

HM Land
Registry



Annual report and accounts 2019/20

Transforming in uncertainty

THE POST BUILDING

THE
POST
BUILDING

HM Land Registry

Annual report and accounts 2019/20

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(6A), (b).

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For enquiries regarding this publication call Customer Support on 0300 006 0411 or email customersupport@landregistry.gov.uk; for press enquiries call the Press Office on 0300 006 3365.

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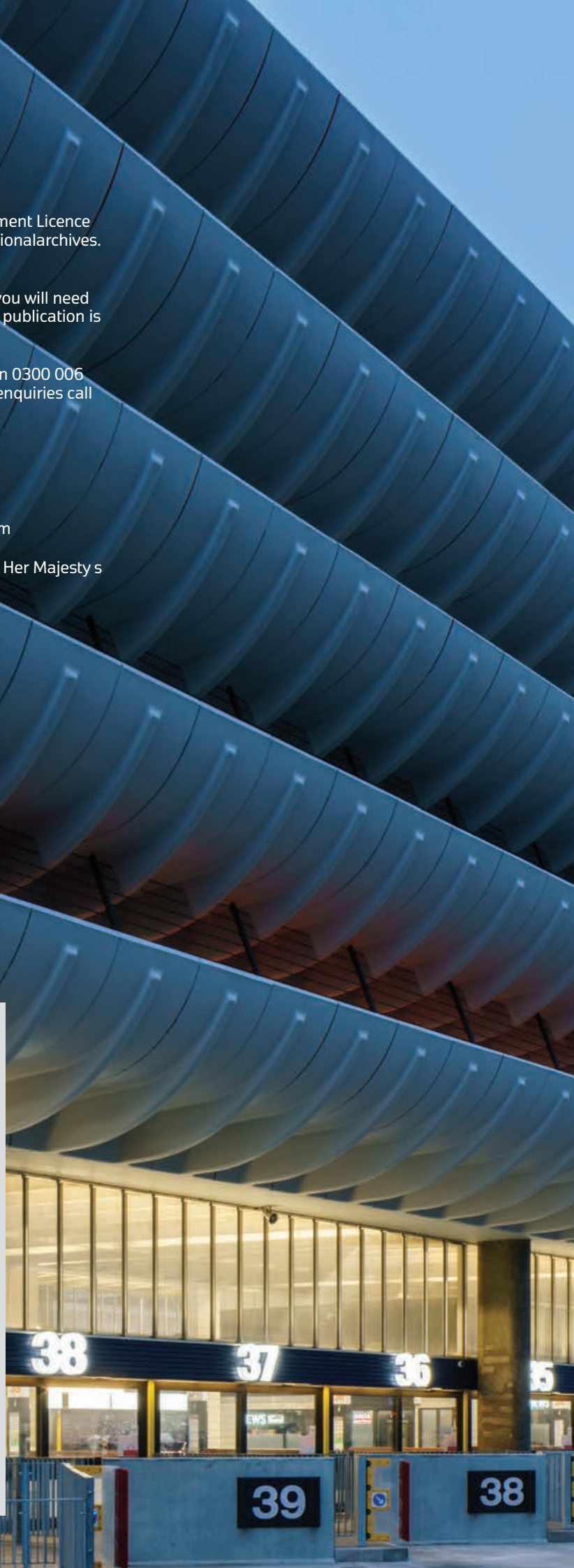
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Cover: A former Royal Mail sorting office on New Oxford Street in central London has been transformed by architects Allford Hall Monaghan Morris and builder Laing O'Rourke into The Post Building. A joint venture development by Oxford Properties and Brockton Capital, the building – still in Royal Mail's freehold ownership – accommodates eight floors of office space and seven floors of residential apartments above a vibrant retail-led ground floor. It creates a new public space on Museum Street, provides a public roof terrace and brings renewed life to historic Dunn's Passage, owned by neighbouring freeholder One New Oxford Street General Partner Limited. Completed in 2019, The Post Building's tenants include McKinsey & Company, Rothesay Life and Nationwide Building Society. Our Birkenhead Office has been registering the leases. Photo: Timothy Soar

Contents page: Preston bus station is one of the city's major architectural features. The refurbishment of the listed bus station, by John Puttick Associates and Cassidy+Ashton, won the Royal Institute of British Architects North West Award 2019. We have recently registered new retail leases at the Lancashire County Council-owned station. Photo: Cassidy + Ashton/Gareth Gardner



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Performance report

Overview – HM Land Registry at a glance

The purpose of the overview is to give a summary of HM Land Registry, its purpose and performance against objectives.

Our ambition

HM Land Registry is committed to becoming the world's leading land registry for speed, simplicity and an open approach to data, and aiming to achieve comprehensive registration by 2030.

Our mission

Your land and property rights: guaranteed and protected.

