela Johnson, Head of Supervision, Practice and Compliance	9	12	11	12			1		1		1	5
Ria Baxendale, Head of Supervision and Investigations	11	12	11	12			2		2		2	5
Chris Jones, Head of Strategy and Business Development	12	12	9	12			4		4		4	5
Dean Parker, Non-executive Director; Chair of the Audit and Risk committee	10	12			4	4						
Janet Grossman, Non-executive Director	12	12					5		5		5	5
Professor Anthony Schapira, Non-executive Director	10	12			2	4						
Anne Fletcher, Independent Member					4	4						
Dr Elizabeth Gibby, MoJ Deputy Director, Strategy and Specialist Policy	9	12										
Sally Jones, Head of Legal, Deputy Director.	6	12	6	12								
Steve Rider Head of Public Guardian's Office (to September 2016)	6	6	5	5								
Helen Journeaux, Head of Public Guardian's Office (from November 2016)	6	6	4	7			1		1		1	2
Jane Fallon, Head of Digital (from Nov 2016)							0		0		0	1
Liz Eaton, Justice Policy Group							4		4		4	5
Jeannine Hoechx, Government Internal Audit Agency							4		4		4	5

Head of Legal and Head of Public Guardian's Office attend board by invitation.

CEO/Public Guardian and Head of Corporate Services attend ARC by invitation.

### Terms of reference

OPG Board and committee terms of reference (ToR) are in line with the Financial Reporting Council's Guidance on Board Effectiveness (March 2011) and Good Governance Standard for Public Services, published by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Office for Public Management Ltd (OPM), to ensure its governance arrangements are reflected within the ToRs. The ToRs ensure that consistency and clarity of governance is being applied across the business, ensure there are clear lines of decision making and strengthen the ownership and accountability of OPG's overall governance framework.

### Internal audit

As Accounting Officer and Chief Executive, I have established and maintained arrangements for the provision of internal audit services from the Government Internal Audit Agency (GIAA) within OPG in accordance with the objectives and standards for internal audit set out in the Public Sector Internal Audit Standards (published by HM Treasury).

The GIAA team has a right of access to OPG in support of the Permanent Secretary's responsibilities as Principal Accounting Officer that includes access to all books, records, data, assets, personnel and premises of OPG as may be considered desirable or necessary to discharge OPG's responsibilities. MoJ receives copies of OPG's annual internal audit plans and annual report from me. MoJ is notified of any fraud or irregularity within the definition set out by HM Treasury.

During the reporting year, 8 final reports were issued for work relating to 2016/17. Of these, 7 reports received substantial ratings and 1 received moderate rating. No critical areas of weakness were identified in any of the audits.

On the basis of the work completed during the year and knowledge of OPG's governance, risk management and internal controls:

- Internal audit provided a Substantial level of assurance. The framework of governance, risk management and control is adequate and effective.

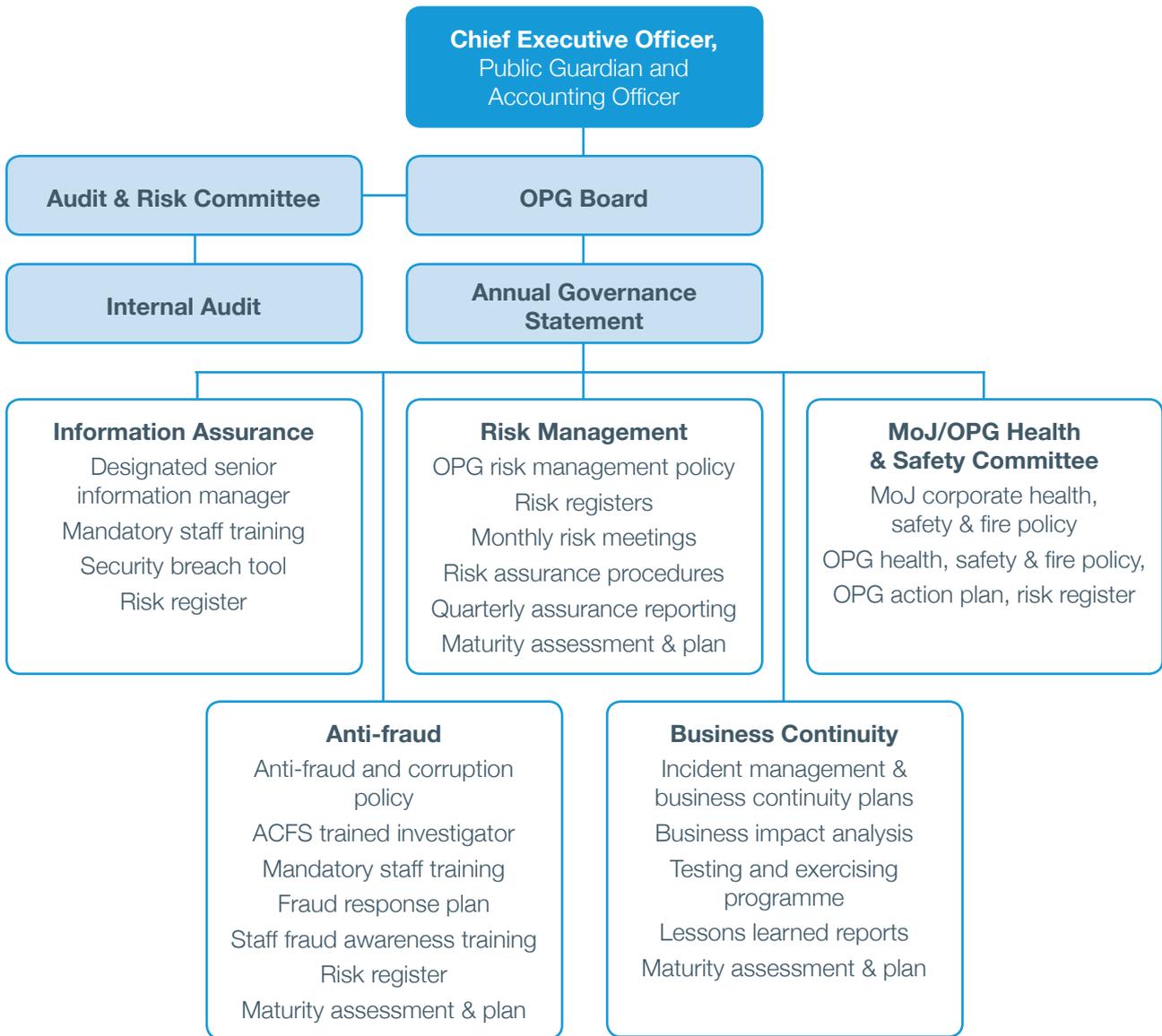
### Risk management, control and assurance

OPG has a well established approach to the management of risk at all levels across the organisation. Risk management is used across OPG as an enabling tool to encourage innovation and efficiency. The corporate risk register is reviewed by each of the core governance meetings (the executive management team, board and audit and risk committee) quarterly, giving monthly assurance that risks are being managed appropriately. Further details of risks managed in 2016/17 are given on pages 46-47.

Risks below corporate level are recorded and managed at directorate level using established risk registers. Programme and project risks are managed separately using formal risk registers and, where necessary, risks are escalated to the corporate risk register.

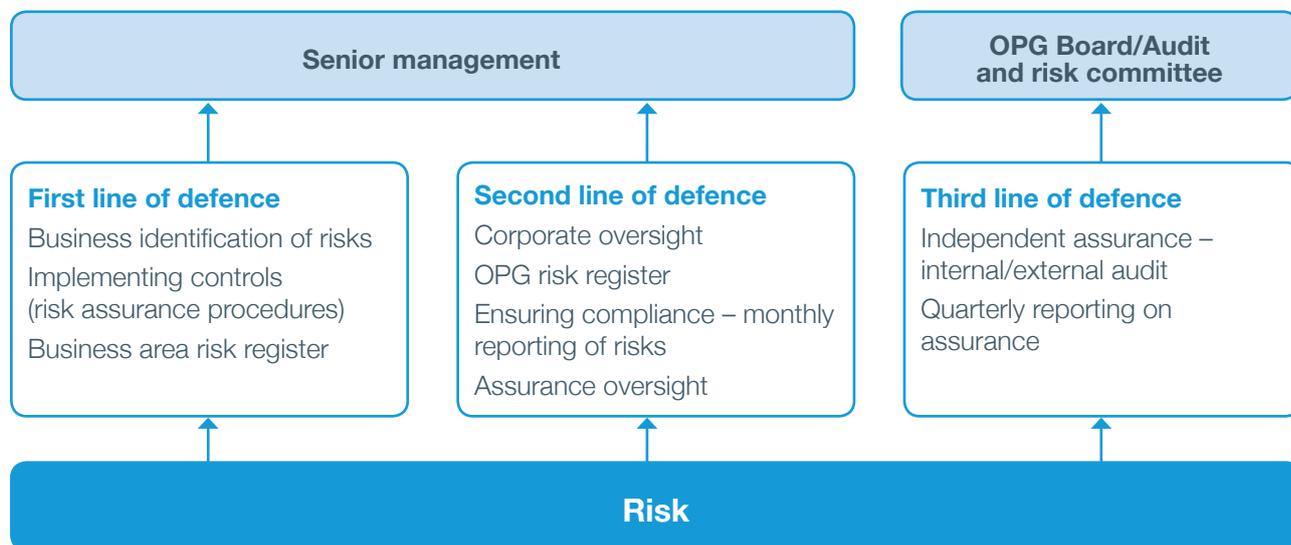
Each business area register is reviewed at 6 monthly intervals by the Accounting Officer and head of corporate services with the risk owners to provide further assurance.