Our primary role

Land is our nation's greatest asset. Clarity and security of land ownership is essential to a functioning property market. A healthy market is essential to a successful economy and society. Land is used to support all dimensions of life – agricultural, business, social and personal. Its financial value may fluctuate, but its vital role in life remains the same.

We provide that necessary clarity and security in property ownership and interests. We do this by maintaining a land register of more than 25 million land and property titles in England and Wales estimated to be worth more than £7 trillion. The records are state guaranteed. This supports secured lending on £1-1.5 trillion of property. We enable property transactions to be registered accurately, efficiently and safely. This provides trust and confidence in the property market and thereby in the economy generally.

Our values

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

Our statutory duties

HM Land Registry is a non-ministerial government department established in 1862.

The Land Registration Act 2002 empowers us to deal with “the business of registration” and is our primary governing statute. Our income from fees covers all of our costs under normal operating conditions.

The head of HM Land Registry is the Chief Land Registrar, appointed under statute by the Secretary of State for Business, Energy and Industrial Strategy (BEIS) who has Parliamentary responsibility for HM Land Registry and for the legislation under which we operate.

The Infrastructure Act 2015 enables HM Land Registry to compile a national register of local land charges.

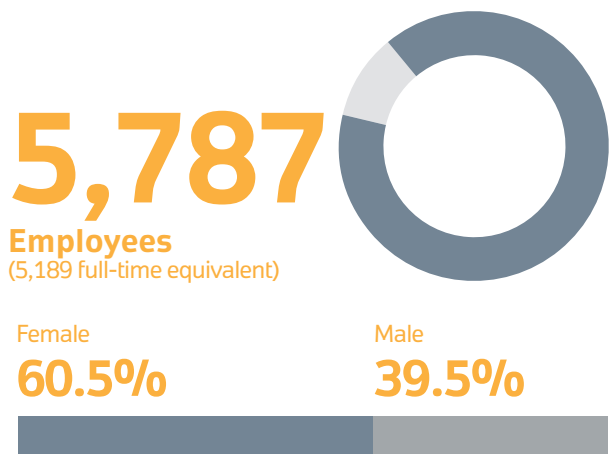
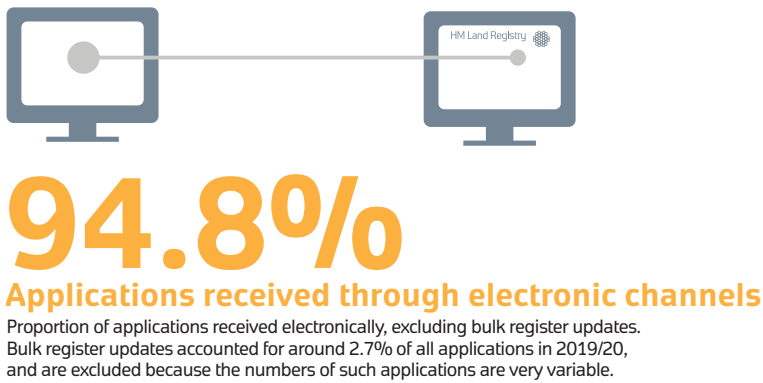
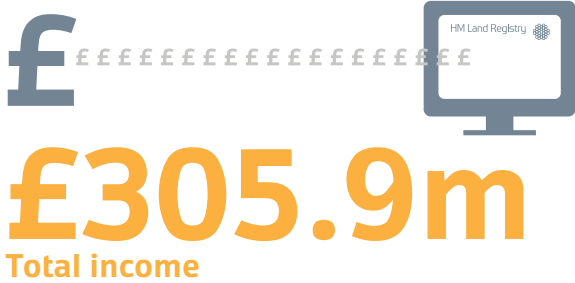
Our culture

At HM Land Registry:

- we have a proud history and rich heritage – for more than 150 years we have protected property ownership and underpinned the modern economy;
- our people are important – we want to be the most inclusive employer in government, ensuring fair and equal opportunities for all;
- we are open, honest and treat everyone with respect – we trust each other and celebrate our people because we are proud of who they are;
- we have a shared sense of belonging and help each other – we connect with each other to feel supported, comfortable and appreciated;
- everyone's voice matters – we encourage respectful challenge and value all opinions and contributions;
- we focus on being highly skilled and knowledgeable – we are empowered, accountable and responsible for our own work;
- we provide a brilliant service to our customers – we aim for excellence, balancing efficiency and productivity with quality and integrity;
- we create confidence by being resilient and responsive but also calm and relaxed – we are adaptable, flexible and able to work at pace;
- we encourage our people to be innovative and continuously improve what we do and how we do it – we make tackling challenges fun and exciting through collaborative teams, new technology and new ways of working; and
- our leaders are supportive – we focus on coaching and developing ourselves and others to achieve our best with confidence – positive and energised leaders involve others to achieve better outcomes and help us grow stronger.

Our services

HM Land Registry provides an extraordinary breadth of services whose simple purpose is to maintain clarity and security in property ownership and secured lending and to support swift transactions. We have provided the trust and confidence the market and economy need through being expert and having integrity in all we do.



Our role in the property market

What our customers ask

Examples of our services that can help at every stage

Looking for a property

- what's available close to home?
- how big is the garden?
- how big is the car park?



- register view
- price paid data



Arranging a mortgage

- how much can I borrow?
- what's the property worth?
- are there other loans secured against the property?



- land charges search
- house price index
- bankruptcy search
- guaranteed queries



Before the exchange

- is the land registered?
- who owns the property?
- is there an outstanding mortgage?



- search of the index map (search of the national map)
- official copy of a register entry



Exchange of contract

- is the offer protected?
- has the seller's conveyancer searched the register?



- official search (completion priority protection)



Completion

- has my loan been secured?
- has the sale of the property been completed?



- register updates
- registering new titles



Living and working in the property

- are my details up to date?
- how can I stop myself being a victim of property fraud?
- I need to remortgage



- Property Alert (free property monitoring service)
- digital mortgage



Our services

Register change services

When things change, the register needs to be updated accurately. Properties are sold, homes and office buildings are remortgaged and owners get married or property is transferred when owners pass away. When buildings are split into flats, portions of land are sold on and new developments completed, new titles need to be created. Changing the register can be complex so this is where our expert caseworkers focus their technical knowledge and experience.

Guaranteed queries

Our search of the index map, official copies and official searches services provide protection and assurance to property professionals and citizens by protecting transactions while the transfer is completed. These services are largely automated so customers can get their results instantly, making conveyancing faster.

Information services

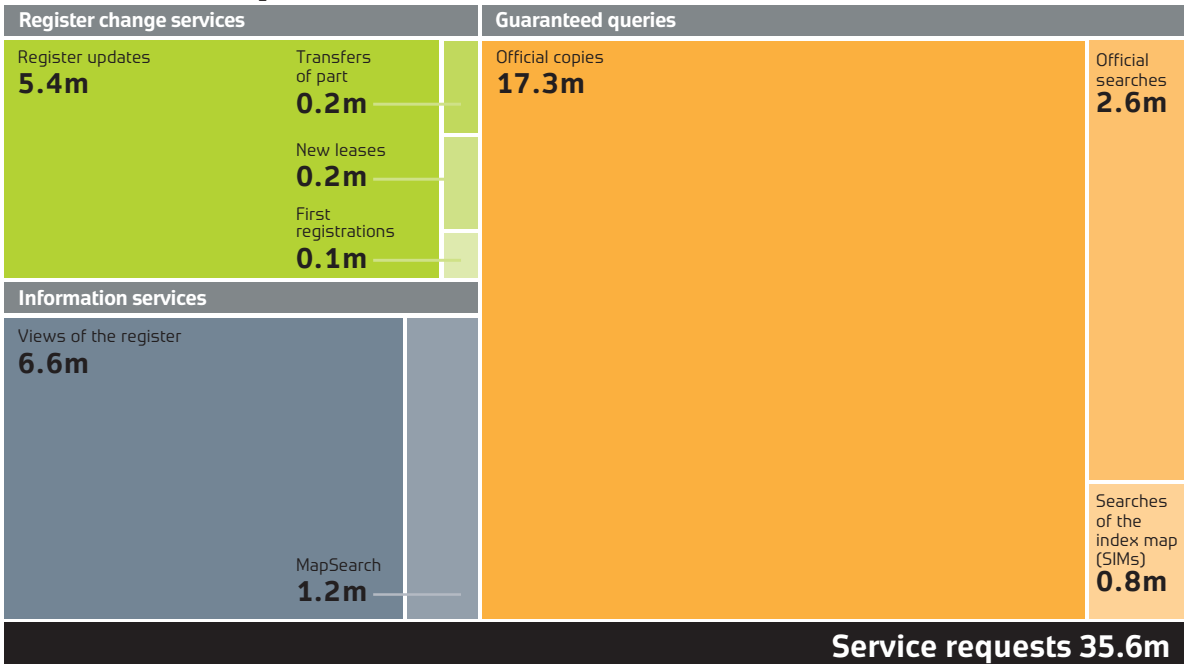
We hold one of the largest transactional geospatial property databases in Europe and since 1990 our register has been open to the public. Our online services let people check whether a property is registered (without the specific details), check the progress of their request and receive notifications to protect their property against fraud for free. For a small fee anyone can get an instant snapshot of the details for any registered property.