OPG assurance structure

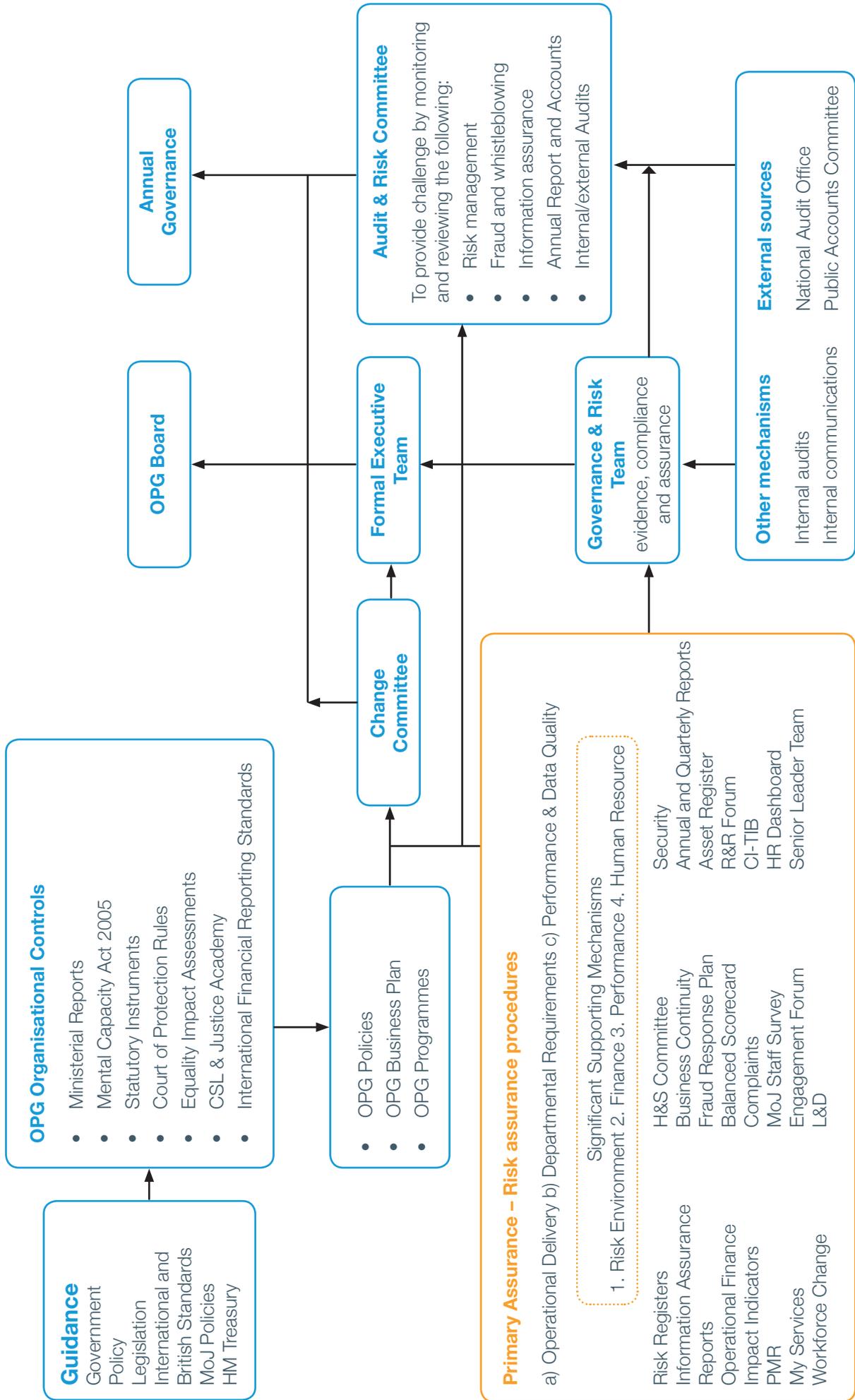


OPG adopts the ‘three lines of defence’ approach to the way we manage risks, to ensure compliance and enable effective assurance.

### Three lines of defence



**Risk assurance framework**



OPG's risk appetite is that it considers itself a forward-facing and innovative organisation, more willing to take and manage risk in the areas of:

- modernising and transforming OPG to benefit the customer through digital tools
- increasing awareness of its services to provide a positive image and reputational effect
- striking a balance between empowering and safeguarding when encouraging clients to make decisions for themselves.

OPG is less willing to tolerate risk in the areas of:

- exercising effectively the Public Guardian's statutory functions and powers
- providing a risk-based supervision regime for deputies and ensuring that safeguards are applied for adults at risk in identifying, preventing and stopping abuse where possible
- internal governance and management control systems.

In June 2016, a risk workshop was held with OPG executives and audit and risk committee non executives to discuss and identify the risks for the year ahead and in the future.

### **Corporate risks managed in 2016/17**

The key risks identified included staff attendance, workforce growth and retention, benefits realisation from digital transformation and the future fees structure.

Emerging risks identified were demand forecasting, future income generation, regulation on data protection and gaining clarity around governance following the introduction of the functional leadership model.

Issues encountered during this period have included onboarding to the Single Operating Platform, migration of legacy data, attaining LPA delivery targets and not achieving profiled staffing levels.

These risks and issues formed the OPG risk register and were disseminated for update via each respective business area. Update action included evaluation of risks movement, controls and actions.

Further details on encountered risks this period are detailed in the table overleaf.

Principal risks	Key mitigating action
<b>Sirius and document and data capture (DDC)</b>	
<p>Operations are unable to realise the benefits of Sirius implementation and provide an efficient, accurate or high quality service of registered LPAs. Failure to transform current services through the wider digital delivery</p>	<ul style="list-style-type: none"> <li>• Review all operation processes to create standard operating procedures whilst outstanding work on Sirius has been prioritised to ensure operations gets most urgent fixes first.</li> <li>• System stability within document data capture (DDC) has improved significantly, allowing operations to clear all backlogs with improved data capture and recognition.</li> <li>• Enduring power of attorney team fully functioning by February 2017.</li> <li>• Developers hired and a business implementation plan produced indicating system releases every 3 weeks, whilst developers fixed issues.</li> <li>• Meris cleanse being reviewed by CEO, Meris licences freed up to those that need licences and priority to complete end of year work.</li> </ul>
<b>Legislative slot</b>	
<p>OPG fails to prepare for/gain a legislative slot for a number of projects including to remove wet signatures, and deliver cost savings.</p>	<ul style="list-style-type: none"> <li>• OPG teams continue to work with MoJ/Treasury and the legal sector to prepare for legislative slot in the future.</li> <li>• Fully digital legislation is not included in the current bill.</li> <li>• On fees some of MoJ's proposals will not be taken forward but the powers contained within the Antisocial Behaviour Act will be used when setting OPG's PoA fees for introduction 1 April 2017.</li> <li>• Options will be assessed to progress an interim fully digital solution within the current legislation.</li> </ul>
<b>Staffing growth</b>	
<p>OPG cannot sustain its growth argument in the broader MoJ/digital context and has to limit growth or reduce its workforce profile.</p>	<ul style="list-style-type: none"> <li>• Workshop reviewed workload forecasts, productivity assumptions and resourcing issues arising.</li> <li>• Staff profile agreed within Spending Review period with MoJ HQ.</li> <li>• Sustained effort required to maintain position on operational performance.</li> <li>• Profiles constantly monitored with early intervention to address variances promptly, progress will be reported formally to the executive management team and OPG Board.</li> </ul>
<b>Failure of the legacy case management systems</b>	
<p>Resulting in inability to case manage supervision cases and issues surrounding court application submissions for investigations.</p>	<ul style="list-style-type: none"> <li>• Service management requested servers are taken into account for the MoJ rebuild project not in scope so outcome is low.</li> <li>• Overtime utilised to catch up with work and checks made to ensure prior entries correctly saved.</li> <li>• Local capability to reboot the system possible if prolonged wait times expected for contracted engineers to arrive.</li> <li>• Both short and long term contingency plans are now in place for supervision teams.</li> </ul>
<b>EU Directive &amp; General Data Protection Regulation (GDPR)</b>	
<p>OPG is not prepared for GDPR when it becomes operable in May 2018.</p>	<ul style="list-style-type: none"> <li>• Information asset registers updated to comprehensively review against the new GDPR requirements.</li> <li>• 2 senior OPG managers undertaking GDPR foundation and practitioner qualifications during 2017.</li> <li>• Pilot data mapping workshops undertaken in January 2017 which identified priority areas for compliance work.</li> <li>• Customer journey maps to be collated to determine 'personal data flow' through core business streams and inform next steps.</li> </ul>

Principal issues	Key actions to resolve
<b>Staffing</b>	
Staffing levels falling below profile. Vacancies have increased with time to fill those vacancies also increasing.	<ul style="list-style-type: none"> <li>• Robust case presented to MoJ in support of recruitment and staffing profiles.</li> <li>• OPG people plan approved by the board and prioritised for introduction.</li> <li>• Apprenticeships explored to assist recruitment and retention of staff.</li> </ul>
<b>Single Operating Platform (SOP)</b>	
Change to operating system impacting customer services and financial transactions.	<ul style="list-style-type: none"> <li>• Increased finance branch staffing profile over period of change and ensure sales ledger updated.</li> <li>• Process maps shared with OPG digital, SSCL and SOP team.</li> <li>• Communicated key messages and training available for all staff.</li> <li>• Majority of SOP on introduction working however sales ledger interaction remains an issue.</li> </ul>

In addition the following risks were managed to closure during the year:

- Attendance management – average working days lost improved from 8.7 days reported in March 2016 to an average of 7.9 days by December 2016. Internal initiatives and workshops introducing the new policy assisted the reduction. As a result targets were achieved.
- Estates – new premises in Nottingham became fully operational, a restack of desk space in Birmingham completed along with a further expansion of accommodation enabled this risk to be closed October 2016.
- Legislative slot – plans to progress key legislative changes ceased when no legislative slot was secured in the parliamentary timetable.
- Platform stability for digital transformation – optimising capacity of digital application, technical architect available from February 2017 to progress the matter.
- Power of attorney fee – achieved Parliamentary approval in March 2017 to amend the fee with effect from 1 April 2017.