Other services

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

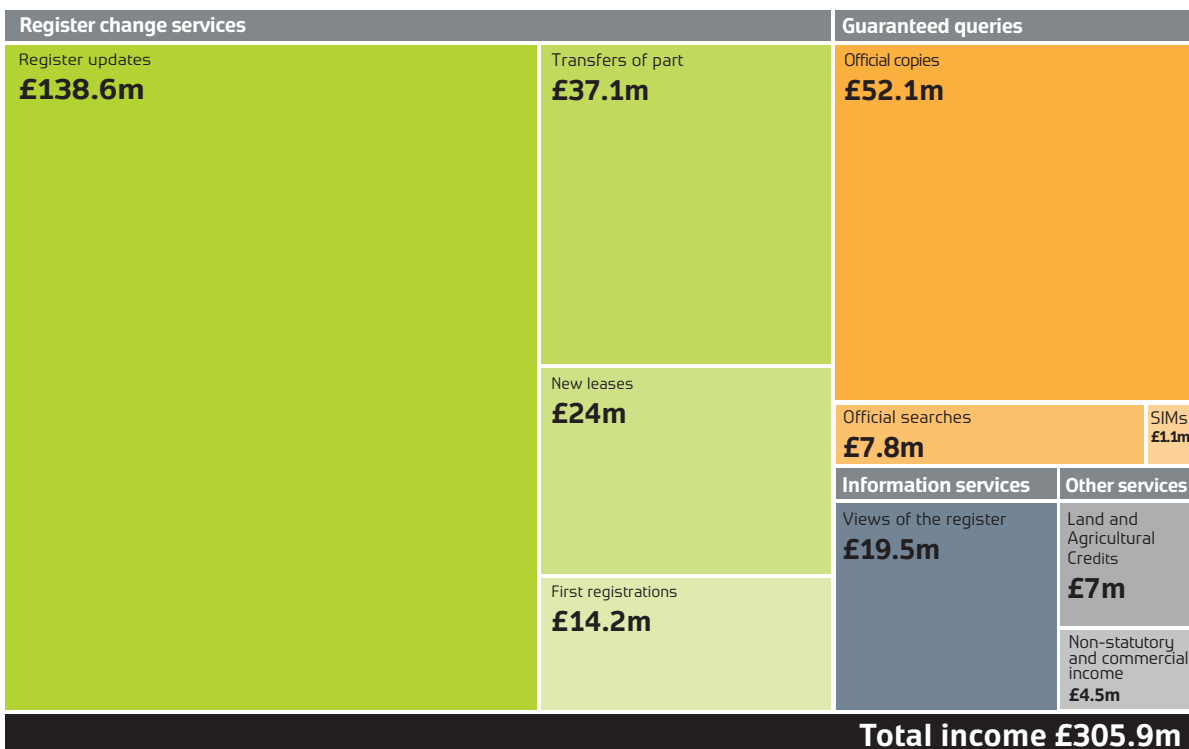
The information in our register is valuable to a wide range of users. Our data supports entrepreneurs, informs buyers and lenders and facilitates transparency to combat fraud and corruption.

Service requests



Note: Total service requests includes bulk register updates

Income



Foreword



Aerial view of King's Cross and St Pancras in central London from Google Earth. The site has been transformed from industrial wasteland to a national and international transport hub and a retail and commercial centre. 4 Pancras Square, designed by Eric Parry Architects, was formerly used for railway yards and gas containers. Comprising ten storeys and an open landscaped roof terrace the project provides high-specification office space, with amenities and retail units below. The Royal Institute of British Architects gave it both a London Award and a National Award in 2019. It was previously registered as several different titles until they were amalgamated by our Croydon Office to make future registrations easier.

Chair's interview by Michael Mire



Michael Mire Chair of HM Land Registry

How has HM Land Registry performed this year in terms of delivering against its strategic aims?

Our strategy runs through until 2022 with an ambition for HM Land Registry to be a world leader for speed, simplicity and an open approach to data. While we may not have met all our key performance indicators this year our transformation is well underway and as Chair I am pleased to see the organisation continuing to move closer to that ambition.

We have invested in new digital tools and systems introducing artificial intelligence and robotic automation to work alongside our registration experts. Their input and ideas are driving improvements to existing processes but also the new systems they will use in the future. We are developing a strong culture of inclusiveness and innovation which has seen employee engagement continue to rise year on year.

Our Digital Street programme continues to capture the imagination of lawyers, bankers and companies as we explore the use of tokenisation in future property transactions and the creation of a 3D digital register to enhance further the benefits a fully digital conveyancing process can bring. This report contains details of how we have continued to transform despite a year of significant uncertainty.

How did HM Land Registry respond to the coronavirus crisis?

I believe the organisation has responded well. Our investments in our underpinning digital systems over the years not only enabled many transactions to continue uninterrupted but also underpinned a significant internal transformation as more than 5,000 colleagues were enabled to work from home for the first time. While some delays for customers were inevitable, it meant the critical role of land registration in property transactions continued

“OUR STRATEGY HAS ALWAYS FOCUSED ON THE CREATION OF WIDER ECONOMIC BENEFIT, NOT JUST BY TRANSFORMING OURSELVES BUT ALSO IN HOW WE CAN ENABLE DIGITAL CONVEYANCING AND HOW LOCATION INTELLIGENCE CAN DRIVE AN EVEN BROADER DIGITAL REVOLUTION. I BELIEVE THOSE AIMS ARE MORE IMPORTANT NOW THAN EVER BEFORE.”

through the national crisis. HM Land Registry has ensured the UK is in the best possible position to respond to the needs of the property market as any built-up demand is released.

What do you think will be the greatest differences that we will see in property market in the coming year?

Globally real estate markets will be looking to recover their previous positions and will be looking to learn lessons from the global pandemic. For the UK I believe we will see a greater desire to make property transactions more digital. There are still too many paper-based processes in conveyancing compared with other markets. This has been tolerated by consumers up until now but the potential threat of a future outbreak will change those expectations. I think those not yet embracing digital technology in the sector will change the way they work and the current early adopters will want greater adoption, integration and a greater reduction in physical steps.

How should HM Land Registry respond to this new demand for digital conveyancing?

Customers and stakeholders need key government institutions such as ourselves to provide leadership and direction. I believe we are well positioned to take on that role for them.

Our strategy has always focused on the creation of wider economic benefit, not just by transforming ourselves but also in how we can enable digital conveyancing and how location intelligence can drive an even broader digital revolution. I believe those aims are more important now than ever before. We are now poised to help drive those changes in the property market.

Overview



Circus West Village at Battersea Power Station in south London. This Grade II listed power station, owned by Battersea Project Land Company Limited, has been closed since 1983. Circus West Village forms Phase 1 of the Battersea Power Station development, creating a brand new neighbourhood comprised of 865 homes, shops and restaurants, including Battersea Brewery, Vagabond Urban Winery, Cinnamon Kitchen, Megan's Restaurant and Boom Cycle's flagship studio. A single lease at this site was registered by our Weymouth Office in September 2019.

Simon Hayes

Chief Executive and Chief Land Registrar



“PROPERTY RIGHTS WORTH MORE THAN £7 TRILLION AND SECURED LENDING WORTH MORE THAN £1 TRILLION ARE GUARANTEED AND PROTECTED IN THE LAND REGISTER. ANNUAL HOUSING MARKET TRANSACTIONS WORTH £244.7 BILLION WERE ABLE TO TAKE PLACE BECAUSE THOSE RIGHTS CAN CHANGE HANDS SWIFTLY AND SECURELY.”

This has been a remarkable year in many ways. As the UK continued to prepare for its exit from the European Union, the political landscape was marked above all by unpredictability, with significant shifts in direction and mood on a regular basis. This led to an economic uncertainty which appeared to create a level of stagnation in the property market, as house prices stayed relatively flat, and even fell unexpectedly in some areas. Finally, just as a degree of stability seemed imminent following the General Election in December, the world was faced with the unprecedented challenge of the coronavirus, which has curtailed vast amounts of day-to-day human activity, effectively shut down large parts of the global economy, and is set to reshape the way in which we live and work.

As a result of this, and other major changes at an organisational level, HM Land Registry and its staff have needed to display flexibility, resilience and creativity to continue to deliver our vital function in support of the property market, and the wider economy. I am pleased to be able to report here on our success in doing so.

In the course of this year we responded to more than 35 million requests for service, including 5.9m changes to the register, 20.7m guaranteed queries and 7.8m information services requests.

I was honoured to join the organisation in November 2019 as its 17th Chief Executive and Chief Land Registrar since 1862. I took over from Mike Harlow, who had done an outstanding job as Acting Chief Executive for the previous 10 months. I would like to pay tribute to him, and the rest of the Executive team, for their leadership during this time.

I spent much of my first few months travelling across England and Wales, talking to as many of our staff, our customers and our partners as possible. Visiting all 14 of our offices gave me an excellent insight into the challenges we face every day, the importance of our task, and the

remarkable expertise and commitment shown by our nearly 6,000 colleagues. My understanding has also been deepened through office visits with HM Land Registry Board members, which include ‘town hall’ sessions for colleagues to ask questions. The conversations I have had with customers and the wider industry have also been extremely helpful in providing insight into what they need from HM Land Registry, what we do well at the moment, and what they would like to see us improve or do differently in the future. Six months into the job, I am both proud to be involved with an organisation which delivers high-quality services with such care and commitment, but also excited by the opportunities which lie ahead truly to become a world-leading land registry. I see my mission as building on the foundation laid over the last 157 years, and taking HM Land Registry forward into the future with confidence, and with a commitment to excellence in all that we do.

Key achievements

This report summarises our key achievements over the course of 2019/20, and also looks forward to our most important future priorities. The events of March onwards have of course necessitated a major change in the way in which we are working, but also in our plans for the future. Our ambitions for our transformation remain undimmed, and our destination is in many ways unchanged. But our journey will be different, and we need to recognise and adapt to that. I am determined however that we approach this in a way which not only mitigates the threats to our service delivery, and the difficulties faced by everyone involved in the property market at the moment, but also seizes the opportunities presented to do things differently, to work in different ways, and to continue to improve what we do. We have already taken significant steps in that direction, and we will continue to do so.