### Oversight of the assurance process

Government Internal Audit Agency activity in 2016 and 2017 included (along with any follow up audits) the following risk based audits:

- strategic audits on estates strategy; communications Strategy and digital transformation phase 2
- corporate audits on management information
- financial audits on financial control framework (income and debt recovery) and demand forecasting management
- operational audit on managing investigations.

Final reports on the 8 audits received this period indicate the framework of governance, risk management and control is adequate and effective, 7 reported with substantial ratings and moderate recommendations, and 1 reported with a moderate rating and only 1 significant recommendation made. This is a good improvement on managing risk from previous years when moderate results had been received.

The risk assurance procedure (RAP) is an internal procedure for providing assurance and reporting exceptions against day-to-day low level risk (not included in business area risk registers). A submission to OPG Board in November 2016 agreed to collate quarterly reporting of this process via a dashboard certificate.

Other reports made to MoJ which provide assurance are the annual security policy framework report, corporate health and safety annual assurance report, quarterly business continuity tool returns to MoJ security, quarterly returns on fraud action plan, metrics and reports to MoJ finance group, and consolidated data requests to Cabinet Office/Treasury.

### **Anti-fraud and corruption**

OPG has a fraud response plan that underpins the MoJ Anti-Fraud and Corruption Policy. As a member of the MoJ Counter Fraud Working Group we are able to draw experience from across the department, if necessary, and support the work of the Cabinet Office's fraud, error, debt and grants team.

There were no reported incidents of external fraud against OPG during 2016/17.

A number of complaints were received about fees charged by third parties engaged directly by OPG's customers. These complaints did not constitute any fraud against OPG; customers were advised to contact Local Trading Standards or Action Fraud.

A revised programme of fraud awareness training will be implemented during the next business year and sessions planned will also cover aspects of security.

### **Whistleblowing reports**

A total of 5 cases were reported through the whistleblowing network; the majority of these cases related to allegations of abuse of the flexi time policy. Following investigations, 2 of the referrals were not upheld and 3 cases resulted in further action under disciplinary procedures. An internal communication was issued reminding all staff about the policy, their conduct and consequences of any breach of policy. The OPG People Survey showed that 69% of staff know how to raise a concern under the Civil Service code. In addition, 63% of staff were confident that concerns will be investigated appropriately. Both scores are an improvement on the 2015 survey and provides a good indication of OPG's maturity in this area.

### **Business continuity**

OPG has developed and maintained incident management and business continuity plans to manage the risk of disruption and ensure that it effectively responds and maintains the continued operation and recovery of the business. OPG has a trained business continuity practitioner to enable an effective response to disruptive events and a structured return to business as normal which includes training exercises to test planning assumptions.

Outages or disruption experienced during the year are detailed below.

- April 2016 – minor impact – electrical outage for at least 2 hours on several floors of the Axis building, Birmingham, other available desk space utilised for a short period.
- April 2016 – high impact – loss of IT at all OPG sites due to oversight with renewal of licence with BT. Manual working was undertaken and the issue was resolved promptly.
- August 2016 – medium impact – server failure for case work, reduced service and resulted in backlogs for certain business areas for over 10 working days.

- November 2016 – minor impact – major power cut early evening in several districts of Birmingham. The Axis building was evacuated. Power was restored and there were no residual issues reported.
- February 2017 – medium impact – widespread telecoms failure throughout MoJ, not all staff affected but return to normal service varied for the remainder of that day.

We are currently redesigning the business impact analysis (BIA) process in collaboration with our change management office and business teams. The aim is to improve reporting and analyse on critical activities. This will also include an assessment of safeguarding impacts not previously considered. A laptop survey was completed to establish current holdings in support of contingencies and capability in this aspect.

A winter resilience plan was produced and shared with MoJ Permanent Secretary's Office. Outage reports and quarterly returns are sent to MoJ security branch. OPG is currently considering options for a reciprocal agreement with the Legal Aid Agency for potential shared facilities as a contingency measure for both Birmingham and Nottingham sites.

OPG continue to co-ordinate Birmingham area MoJ meetings of business continuity leads and also support Birmingham HM Passport Office in their business continuity requirements.

### Information security and assurance

An OPG appointed information assurance executive lead (IAEL) performs the role of senior information risk owner (SIRO) supported by a designated Head of information, governance and facilities. OPG's approach is consistent with government policy comprising an information security process, asset registers, information risk appetite statement and associated information risks, which are built into the corporate risk register.

Our post-incident response process, introduced in autumn 2012, is designed to capture and respond to any instances of information loss. The process is monitored continuously and a review was undertaken in summer 2016.

Controls include:

- management procedures specifically covering security of information and staff responsibilities
- access for all staff to receive training on information security with additional remedial training mandated when required
- dedicated intranet pages available to all staff, providing bespoke advice and guidance on a range of information assurance and security considerations, including additional guidance on how to securely classify information and the 'roles and responsibilities' of staff in handling client information
- managers with specific security of information responsibilities are certificated in information security management principles (CISMP) or qualified Data Protection practitioners
- information risk and privacy impact assessments (PIA) have been completed in respect of all our key IT systems. Business process changes have also undergone privacy screening to assess whether a full PIA is required.

## Information (loss/compromise) incidents

OPG has deemed itself responsible for 587 (2015/16: 559) information losses and/or breaches of information security, of which only 29 (2015/16: 39) were deemed to be 'high harm'. This represents an increase in losses of 5%, but a reduction of 34% of high harm losses, against an increase in workload – almost 20% for the volume of applications for power of attorney registrations handled. The majority of information losses were as a result of OPG misdirecting post, which is consistent with previous years.

No information losses in 2016/17 were significant enough to require a report to be made to the Information Commissioner.

The current process for reporting information loss is fit for purpose but we have developed a new reporting tool in line with our drive to continually improve our work. The information loss process will remain broadly the same, however, the tool will capture a greater depth of information compared to the current reporting mechanism.

To accompany the new reporting tool, a refreshed list of 'loss types' has been drafted for approval by OPG audit and risk committee. The new types make it easier for colleagues reporting breaches, to classify the type of information lost. The reporting tool will also include a mechanism for OPG colleagues to report physical security incidents.

All new staff receive an overview of information and security compliance as part of their induction and OPG staff complete the mandatory MoJ wide 'Responsible for Information' e-learning.

## Health and safety

OPG acknowledges its legal responsibilities in relation to the health, safety and welfare of its employees and for all people using its premises. OPG complies with the Health and Safety at Work Act 1974 and all other relevant regulations and legislation as appropriate.

OPG recognises that to have effective health and safety (H&S) management key elements need to be in place. The elements, outlined within Managing for health and safety (HSG65), are policy, organising, planning, measuring performance, auditing and reviewing.

In 2016/17 OPG Health, Safety and Fire policy was reviewed and aligned with MoJ policy on these matters which was reviewed in February 2016. Alongside this, OPG has developed the MoJ strategy plan over the period to further enhance H&S compliance within OPG. This is monitored by the H&S committee and also cross referred against a H&S maturity model. Updates on the MoJ strategy plan and the H&S maturity model are reported to the executive management team on a quarterly basis.

OPG's H&S risk register is maintained and informed by local risk assessments, which contain the top 5 issues within OPG. This is reviewed and monitored at the quarterly OPG H&S committee. OPG has continued to conduct regular risk assessments throughout the year to ensure compliance, including all staff with regards to Display Screen Equipment regulations. We have carried out 1,268 display screen checks this year. This currently represents 98% of all staff in post.

Our H&S performance is monitored, reviewed, and communicated through the production and publication of performance data. The data is presented to the H&S committee and is included in the performance team's balanced scorecard on a monthly basis. A programme

of local inspections is in place to monitor and manage performance with the participation of trade union representatives, to enhance the overall H&S maturity across all sites.

Figures for annual accidents recorded have increased by 8% from 2015/16 with 26 accidents recorded in 2016/17, compared with 24 accidents in 2015/16 and 27 accidents in 2014/15. This is during a period when the staff total (whole time equivalents) has increased in the organisation by 13% from 1,071 in 2015/16 to 1,206 in 2016/17.

### Accounting Officer

As Accounting Officer, I have responsibility for reviewing the effectiveness of OPG's system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the executive managers within OPG. They are responsible for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. In their annual report, our internal auditors have given an overall assurance that OPG has a 'substantial' level of assurance. I have been advised on the implications of the result of my review by the board and the audit and risk committee. I am satisfied that a plan to address weaknesses in the system of internal control, and ensure continuous improvement of the system, is in place.

I am also satisfied that all material risks have been identified, and that those risks are being properly managed.



### Alan Eccles CBE

Chief Executive and Accounting Officer  
5 July 2017

# Remuneration and staff report

## 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 stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-executive directors were appointed on a 3 year fixed term contract.

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

## Remuneration policy

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

Salaries for executive board members are determined by the Permanent Secretary of MoJ, in accordance with the rules set out in chapter 7.1 Annex A of the Civil Service management code.

In reaching its recommendations, the review body has considered the following:

- the need to recruit, retain, motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff
- government policies to improve 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
- the government's inflation target.

The review body takes into account the evidence it receives about wider economic considerations and the affordability of its recommendations.

## Salary

'Salary' includes:

- gross salary
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances
- any other allowance to the extent that it is subject to UK taxation.

This report is based on payments made by MoJ on behalf of OPG and is therefore recorded in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable salary.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2016/17 relate to performance in 2015/16 and the comparative bonuses reported for 2015/16 relate to the performance in 2014/15.

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the members of OPG's board.

## Remuneration

Members	2016/17				2015/16					
	Salary £000	Bonus payments £000	Benefits in kind (to nearest £100)	Pension benefits £000	Total £000	Salary £000	Bonus payments £000	Benefits in kind (to nearest £100)	Pension benefits £000	Total £000
Alan Eccles CBE, Chief Executive and Public Guardian	110-115	–	–	2	115-120	110-115	–	–	54	165-170
Karen Morley, Head of Corporate Services	55-60	0-5	–	20	75-80	55-60	–	–	25	80-85
Angela Johnson, Head of Supervision, Practice and Compliance	30-35	–	–	3	30-35	50-55	0-5	–	20	70-75
Iain Dougall, Head of Operations	65-70	0-5	–	20	85-90	65-70	–	–	26	90-95
Chris Jones, Head of Strategy and Business Development	60-65	0-5	–	22	80-85	60-65	–	–	27	85-90
Ria Baxendale, Head of Supervision and Investigations	60-65	–	–	21	80-85	0-5 (55-60 full year equivalent)	n/a	n/a	2	5-10
Elizabeth Gibby, MoJ Deputy Director, Access to Justice Strategy and Specialist Policy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dean Parker	5-10	–	–	–	–	0-5 (5-10 full year equivalent)	–	–	–	0-5
Prof Anthony Schapira	5-10	–	–	–	–	5-10	–	–	–	5-10
Janet Grossman	5-10	–	–	–	–	5-10	–	–	–	5-10
<b>Band of highest paid director total remuneration (£000)</b>	<b>110-115</b>					<b>110-115</b>				
<b>OPG median total remuneration (£)</b>	<b>19,746</b>					<b>20,036</b>				
<b>Ratio</b>	<b>5.7</b>					<b>5.6</b>				

Angela Johnson partially retired with effect from 1 January 2016. Ria Baxendale gained responsibility for supervision and investigations from 1 March 2016. Elizabeth Gibby is the designated MoJ representative on the board. As such her salary is not in respect of any significant OPG role and is not subject to disclosure.

Information in the above table has been audited.

## Fair pay disclosure<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.

The banded total remuneration of the highest paid director of OPG in the financial year 2016/17 was £110k-115k (2015/16: £110k-115k). This was 5.7 times (2015/16: 5.6 times) the median remuneration of the workforce, which was £19,746 (2015/16: £20,035).

In 2016/17, 6 members of the workforce (2015/16: 6 members of the workforce) received remuneration in excess of the highest-paid director. Remuneration ranged from £16,000 to £163,000. Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

## Compensation for loss of office<sup>1</sup>

No compensation payments were made in 2016/17 (2015/16: nil) for early retirement or loss of office.

## Pension benefits

Members	Accrued at pension age as at 31/3/17 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/3/17 £000	CETV at 31/3/16 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Alan Eccles CBE, Chief Executive and Public Guardian	70-75	0-2.5	1,310	1,307	2	–
Karen Morley, Head of Corporate Services	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 0	403	378	8	–
Angela Johnson, Head of Practice and Compliance	25-30	0-2.5	524	521	3	–
Iain Dougall, Head of Operations	15-20	0-2.5	273	244	15	–
Chris Jones, Head of Strategy and Business Development	10-15	0-2.5	149	135	5	–
Ria Baxendale, Head of Supervision and Investigations	10-15	0-2.5	121	108	5	–

Information in the above table has been audited.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3% to 2.8%. This rate affects the calculation of CETV figures in this report.

## 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

<sup>1</sup> The information contained in this section has been audited

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 4 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 2 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 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of 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 3 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 2 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 into account 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.

### Staff report

	2016/17	2015/16
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Staff costs	Total	£000 Permanently employed staff	Others	£000 Total
Wages and salaries	29,073	23,434	5,639	27,191
ERNIC	1,911	1,911	–	1,320
Other pension costs	4,188	4,188	–	3,988
<b>Total net costs</b>	<b>35,172</b>	<b>29,533</b>	<b>5,639</b>	<b>32,499</b>

Information in the above table has been audited.

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 OPG is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at: <https://www.gov.uk/government/publications/cabinet-office-civil-superannuation-accounts-2015-to-2016>.

For 2016/17, employers' contributions of £4,121,000 were payable to the PCSPS (2015/16 £3,916,000) at 1 of 4 rates in the range of pensionable earnings (20.0% to 24.5%), based on salary bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2016/17 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 £67,000 (2015/16 £72,000) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

## Staff numbers

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

Number	2016/17			2015/16
	Total	Permanent staff	Other	Total
Directly employed	1,027	1,027	–	984
Other	179	–	179	87
<b>Total</b>	<b>1,206</b>	<b>1,027</b>	<b>179</b>	<b>1,071</b>

Information in the above table has been audited.

## Staff composition

	Male	Female
Board members	3	3
SCS1	0	1
OPG employees (excluding SCS)	567	768

The staff composition table above shows the number of staff in post at 31 March 2017. The board members include one male SCS2 (not included on SCS row).

## Sickness absence

- Average working days lost (AWDL) this year was 7.9 days to December 2016. Due to reporting constraints this figure is taken as the full year figure.

## Staff policies applied in year

OPG complies with the MoJ disability policy in relation to the recruitment, training and development of staff with disabilities. We recruit, train and develop people on the basis of their skills, aptitude and ability to do the job.

As part of the MoJ, we operate according to a range of human resource policies, procedures and practices, which include:

- flexible working
- bullying and harassment
- mediation
- recruitment and selection
- equality and diversity
- managing attendance (we have a number of staff with a disability where reasonable adjustments have been agreed in order to enable them to carry out their duties)
- performance management
- training.

## Expenditure on consultancy

OPG did not employ any consultants during 2016/17.

## Off-payroll engagements

Summary of off-payroll engagements 2016/17	Members of the workforce
Less than one year	24
Between one and two years	12
Total	36

All of the above appointments have been subject to a risk based assessment regarding the payment of correct tax.

## Reporting of Civil Service and other compensation schemes – exit packages

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 the exit package is confirmed. Where the government department has agreed early retirements, the additional costs are met by the department and not by the Principal Civil Service Pension Scheme.

In 2015/16, MoJ accounted for a Voluntary Early Departure Scheme relating to OPG as they were liable to pay for the redundancy and other departure costs of this Scheme on our behalf. The following table sets out the number of exit packages relating to this Scheme that were disclosed within the 'Civil Service and other compensation schemes – exit package' table on page 59 of the MoJ Annual Report and Accounts 2015/16. These employees left the agency in 2016/17.

8 exit packages, totalling £347,221, were paid in 2016/17 (2015/16: Nil).

Exit package cost band	Redundancies		Departures agreed		Packages by cost band	
	Number	Cost Band	Number	Cost Band	Number	Cost Band
£10,000	0	£0	0		0	
£10,000-£25,000	0	£0	3	£65,871	3	£65,871
£25,000-£50,000	0	£0	2	£62,382	2	£62,382
£50,000-£100,000	0	£0	3	£218,968	3	£218,968
£100,000-£150,000	0	£0	0	£0	0	£0
£150,000-£200,000	0	£0	0	£0	0	£0
£200,000-£250,000	0	£0	0	£0	0	£0
£250,000-£300,000	0	£0	0	£0	0	£0
Total number of exit packages by type	0	£0	8	£347,221	8	£347,221
<b>Total resource cost /£</b>		<b>£0</b>		<b>£347,221</b>		<b>£347,221</b>

This information has been audited.



### Alan Eccles CBE

Chief Executive and Accounting Officer  
5 July 2017

# Parliamentary accountability and audit report

## Statement of parliamentary supply

OPG is funded by MoJ, from its parliamentary supply, and by income derived from fees and charges from external customers.

In common with other government agencies future funding has to be approved by our sponsor department, MoJ, and by Parliament. Approval has already been given for 2017/18 and there is no reason to question OPG's future funding. Financial statements have therefore been prepared on a going concern basis for financial reporting and asset valuation purposes.

## Regularity of expenditure

The Principal Accounting Officer for MoJ has designated the Chief Executive of OPG as the Accounting Officer for the agency. 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 OPG's assets, are set out in Managing Public Money published by HM Treasury. There are no regularity issues to report. This information has been audited.

## Fees and charges

The agency is required, in accordance with 'Managing Public Money', to disclose results for the areas of its activities undertaken throughout the financial year, where fees and charges were made.

Ministers and HM Treasury agreed a fees strategy for OPG involving 100% cost recovery. This strategy was reflected in both statutory instruments and was implemented from 1 October 2007.

A subsidy is provided as planned to ensure clients are not denied access to services through the inability to afford the requisite fees.

	2016/17 £000	2015/16 £000
Operating income	(74,865)	(65,857)
Fees remitted	(10,290)	(6,762)
Total income	(85,155)	(72,619)
Total expenditure	57,715	53,321
Deficit/(surplus)	(27,440)	(19,298)
Cost recovery (%)	148%	136%

Information in the above table has been audited.

The financial objective agreed with HM Treasury, for OPG to achieve full cost recovery (excluding fee exemptions and remissions), was met and exceeded, achieving 148%, an increase from 2015/16. Our analysis confirms that the over recovery has been generated solely from fees charged to register lasting and enduring powers of attorney. The cost of administering supervision of deputies under-recovered in the year.

Many more people have been registering for lasting powers of attorney in recent years. Increased volumes, coupled with greater efficiencies in processing applications, have resulted in fees being charged above the operational cost of delivering the service, without MoJ having exercised the power provided by legislation to allow us to do this.

From 1 April, we have reduced the fees for applying to register lasting powers of attorney and enduring powers of attorney. Alongside the reduction in fees, MoJ will also introduce a scheme for refunding a portion of the fee to customers who may have paid more than they should have during the last 4 years. Full details of the scheme will be announced in due course but we are committed to taking such steps as are necessary to make sure that people are made aware of, and receive, the refunds to which they are entitled.