The UK economy is underpinned by one of the leading real estate markets in the world. It is a market made possible



Photo: HM Land Registry/Ian Stone

Chief Executive Simon Hayes and non-executive directors Kirsty Cooper and Elliot Jordan take questions from colleagues at our Nottingham Office during a directors' office visit

because property rights worth more than £7 trillion and secured lending worth more than £1 trillion are guaranteed and protected in the Land Register. Annual housing market transactions worth £244.7 billion¹ were able to take place because those rights can change hands swiftly and securely.

The headline figures suggest this was not our strongest year of performance, with only six of the 15 key performance indicators being met. However this figure tells a somewhat superficial story, and I do not believe it is reflective of the true health of the organisation. In several instances we just fell short of meeting our overall targets, for example missing our quality and speed of service targets by less than one percentage point.

While our ability to fully automate the process was delayed, which impacted on the target, our new digital mortgage service saw a huge increase in demand as HSBC and Santander became our biggest customers. We saw record high results in our culture and engagement scores, and while we missed our customer target we still take in pride in a 90% customer satisfaction score.

Dramatic change

The coronavirus pandemic required us to change our practices and processes very dramatically almost overnight. Within the first month of lockdown, more than 1,500 staff had full access to work remotely and we had delivered more than a million service requests, including 100,000 changes to the register. Alongside that we were rapidly deploying new communication channels to our customers while increasing our capacity daily through new technology solutions. The feat was even more impressive as land registration had never previously been attempted from outside our offices, and the vast majority of our colleagues had never worked from home before. At the time of writing, we have 97% of our staff equipped and working in this way.

At the same time we made a number of changes to our practices to help our customers, relaxing submission deadlines and enabling the use of new technology for verifying identity and submitting documents to us.

¹The total housing market value in England and Wales was £244.7 billion in the year ending September 2019, source Office for National Statistics.

Alongside this emergency response we are maintaining, and indeed in many ways increasing, our focus on the future and the opportunity we have to modernise the organisation. Our current Business Strategy broadly sets out the aim to become a global leader through operational and cultural excellence, digitising conveyancing processes and enabling geospatial data to drive further innovations across the wider property market and the economy. Those aims are now even more pressing and we must accelerate the pace of change.

Most of our registration queries are already fully automated but next year we intend to create a digital end-to-end process for one of our most common register updates: a typical residential sale with a mortgage. This will bring together all the strands of our digital programmes and will demonstrate the scale of our ambition and be a catalyst for transformation across all our services.

Our digital Local Land Charges service is a prime example of us improving another part of the wider conveyancing process as we industrialise the rollout of local authority migration across England and Wales.

Working in partnership

So there is much we can and will do to overhaul our processes and make HM Land Registry, as a non-ministerial department, fit for the current era. But we cannot change the conditions to enable digital conveyancing alone, or even just with other parts of government. That is why we want to work more closely in partnership with the market. We have set up a new industry forum to guide this activity. Building on the work of our Digital Street research and development programme, we are focusing on the role we can play to lead the market towards truly digital conveyancing.

As a newcomer to the world of land registration and conveyancing, I have been struck by the number of opportunities there are to make more use of new technology, better data, and different ways of working to improve the experience for everyone and enable the market to work more efficiently. At the same time, it has also been equally clear how much appetite there is to work in partnership across the sector to make this happen. I am very optimistic we can build on the promising foundations which have been laid, and help to lead the process of modernisation and transformation.



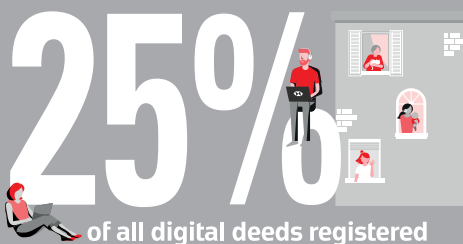
In November we brought continuous improvement leaders from across government to our Leicester Office for the CI (Continuous Improvement) in Leadership conference. The event was opened by Sir John Manzoni, then Chief Executive of the Civil Service, who said: "I was impressed at the progress the CI network is making on developing CI capability across government. I was delighted to see this first hand."

Interview



Michelle Andrews HSBC UK's Head of Buying A Home

HSBC accounts for



What is HSBC UK looking to do in the future in regards to digital homebuying and selling?

Our digital initiatives focus on customers, brokers and conveyancers as key stakeholders. For our customers and brokers, it is about making the application process streamlined and accessible, to fit in with their lives so they can engage with us when and how they want, and we get that “yes” decision to them as quickly as possible. For the conveyancer, the focus is on streamlining and automation, such as Certificate of Title and redemption statement requests which are critical to the homebuying and selling process. We are also looking at conveyancing query processes, both automation and self-serve options.

As the potential for digital homebuying and selling grows, what do you think the biggest challenges are for the industry? What do you think could be improved now?