We will be working closely with MoJ and its new income strategy unit which will oversee the standards and controls set for all income streams. We have also made a number of improvements to the way in which we forecast demand and associated costs in order to enable us to base fee proposals on robust evidence and to ensure compliance with requirements set by HM Treasury.

### **Losses and special payments**

The information in this section has been audited.

#### **Fees remitted**

There were 117,764 cases where fees were remitted or exemptions applied. The total value was £9,450,000 (2015/16: 76,253 cases – £6,762,000 as described in note 2).

#### **Cash losses**

There were 2 cases involving cash losses totalling £2,000 (2015/16: 1 case – loss £14).

#### **Special payments and discretionary fee waivers**

There were 156 special payments totalling £22,000 (2015/16: 205 special payments, totalling £10,000) relating to compensation and consolatory settlements.

There were 6,852 fee waivers totalling £840,000 (2015/16: 3,042 cases, totalling £386,000). A fee waiver is granted either:

- in accordance with the statutory instrument when the donor/client does not qualify for an exemption or remission but in the judgment of the Public Guardian, payment of the fee would cause undue hardship
- in recognition of maladministration.

### **Remote contingent liabilities**

In accordance with IAS 37, the agency discloses as contingent liabilities potential future obligations arising from past obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the agency's control, unless their likelihood is considered to be remote. Guarantees, indemnities and undertakings which are not financial guarantee contracts under IAS 39 are treated as contingent liabilities.

In addition to contingent liabilities disclosed in accordance with IAS 37, the agency also discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote.

Where the time value of money is material, contingent liabilities are stated at discounted amounts. Contingent liabilities required for parliamentary reporting are not discounted. There are no remote contingent liabilities. This information has been audited.

### **Gifts made**

No gifts have been made. This information has been audited.

A handwritten signature in black ink, appearing to read 'A. Eccles'.

**Alan Eccles CBE**

Chief Executive and Accounting Officer  
5 July 2017

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Office of the Public Guardian for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports as having been audited.

### **Respective responsibilities of the Board, Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Office of the Public Guardian's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Office of the Public Guardian; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### **Opinion on regularity**

In my opinion, in all material respects 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.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Office of the Public Guardian's affairs as at 31 March 2017 and of the net operating surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

## Opinion on other matters

In my opinion:

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

## Matters on which I report by exception

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 Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited 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.

## Report

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

Date: 12 July 2017

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

# Financial statements

<b>Statement of comprehensive net expenditure</b>		<b>2016/17</b>	<b>2015/16</b>
<b>for the period ended 31 March 2017</b>	<b>Note</b>	<b>£000</b>	<b>£000</b>
Programme:	7		
Staff costs	3	35,172	32,499
Other expenditure	4/5	22,543	20,822
Income	2/6	(74,865)	(65,857)
Net operating surplus		<b>(17,150)</b>	<b>(12,536)</b>

<b>Other comprehensive net expenditure</b>		<b>2016/17</b>	<b>2015/16</b>
<b>for the period ended 31 March 2017</b>	<b>Note</b>	<b>£000</b>	<b>£000</b>
Net (gain) / loss on revaluation of property, plant and equipment	8	(88)	147
Net gain on revaluation of intangibles	8a	(354)	–
Total comprehensive income and expenditure		<b>(17,592)</b>	<b>(12,389)</b>

The notes on pages 71 to 87 form part of these accounts.

Statement of financial position as at 31 March 2017	Note	31 March 2017		31 March 2016	
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	8		3,538		4,218
Intangible assets	8a		6,312		5,792
<b>Total non-current assets</b>			<b>9,850</b>		<b>10,010</b>
<b>Current assets</b>					
Trade and other receivables	9	50,297		46,100	
Cash and cash equivalents	10	12,432		5,879	
<b>Total current assets</b>			<b>62,729</b>		<b>51,979</b>
<b>Total assets</b>			<b>72,579</b>		<b>61,989</b>
<b>Current liabilities</b>					
Trade and other payables	11	(37,250)		(8,013)	
Provisions	12	(27)		(230)	
<b>Total current liabilities</b>			<b>(37,277)</b>		<b>(8,243)</b>
<b>Total assets less current liabilities</b>			<b>35,302</b>		<b>53,746</b>
<b>Non-current liabilities</b>					
Provisions	12		(826)		(119)
<b>Total non-current liabilities</b>			<b>(826)</b>		<b>(119)</b>
<b>Total assets less total liabilities</b>			<b>34,476</b>		<b>53,627</b>
<b>Taxpayers' equity</b>					
General fund			33,990		53,385
Revaluation reserve			486		242
<b>Total taxpayers' equity</b>			<b>34,476</b>		<b>53,627</b>

The notes on pages 71 to 87 form part of these accounts.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

5 July 2017

OPG statement of cash flows for the period ended 31 March 2017	Note	2016/17 £000	2015/16 £000
<b>Cash flows from operating activities</b>			
Surplus for the year		17,150	12,536
Non-cash charges	5	8,367	6,053
Other non-cash operating costs	4	–	1,204
Other non-cash		*516	11
		<b>26,033</b>	<b>19,804</b>
<b>Cash flows from investing activities</b>			
Increase in trade and other receivables		(4,617)	(10,971)
Increase/(decrease) in trade and other payables		30,800	3,434
Utilisation of provisions settled by OPG	12	(17)	–
<b>Net cash inflows from operating activities</b>		<b>52,199</b>	<b>12,267</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,168)	(146)
Purchase of intangible assets		(778)	(1,848)
<b>Net cash outflow from investing activities</b>		<b>(2,946)</b>	<b>(1,994)</b>
<b>Cash flows from financing activities</b>			
MoJ transfer		(42,700)	(5,750)
<b>Net cash outflow from financing</b>		<b>(42,700)</b>	<b>(5,750)</b>
<b>Net increase in cash</b>	10	<b>6,553</b>	<b>4,523</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>5,879</b>	<b>1,356</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>12,432</b>	<b>5,879</b>

\* This relates to duplicated income entries in income and bank balance in prior year that occurred in the early use of the new general ledger system.

The notes on pages 71 to 87 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2017	Note	General Fund	Revaluation Reserve
		£000	£000
<b>Balance at 31 March 2016</b>		<b>53,385</b>	<b>242</b>
<b>Net gain/(loss) on revaluation of:</b>			
Property, plant and equipment		–	88
Intangible assets		–	354
<b>Non-cash charges</b>			
Auditor's remuneration	5	52	–
Notional element of departmental recharge	5	5,282	–
Reserves movement MoJ		(42,700)	–
Revaluation transfer		198	(198)
Intra department settlement of balances		623	–
<b>Net surplus for the year (SoCNE)</b>		<b>17,150</b>	<b>–</b>
<b>Balance at 31 March 2017</b>		<b>33,990</b>	<b>486</b>

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2016	Note	General Fund	Revaluation Reserve
		£000	£000
<b>Balance at 31 March 2015</b>		<b>41,940</b>	<b>389</b>
<b>Net gain/(loss) on revaluation of:</b>			
Property, plant and equipment		–	(147)
<b>Non-cash charges</b>			
Auditor's remuneration	5	52	–
Costs settled by MoJ	4	1,204	–
Notional element of departmental recharge	5	3,392	–
Reserves movement MoJ		(5,750)	–
Other		11	–
<b>Net surplus for the year (SoCNE)</b>		<b>12,536</b>	<b>–</b>
<b>Balance at 31 March 2016</b>		<b>53,385</b>	<b>242</b>

The notes on pages 71 to 87 form part of these accounts.

# Notes to the accounts

For the period ended 31 March 2017

## 1. Statement of accounting policies

### 1.1. Basis of preparation

These accounts have been prepared in accordance with the 2016/17 government financial reporting manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply international financial reporting standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the agency for the purpose of giving a true and fair view, has been selected. The agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act and the accounting standards issued or adopted by the Accounting Standards Board and HM Treasury, so far as those requirements are appropriate.

The statement of comprehensive net expenditure is not split between administration and programme net expenditure as OPG net expenditure is classified as 100% programme, based on assessment of the work carried out by OPG, which is mainly frontline services. This classification has been agreed with HM Treasury.

OPG has made an assessment of the proposed changes in the FReM for 2016/17, and any new accounting standards in issue that are not yet effective, and has determined that there would be no material effect on its current or prior period or a future period.

### 1.2. Going concern

The agency is funded by the MoJ, from its Parliamentary Supply and by income derived from fees and charges from external customers (see note 2). In common with other government agencies, future funding has to be approved by our sponsor department and by Parliament.

Approval has already been given for 2017/18 and these accounts have been prepared on a going-concern basis for financial reporting and asset valuation purposes.

### 1.3. Accounting convention

These accounts have been prepared on an accruals basis, under the historical cost convention modified to account for the revaluation of non-current assets.

## 1.4. Income recognition

### Operating income

Operating income relates directly to the operating activities of OPG. It principally comprises fees and charges for services provided on a full-cost basis to external customers, net of fees remitted (see note 1.5) and net of VAT.

The Mental Capacity Act 2005 provides for fees to be charged in relation to proceedings brought in relation to the functions carried out by the Public Guardian. The levels of charges are contained in two Statutory Instruments, Lasting Powers of Attorney, Enduring Powers of Attorney and Public Guardian Regulations 2007 and the Public Guardian (fees etc) Regulations 2007.

The fee structure effective for 2016/17 has been in place since it was altered at 1 October 2011 by The Public Guardian (fees, etc.) (Amendment) Regulations 2011 which amended and updated The Public Guardian (fees, etc.) Regulations 2007.

### Public Guardian supervision and deputyship fees

The regulations replace the range of fees that were payable by receivers appointed by the court with a single set up fee, payable when a new deputyship is initially assessed for supervision; and a single annual administration fee. Cases are placed into 1 of 2 types of supervision and bring in annual fees according to the level allocated.

The majority of cases fall into the category of general level of supervision. Income is recognised through supervision fees calculated on pro rata basis if:

- there has been more than one type of supervision applied in a one-year period; or
- supervision has been in place for less than one year; or
- the person lacking capacity or the deputy dies. Fees are payable up to the date of death.

### EPA and LPA registration fees

Income is recognised when the application is made. The registration fee is payable with the application. A separate registration fee is payable for property and financial affairs LPAs and health and welfare LPAs when each application is made.

## 1.5. Exemption and remission of fees

Both instruments provide for exemption and remission from fees. Exemptions apply to people in receipt of qualifying means tested benefits who have not received a damages award in excess of £16,000, which has been disregarded for the purposes of eligibility for these benefits. OPG criteria adopt a consistent policy with other government agencies in disregarding these awards. The instruments also provide for fees to be waived or reduced, where, due to the exceptional circumstances of the case, payment would cause undue hardship.

OPG is responsible for authorising exemption from payment of fees and for approving applications to waive fees on exceptional grounds.

An application for a fee exemption or remission can be made with the initial application form or submitted within 6 months of application. Income is recognised on receipt of a valid application.

In those cases where an application for an exemption or remission is not made with the original LPA application there is a proviso that a completed exemption or remission application must be received within 6 months of the invoice being raised.

Where a fee is paid and a subsequent exemption or remission is agreed a refund is issued.

Exemptions and remissions are recognised as a reduction in income on receipt of valid forms received in year. A provision is recognised based on a detailed assessment of the extent to which supervision fee exemption and remission have been granted in the year following recognition of the income. This represents the anticipated amount of exemption and remission that may be received in the following year (note 9). Income is shown net of exemptions and remissions on the statement of comprehensive net expenditure, and on a more detailed gross basis at note 2.

## 1.6. Employee benefits

### Employee leave accrual

An accrual is made for untaken employee leave and flexi leave.

### Early departure costs

OPG is required to pay the additional cost of benefits in respect of employees who retire early, unless the retirement is on approved medical grounds. The total cost is provided in full when the early departure programme has been announced and is binding on OPG.

### Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described in the remuneration and staff report, cover past and present employees. The defined benefit schemes are unfunded. The agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. OPG accounts for the schemes as defined contribution schemes as sufficient information is not available to account for them as defined benefit schemes. The agency therefore recognises the contributions payable for the financial year.

## 1.7. Leases

OPG's leases are regarded as operating leases and the rentals are charged to the statement of comprehensive net expenditure on a straight-line basis over the term of the lease. In accordance with the principles of IAS 17 (Leases) and the supplementary guidance specified in SIC 15 (Operating lease incentives) OPG has spread the value of the rent-free period for occupation of space at The Axis Building over the initial 10 year term.

## 1.8. Non cash charges

Non cash charges are included in the statement of comprehensive net expenditure to reflect the full cost of the agency's services, in line with the FReM and Managing Public Money. These charges include:

### MoJ headquarters' support charges

MoJ recharge methodology calculations is the documented basis applied transparently and consistently to apportion overheads including HR and IT to all MoJ departments and agencies on a non-cash basis.

### **External auditor's remuneration**

The non cash charge for the statutory audit of the accounts carried out by the National Audit Office (NAO).

### **1.9. Bad debts**

Bad debts are written off when identified. A provision for doubtful debts is made based on a specific review of the individual cases, which is netted off the trade receivables balance and is then presented on a net basis.

### **1.10. Property, plant and equipment**

#### **Recognition**

Items of property, plant and equipment, including subsequent expenditure on existing assets, are initially recognised at cost when it is probable that future economic benefits or service potential associated with the asset will flow to OPG and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive net expenditure during the financial period in which they are incurred.

#### **Capitalisation threshold – individual assets**

OPG's capitalisation threshold for individual assets is £10,000 (including VAT).

#### **Capitalisation threshold – grouped assets**

Where a significant purchase of individual assets, which are individually beneath the capitalisation threshold, arises in connection with a single project they are treated as a grouped asset. Grouped assets typically comprise:

- an integrated system of diverse equipment designed to deliver a specific solution, for example, an IT equipment refresh project
- a materially significant acquisition of furniture or IT at a single site or
- IT and furniture refresh programmes, where the planned spend exceeds the capitalisation threshold.

#### **Valuation method**

Tangible assets held for their service potential are carried at their current value in existing use.

They are included at cost upon purchase and are restated at each reporting date using appropriate indices (business monitor MM22) produced by the Office for National Statistics.

#### **Revaluation**

When an asset's carrying value increases as a result of a revaluation, any revaluation surplus is credited to the statement of other comprehensive net expenditure and accumulated directly in taxpayer's equity under the heading of revaluation reserve.

An exception is any gain on revaluation that reverses a revaluation decrease on the same asset previously recognised as an expense. Such gains are first credited within net operating cost in the statement of comprehensive net expenditure to the extent the

gain reverses a loss previously recognised within net operating cost in the statement of comprehensive net expenditure.

A revaluation decrease is charged against the revaluation reserve to the extent that it does not exceed the amount held in the revaluation reserve in respect of the same asset. Any residual decrease is then recognised within net operating cost in the statement of comprehensive net expenditure.

### **Depreciation**

Depreciation is charged on a straight-line basis at rates calculated to write-off the value of the assets, less estimated residual value evenly over their estimated useful lives. The useful lives of assets or asset categories are reviewed annually and any changes are discussed with the relevant authorities to ensure the budgeting implications have been properly considered. Where a change in asset life is agreed, the asset is depreciated on a straight-line basis over its remaining assessed life. Depreciation commences in the month following the acquisition of a non-current asset.

If an item of property, plant and equipment comprises 2 or more significant components, with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

Estimated useful asset lives are within the following ranges:

- leasehold improvements – remaining lease period
- furniture and fittings – 10 years
- plant and equipment – 5 to 7 years
- information technology – 3 to 7 years.

### **Assets under construction**

Assets under construction are valued at historical cost within property, plant and equipment and intangible assets and are not depreciated or amortised. An asset ceases to be classified as an asset under construction when it is ready for use. Its carrying value is then removed from assets under construction and transferred to the respective asset category. Depreciation or amortisation is then charged on the asset in accordance with the stated accounting policy.

### **Disposal of non-current assets**

Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive net expenditure. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the general fund.

## **1.11. Intangible assets**

Intangible assets comprise of internally developed software for internal use (including such assets under construction) and purchased software licences.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by OPG are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use
- OPG intends to complete the software product and use it
- there is an ability to use the software product
- it can be demonstrated how the software product will generate probable future service potential
- adequate technical, financial and other resources to complete the development and to use the software product are available
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. The costs of external consultants engaged on projects are capitalised where appropriate. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Purchased software licences are recognised when it is probable that future service potential will flow to OPG and the cost of the licences can be measured reliably. Such licences are initially measured at cost.

Subsequent to initial recognition, intangible assets are included in the accounts at current value in existing use. As no active market exists for OPG's intangible assets, current value is assessed as replacement cost less any impairment losses (depreciated replacement cost).

Intangible assets are amortised using the straight-line method over their expected useful life. The useful lives of internally developed software range from 2 to 7 years.

Purchased software licences are amortised over the licence period.

### **1.12. Capitalisation thresholds for intangibles**

OPG's capitalisation threshold for software projects is £10,000 (including VAT).

### **1.13. Impairment**

An impairment reflects a permanent diminution in the value of an asset as a result of a consumption of economic benefits or service potential. At 31 March, each year, OPG assesses all non-current assets for indications of impairment. The assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. Where the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

The recoverable amount of an asset held for its service potential is current value in existing use. For the purposes of the public sector, the FReM defines the 'value in use' of a non-cash-generating asset as the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Any impairment loss is recognised in the Statement of Comprehensive Net Expenditure. If the impaired asset had previously been revalued, any balance on the revaluation reserve (up to the level of the impairment loss) is transferred to the General Fund.

At 31 March, each year, OPG assess whether there is any indication that any impairment loss recognised in a previous period either no longer exists or has decreased. If any such indication exists, the recoverable amounts of the assets in question are reassessed. The reversal of an impairment loss is then recognised, in the statement of comprehensive net expenditure, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. The amount of any reversal is restricted to increasing the carrying value of the relevant assets to the carrying value that would have been recognised had the original impairment not occurred (that is, after taking account of normal depreciation that would have been charged had no impairment occurred).

#### **1.14. Value added tax (VAT)**

The agency does not have an individual VAT registration with HM Revenue and Customs, but falls under MoJ's registration, which advises the agency of any recoverable input VAT.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of tangible fixed assets. Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT.

#### **1.15. Provisions**

The agency provides for legal or constructive obligations, which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

#### **1.16. Segmental reporting**

Segmental reporting is performed in monthly management accounts on the basis of directorates, but not applied to annual financial accounts. Since OPG essentially has 1 operating activity and 1 operating segment, an analysis by directorate would not provide a meaningful analysis of the sort intended by IFRS 8.

#### **1.17. Contingent liabilities**

In accordance with IAS 37, the agency discloses as contingent liabilities potential future obligations arising from past obligating events, where the existence of such obligations remains uncertain pending the outcome of future events outside of the agency's control, unless their likelihood is considered to be remote. Guarantees, indemnities and undertakings which are not financial guarantee contracts under IAS 39 are treated as contingent liabilities.

In addition to contingent liabilities disclosed in accordance with IAS 37, the agency also discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote.

Where the time value of money is material, contingent liabilities are stated at discounted amounts. Contingent liabilities required for parliamentary reporting are not discounted.