The key industry challenge is cooperation, working together to make switching mortgage provider, whether through moving home or a remortgage, as simple as moving a current account. Research suggests that the average homeowner now only moves house every 20 years. Many mortgage borrowers remain on standard variable rates and don't actively look at moving to a lower mortgage rate, which may save them thousands of pounds depending on the term and amount of their mortgage. Working together to make the process simpler may benefit thousands of homeowners.

In terms of what could be improved now, the redemption statement process is a key challenge. Every lender seems to have a different request process, timeline to

provide and also different validity periods. These are key to completions and can directly impact the customer journey. We need to simplify and coordinate, and this will make a big difference.

How have you found collaborating with HM Land Registry on our digital mortgage service? HSBC UK is one of the leading lenders using our service. How would you like to see this service evolve?

HSBC UK has worked with HM Land Registry and supported the digital deed implementation from the outset. We know our remortgage customers have responded positively to using the digital deed and we are proud to be leading the way in take up of this option. We are committed to this and keen to see the scope of the service broadened as quickly as possible for remortgages, as we know the demand is there. We are also keen to see this extended to house purchase.


Where do you think the UK sits in the global context of digital homebuying and selling?

Our experience is that more and more customers and brokers expect the speed and efficiency of digital services, so they can engage with us how and when it suits them for their mortgage journey, through a wide array of channels. That is only to be expected considering the benefits of digital are being seen in every part of our lives. In terms of the wider industry, the same challenges are being faced but overall this is the start of the journey, with scope for land registries, lenders, surveyors, estate agents and conveyancers to collaborate to deliver a simplified and digital homebuying and selling experience. We only need to look at the recent lockdown challenges posed to our industry to see that more change is needed. There were some fast-paced digital responses and changes to process to keep the market moving. We need to look at what has worked and build on that.



Photo: Shutterstock/Mark N Dowell

Making transformation our strength



The new £1 billion London Bridge Station in central London is designed to accommodate more than 90 million passengers per year in an expansive street-level concourse larger than the pitch at Wembley Stadium. The station was nominated for the Royal Institute of British Architects' 2019 Stirling Prize for the UK's best new building and station owner Network Rail was named as the institute's Client of the Year. We are working in partnership with Network Rail on a pilot project for the registration of the whole of its infrastructure and estate, including stations and track.

Karina Singh

Director of Transformation



“THESE VARIOUS CHANGES ARE DELIVERED BY OUR PROGRAMME AND PROJECT EXPERTS SUPPORTED BY THE PORTFOLIO OFFICE DELIVERING TO BEST PRACTICE STANDARDS. ALL THESE CHANGES ARE POINTED TOWARDS THE SAME OUTCOME – TO MAKE DEALING WITH HM LAND REGISTRY SIMPLER AND FASTER FOR CUSTOMERS AND TO SUPPORT THE CONVEYANCING SECTOR.”

We have been on a transformation journey for the last few years and it touches on every aspect of our work.

We are addressing a decade’s worth of underinvestment in our people. Over the past year we have systematically reorganised the way teams are structured and led in Operations and in both the Digital, Data and Technology and Legal and Assurance directorates we have also started moving to a new delivery model and ways of working.

We are also investing in our customers. Over the past year, we have invested heavily in the three primary channels through which customers contact us, to make their interaction with us faster and simpler. We have centralised our telephony service, to give a quicker and more consistent service for close to a million enquiries per year.

We are transforming to deliver excellence, simplifying processes and embedding a continuous improvement mindset into how we work. Our refreshed culture statement and aspiration sets the framework for the future we are moving to.

These changes have been underpinned by a significant investment in our digital tools, services and supporting infrastructure. We have started to roll out the new application processing system, which replaces the 20-plus caseworking systems our people use on a day-to-day basis, with significant changes planned for next financial year. The shared technology platform replaces our legacy systems, making new services more flexible and resilient.

These changes are delivered by our programme and project experts supported by a portfolio office delivering to best practice standards. Our changes are focused towards the same outcome – to make dealing with HM Land Registry simpler and faster for customers and to support the conveyancing sector.

Underpinning our ongoing transformation has been a strengthening of our ability to deliver and track change with our people and our customers.

Our corporate culture actively encourages innovation and collaboration through the involvement of registration experts and customers in designing and piloting changes. A comprehensive and multi-layered communications approach across the organisation means colleagues understand and can shape the changes coming and are prepared for what they need to do differently as a result.

We have also strengthened our local management teams who have undergone a series of workshops to equip them with the skills to lead and manage change. Our change manager network supports local leaders to understand and embed changes using our refreshed people change framework and our benefits management teams ensure the desired benefits are tracked and realised on the ground.