### 1.18. Settlement of intra-group balances using the general fund

OPG has 2 main classes of transactions with its parent department, the Ministry of Justice (MoJ).

- a. MoJ settles some expenditure incurred by OPG on the agency's behalf (see notes 4 and 5). This gives rise to an intra-group balance in MoJ's favour (note 11).
- b. Since OPG generates net cash inflows, these are periodically surrendered to MoJ. These surrenders of cash produce intercompany balances in OPG's favour (note 9).

Each year, OPG and MoJ then consider the intercompany position and agree whether any permanent adjustment to OPG's financial position is appropriate. Any such adjustments constitute financing transactions with OPG's controlling party, they do not give rise to any entries in the statement of comprehensive net expenditure and are recognised directly in the general fund via the statement of taxpayers' equity (SoCiTE). These adjustments can take one of two forms.

- Where the net intra-group balance due from MoJ is higher than the amount of charges which MoJ expects to settle on OPG's behalf in the coming year, OPG agrees to cancel the 'excess' element of the balance, thereby giving rise to a permanent diminution in OPG's equity. These adjustments are credited directly to the SoCiTE and also form a reconciling item in the statement of cash flows (SoCF), since the reduction in the intra-group receivable is not matched by a change in cash. The intra-group receivable left after this transaction completes in essence constitutes a prepayment against services to be received from headquarters in the following year.
- Where necessary, MoJ are also able to provide non-cash funding, such as a permanent increase in OPG's equity, by agreeing to cancel intercompany balances in MoJ's favour. These transactions are described as 'other non-cash MoJ funding' in the SoCF and SoCiTE.

<b>2. Income</b>	<b>2016/17</b>	<b>2015/16</b>
<b>Operating income</b>	<b>£000</b>	<b>£000</b>
<b>OPG fee income</b>		
Lasting powers of attorney	(69,716)	(58,341)
Enduring powers of attorney	(1,734)	(1,241)
Supervision	(12,368)	(11,487)
Appointment of deputy	(1,337)	(1,550)
	<b>(85,155)</b>	<b>(72,619)</b>
<b>Exemptions and remissions</b>		
Lasting powers of attorney	7,053	4,695
Enduring powers of attorney	69	143
Supervision	2,061	1,640
Appointment of deputy	267	284
Discretionary fee waivers	840	–
	<b>10,290</b>	<b>6,762</b>
<b>Total operating income</b>	<b>(74,865)</b>	<b>(65,857)</b>

<b>3. Staff costs</b>	<b>2016/17</b>			<b>2015/16</b>
	<b>£000</b>			<b>£000</b>
<b>Staff costs</b>	<b>Total</b>	<b>Permanently employed staff</b>	<b>Others</b>	<b>Total</b>
Wages and salaries	29,073	23,434	5,639	27,191
ERNIC	1,911	1,911	–	1,320
Other pension costs	4,188	4,188	–	3,988
<b>Total net costs</b>	<b>35,172</b>	<b>29,533</b>	<b>5,639</b>	<b>32,499</b>

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 OPG is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at: <https://www.gov.uk/government/publications/cabinet-office-civil-superannuation-accounts-2015-to-2016>.

For 2016/17, employers’ contributions of £4,121,000 were payable to the PCSPS (2015/16 £3,916,000) at 1 of 4 rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2016/17 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 £67,000 (2015/16: £72,000) were paid to 1 or more of the panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

<b>4. Other operating costs</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
Cash losses and ex gratia payments	27	11
Consumables	391	287
Maintenance	1,073	*1,039
Computer running costs	3,732	3,830
Travel and subsistence costs	374	420
Postage	3,111	2,508
Rates	503	*490
Accommodation	1,321	*1,147
Utilities	225	*49
Visitor services (assessment of client needs)	1,622	1,628
Other running costs	1,797	*3,360
<b>Total other operating costs</b>	<b>14,176</b>	<b>*14,769</b>

\* Of the above amounts, nil (2015/16 £1,204,000) was settled by the Ministry of Justice and have no cash impact on OPG. The affected categories are starred. In 2016/17 the amounts were settled directly by OPG.

<b>5. Non-cash charges</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>£000</b>	<b>£000</b>
MoJ Headquarters support charges	5,282	3,392
Depreciation – Property, plant & equipment	497	325
Amortisation – Intangible assets	1,488	1,101
External auditor's remuneration	52	52
Loss on disposal of property, plant and equipment	–	290
Downward revaluation of assets below depreciated value	–	603
Increase in provision for bad and doubtful debts	–	217
<b>Provision for liabilities:</b>		
Provided in the year	699	–
Provisions written back	(178)	–
Increase in impairment of trade receivables	420	–
Bad debts written off	107	73
	<b>8,367</b>	<b>6,053</b>

## 6. Fees and charges

The agency is required, in accordance with 'Managing Public Money', to disclose results for the areas of its activities undertaken throughout the financial year, where fees and charges were made.

A subsidy is provided as planned to ensure clients are not denied access to services through the inability to afford the requisite fees.

	2016/17	2015/16
	£000	£000
Operating income	(74,865)	(65,857)
Fees remitted	(10,290)	(6,762)
<b>Total income</b>	<b>(85,155)</b>	<b>(72,619)</b>
<b>Total expenditure</b>	<b>57,715</b>	<b>53,321</b>
<b>Deficit/(surplus)</b>	<b>(27,440)</b>	<b>(19,298)</b>
<b>Cost recovery (%)</b>	<b>148%</b>	<b>136%</b>

The financial objective agreed with HM Treasury, for OPG to achieve full cost recovery (excluding fee exemptions and remissions), was met and exceeded, achieving 148%, an increase of 12% from 2015/16. Further information is given in the Parliamentary accountability and audit report on pages 61-63.

## 7. Analysis by administration and programme

OPG income and expenditure is classified as 100% programme, based on an assessment of the work carried out by OPG, which is mainly frontline services – this classification has been agreed with HM Treasury.

<b>8. Property, plant and equipment</b>						
	<b>Leasehold improvements</b>	<b>Furniture &amp; fittings</b>	<b>Plant &amp; equipment</b>	<b>Information technology</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>						
At 1 April 2016	497	475	846	1,631	2,610	<b>6,059</b>
Additions	–	–	–	120	402	<b>522</b>
Reclassifications	1,348	554	–	317	(3,012)	<b>(793)</b>
Disposals	–	–	(725)	(181)	–	<b>(906)</b>
Revaluation	(92)	–	1	103	–	<b>12</b>
<b>At 31 March 2017</b>	<b>1,753</b>	<b>1,029</b>	<b>122</b>	<b>1,990</b>	<b>–</b>	<b>4,894</b>
<b>Depreciation</b>						
At 1 April 2016	–	(20)	(818)	(1,003)	–	<b>(1,841)</b>
Provided in year	(125)	(59)	(18)	(295)	–	<b>(497)</b>
Disposals	–	–	726	180	–	<b>906</b>
Revaluation	125	–	(1)	(48)	–	<b>76</b>
<b>At 31 March 2017</b>	<b>–</b>	<b>(79)</b>	<b>(111)</b>	<b>(1,166)</b>	<b>–</b>	<b>(1,356)</b>
<b>Net book value at 31 March 2017</b>	<b>1,753</b>	<b>950</b>	<b>11</b>	<b>824</b>	<b>–</b>	<b>3,538</b>
<b>Net book value at 1 April 2016</b>	<b>497</b>	<b>455</b>	<b>28</b>	<b>628</b>	<b>2,610</b>	<b>4,218</b>

All property, plant and equipment disclosed above are owned outright by OPG.

	<b>Leasehold improvements</b>	<b>Furniture &amp; fittings</b>	<b>Plant &amp; equipment</b>	<b>Information technology</b>	<b>Assets</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>						
At 1 April 2015	891	203	676	1,103	–	<b>2,873</b>
Additions	–	–	–	–	2,224	<b>2,224</b>
Reclassification**	–	475	253	574	386	<b>1,688</b>
Disposals	(9)	(205)	(86)	(71)	–	<b>(371)</b>
Revaluation	(385)	2	3	25	–	<b>(355)</b>
<b>At 31 March 2016</b>	<b>497</b>	<b>475</b>	<b>846</b>	<b>1,631</b>	<b>*2,610</b>	<b>6,059</b>
<b>Depreciation</b>						
At 1 April 2015	(335)	(72)	(622)	(779)	–	<b>(1,808)</b>
Provided in year	(29)	(27)	(76)	(193)	–	<b>(325)</b>
Disposals	5	93	74	58	–	<b>230</b>
Revaluation	359	(14)	(194)	(89)	–	<b>62</b>
<b>At 31 March 2016</b>	<b>–</b>	<b>(20)</b>	<b>(818)</b>	<b>(1,003)</b>	<b>–</b>	<b>(1,841)</b>
<b>Net book value at 31 March 2016</b>	<b>497</b>	<b>455</b>	<b>28</b>	<b>628</b>	<b>2,610</b>	<b>4,218</b>
<b>Net book value at 1 April 2015</b>	<b>556</b>	<b>131</b>	<b>54</b>	<b>324</b>	<b>–</b>	<b>1,065</b>

All property, plant and equipment disclosed above are owned outright by OPG.

\* Closing balance of £2,610k is comprised of Information Technology (£1,121k), leasehold improvements (£934k) and furniture (£555k) under construction.

\*\* Refer to footnote to note 8a.

<b>8a. Intangible assets</b>				
	<b>Software licences</b>	<b>Internally generated software</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>				
At 1 April 2016	135	11,685	699	12,519
Additions	–	–	861	861
Reclassification	–	951	(158)	793
Disposals	–	(665)	–	(665)
Revaluation	8	701	–	709
<b>At 31 March 2017</b>	<b>143</b>	<b>12,672</b>	<b>1,402</b>	<b>14,217</b>
<b>Amortisation</b>				
At 1 April 2016	(130)	(6,597)	–	(6,727)
Provided in year	(5)	(1,483)	–	(1,488)
Disposals	–	665	–	665
Revaluation	(8)	(347)	–	(355)
<b>At 31 March 2017</b>	<b>(143)</b>	<b>(7,762)</b>	<b>–</b>	<b>(7,905)</b>
<b>Net book value at 31 March 2017</b>	<b>–</b>	<b>4,910</b>	<b>1,402</b>	<b>6,312</b>
<b>Net book value at 1 April 2016</b>	<b>5</b>	<b>5,088</b>	<b>699</b>	<b>5,792</b>

All intangible assets disclosed above are owned outright by OPG.

<b>8a. Intangible assets</b>				
	<b>Software licences</b>	<b>Internally generated software</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>				
At 1 April 2015	414	7,082	*7,186	<b>14,682</b>
Additions	–	–	1,205	<b>1,205</b>
Reclassification	–	5,282	(6,970)	<b>(1,688)</b>
Disposals	(281)	(799)	(147)	<b>(1,227)</b>
Revaluation	2	120	(575)	<b>(453)</b>
<b>At 31 March 2016</b>	<b>135</b>	<b>11,685</b>	<b>**699</b>	<b>12,519</b>
<b>Amortisation</b>				
At 1 April 2015	(384)	(6,316)	–	<b>(6,700)</b>
Provided in year	(21)	(1,080)	–	<b>(1,101)</b>
Disposals	279	799	–	<b>1,078</b>
Revaluation	(4)	–	–	<b>(4)</b>
<b>At 31 March 2016</b>	<b>(130)</b>	<b>(6,597)</b>	<b>–</b>	<b>(6,727)</b>
<b>Net book value at 31 March 2016</b>	<b>5</b>	<b>5,088</b>	<b>699</b>	<b>5,792</b>
<b>Net book value at 1 April 2015</b>	<b>30</b>	<b>766</b>	<b>7,186</b>	<b>7,982</b>

All intangible assets disclosed above are owned outright by OPG.

\* Of £7,186k opening balance, £5,498k relates to intangible assets and £1,688k relates to property, plant and equipment.

The reclassification from intangible assets to property, plant and equipment is due to the opening balances containing IT projects which are not wholly internally generated software but are defined as hardware such as document and data capture scanners.

The migration of accounting system, with a full year effect in 2016/17, offers the functionality to record a project code as part of the accounting classification – this offers the enhancement in reporting to avoid a recurrence.

\*\* Closing balance of £699k is wholly comprised of projects that will be classified under internally generated software when development is complete.

9. Trade and other receivables	31 March 2017	31 March 2016
Amounts falling due within one year	£000	£000
<b>Balances with other central government bodies</b>		
Amount due from Ministry of Justice	35,632	35,015
VAT recoverable	436	279
	<b>36,068</b>	<b>35,294</b>
<b>Balances with bodies external to government</b>		
Prepayments	862	218
Staff receivables	234	40
Trade receivables	1,893	9,809
Accrued income	11,240	739
	<b>14,229</b>	<b>10,806</b>
<b>Total receivables</b>	<b>50,297</b>	<b>46,100</b>

OPG surrenders cash which is used to reduce the intercompany balance with MoJ and the amount due above is the cash expected to be utilised within 12 months on OPG expenditure settled by MoJ (see note 1.18).

Trade receivables are shown net of a provision for doubtful debts of £843,000 (2015/16: £423,000) and a provision for remissions of £602,000 (2015/16: £602,000).

The calculation of the provision for doubtful debt is, this year, recorded in both trade receivables and accrued income due to the timing of the annual supervision billing exercise.

10. Cash and cash equivalents	31 March 2017	31 March 2016
	£000	£000
Balance at 1 April 2016	5,879	1,356
Net cash inflow	6,553	4,523
<b>Balance at 31 March</b>	<b>12,432</b>	<b>5,879</b>
<b>The following balances at 31 March are held at:</b>		
Government Banking Service	<b>12,432</b>	<b>5,879</b>

11. Trade and other payables	31 March 2017	31 March 2016
Amounts falling due within one year	£000	£000
<b>Amount due to other central government bodies</b>		
Amount due to Ministry of Justice	30,507	1,918
Amounts due to other government departments	1,093	–
	<b>31,600</b>	<b>1,918</b>
<b>Balances with bodies external to government</b>		
Accruals	5,647	5,840
Trade payables	3	255
	<b>5,650</b>	<b>6,095</b>
<b>Total payables</b>	<b>37,250</b>	<b>8,013</b>

12. Provisions for liabilities and charges	Early retirement	Other	Total
	£000	£000	£000
<b>Balance at 1 April 2016</b>	<b>157</b>	<b>192</b>	<b>349</b>
Provided in the period	–	699	<b>699</b>
Provisions written back	(47)	(131)	<b>(178)</b>
Provisions utilised in the period	(17)	–	<b>(17)</b>
<b>Balance at 31 March 2017</b>	<b>93</b>	<b>760</b>	<b>853</b>

Analysis of expected timings of cashflow			
Not later than one year	27	–	<b>27</b>
Later than one year and not later than five years	66	140	<b>206</b>
Later than five years	–	620	<b>620</b>
	<b>93</b>	<b>760</b>	<b>853</b>

### Early departure costs

The agency meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The agency provides for this in full when the early retirement programme becomes binding on the agency by establishing a provision for estimated payments.

### Other

The agency created a dilapidations provision of £620,000, arising from the occupancy of the leasehold office property in Nottingham.

### 13. Commitments under operating leases

The total of future minimum lease payments under operating leases in the period in which they are non-cancellable are given in the table below, analysed according to the period in which the payments fall due.

Analysis of expected timings of cashflow	31 March 2017	31 March 2016
	Land & buildings	Land & buildings
	£000	£000
Not later than one year	1,313	1,173
Later than one year and not later than five years	3,656	4,331
Later than five years	–	20
<b>Total</b>	<b>4,969</b>	<b>5,524</b>

### 14. Related party transactions

The agency is an executive agency of MoJ. MoJ is regarded as a related party. During the period the agency had various material transactions with MoJ. In particular the agency's staff costs (and accounting for advances and recoveries of salaries) are managed by MoJ.

In addition, the Government Internal Audit Agency also provides internal audit services to the agency. MoJ manages the lease arrangements and associated accommodation costs of OPG's occupancy of its offices.

MoJ recharge methodology calculations is the documented basis applied transparently and consistently to apportion overheads including HR and IT to all MoJ departments and agencies on a notional basis.

The agency also had transactions with other government departments and entities.

None of the members of the board of the agency, key managerial staff or other related parties has undertaken any material transactions with the agency during the financial year.

### 15. Events after the reporting period

Events after the reporting period are considered up to and including the date on which the accounts are authorised for issue. This is interpreted as the date of the Comptroller and Auditor General's certificate and report.

A general election was held on 8 June 2017. This is a non-adjusting event and there is no significant impact on these financial statements.

### 16. Financial instruments

As OPG's cash requirements are met through the estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the agency's expected purchase and usage requirements and the agency is therefore exposed to little credit, liquidity or market risk. All financial assets and liabilities are stated at their amortised cost.

# Appendices

## Five-year financial record

	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
<b>Operating income</b>					
Lasting Powers of Attorney	27,094	31,580	39,776	53,646	61,823
Enduring Powers of Attorney	2,048	1,791	1,570	1,098	1,665
Supervision*	8,061	9,255	10,065	11,113	11,377
	<b>37,203</b>	<b>42,626</b>	<b>51,411</b>	<b>65,857</b>	<b>74,865</b>
<b>Fees remitted</b>					
Lasting Powers of Attorney	3,330	3,453	3,564	4,695	7,053
Enduring Powers of Attorney	174	123	87	143	69
Supervision*	3,510	2,676	2,481	1,924	2,328
Discretionary fee waivers	–	–	–	–	840
	<b>7,014</b>	<b>6,252</b>	<b>6,132</b>	<b>6,762</b>	<b>10,290</b>
Total income	44,217	48,878	57,543	72,619	85,155
Total expenditure	27,918	31,895	40,293	53,321	57,715
(Deficit)/surplus	16,299	16,983	17,250	19,298	27,440
Cost recovery	158%	153%	143%	136%	148%

\* includes Appointment of Deputy

Fee volumes <sup>1</sup>	2012/13	2013/14	2014/15	2015/16	2016/17
LPA fees	241,214	294,946	395,309	475,037	638,493
EPA fees	17,968	16,034	15,037	11,482	15,115
Office copy fees	4,196	1,416	1,819	1,606	1,823
Appointment of Deputy fees	11,801	14,017	14,938	15,432	14,884
General supervision fees	43,176	43,695	42,466	43,873	38,587
Minimal supervision fees	13,751	16,929	20,915	21,636	25,946

Remissions volumes	2012/13	2013/14	2014/15	2015/16	2016/17
LPA fees	36,217	39,281	43,949	58,706	98,476
EPA fees	1,923	1,298	1,005	829	970
Appointment of Deputy fees	3,263	3,682	3,403	2,809	3,083
General supervision fees	16,090	17,814	18,703	13,452	7,041
Minimal supervision fees	627	673	750	457	8,194

Payment methods – volumes	2012/13	2013/14	2014/15	2015/16	2016/17
Cheque	168,496	237,339	308,245	320,028	537,725
Credit Card	11,755	17,726	49,971	107,404	139,218
Direct Debit	11,402	9,528	8,559	12,282	13,818
<b>Total</b>	<b>191,653</b>	<b>264,593</b>	<b>366,775</b>	<b>439,714</b>	<b>690,761</b>

1 Factors affecting the difference between volumes of fees recorded upon receipt of an application and PoAs registered are: time lapse between receipt and registration; and the incidence of applications that do not complete the registration process.