Our people change framework



Customer

Customer Support Centre improvements

Digital Registration Service

View My Applications

Sign your mortgage deed

Search for land and property information

Channel Strategy signed off

Colleagues

Brilliant by Design

Process improvements through Model Office

Change management

LearnHub

Culture and engagement action plan

Triage and casework allocation

Data and digital

Application processing including Workflow

Digital registers

Robotic process automation

Digital Street

Implement new data publication platform

Shared technology platform

Local Land Charges legislation implemented and first tranche of local authorities live

Welsh land transaction tax data sharing system

Data centre rationalisation

Enablers and ways of working

Fusion

Windows 10 rollout

Key milestones

Customer interactions with us are simpler and faster through improved technology and process in our Customer Support Centre.

The Digital Registration Service has been available in beta with 23 conveyancing firms in 2019/20 and will soon be made available to all portal users, eventually replacing the existing electronic document registration service. It is helping to reduce errors, requisitions and rework for customers, with multi-transactional applications available.

Currently 25m applications are submitted via the portal each year. View My Applications allows customers to find and view the latest updates on all of their applications submitted this way, in one place. The service opened to over 200,000 portal users in June 2020.

Our digital mortgage service has been trialled with nine high street banks, making obtaining a remortgage simpler, faster and more secure. Nearly 10,000 remortgages have been registered.

We launched Search for land and property information on GOV.UK in February, replacing Find property information. A total of 61,318 searches were made using this new service by 31 March 2020.

Our new Channel Strategy will help us become more customer focused, ensure that we are meeting the needs of our customers and provide customers with the right services via the right channels.

We have systematically reorganised the way teams are structured and led in Operations, creating greater flexibility. Fostering a culture where productivity improves through collaboration, inclusiveness and innovation has provided development opportunities for colleagues.

We are working more consistently across all 14 offices, trialling and implementing processes to improve ways of working for our colleagues, including routinely triaging register create and register update applications.

We revised and relaunched the People Change Framework, increasing consistency and use of the People Change Framework, assigning change management resource to all projects affecting our people.

A new learning system was implemented for colleagues to support personal learning and development more effectively and provide access to options for career development. So far 21,698 courses have been completed.

In line with our culture and values, we are now working in a continuously improving way, with empowered colleagues and strong leadership.

The triage and casework allocation project ensured the right casework made it to the right people. The findings from the project were adopted as a crucial part of our everyday working.

We have continued to develop the new automated casework system. This year we began with simple applications, such as severance of joint tenancy – of which we process about 250 a day – and have been building up the complexity of applications this can handle.

We continue to work on the creation of land registers that meet the needs of our digital transformation, enabling newer, faster services for customers and application processing systems for caseworkers, while maintaining the integrity of the register.

We have started to automate simple, repetitive tasks, freeing up resources for more complex work. Issuing C90A reminder letters was a manual task, from identifying the applications that needed them to drafting and sending 1,300 every day. Using robotic process automation we are now issuing up to 27,000 reminder letters each month and have enabled three full-time equivalent caseworkers to be deployed onto more meaningful work.

Working with our Digital Street community we have delivered three research themes (tokenisation, 3D land register and application programming interfaces (APIs) of the future).

Five existing datasets have been migrated onto the data publication platform.

We have built a new technology platform to host our new digital services, enabling us to decommission our legacy systems.

A further four local authorities were migrated to the new Local Land Charges service in 2019/20, bringing the number of charges transferred to the central register to 358,935 at the end of March. For the local authorities migrated thus far, the average time to access information has fallen from 39 days to a few minutes and the average cost to the buyer has been cut from £23.75 to £15.

We have delivered a data sharing system with the Welsh Revenue Authority to support the effective collection of land transaction tax in Wales.

We are continuing to rationalise our data centre estate in line with wider government strategies, building in extra resilience and creating financial and technological efficiencies.

We rolled out a new cloud-based integrated human resources and finance system to reduce duplication and provide a single source of data.

We began to roll out Windows 10 across the organisation. So far more than 5,000 machines have been upgraded to Windows 10 and the deployment is 95% complete.

The cumulative impact of these investments was already having a positive impact, as evidenced by our October 2019 people survey scores, where we had a six percentage point uplift in 'change is managed well' perceptions. This was two percentage points higher than the Civil Service average and a record high level at the time.

Local land charges

Along with land registration-focused transformation, we are also investing heavily to help the wider transformation of the conveyancing process by transforming the local land charges search process.

Local land charges contain vital information on the use of land such as planning consents or tree preservation orders so the ability to easily search for them is a critical component of any commercial or residential property transaction.

The Local Land Charges Programme is transforming a currently fragmented service delivered by more than 300 local authorities into a single online register of local land charges across England and Wales to give results in seconds.

Phase 1, which was approved in January 2018, focused on digitising and migrating paper records to the service first. As a pathfinder, Phase 1 has been a success with nine local authorities and almost 400,000 charges migrated to the new register from its launch in July 2018 to 31 March 2020. The new service proves that a national service is feasible, providing immediate and lasting benefits for customers.

Phase 1 has also given us lots of learning, including that the time and effort to transform the data to the desired quality is greater than originally assumed, and that there are significant economic benefits of the local land charges dataset.

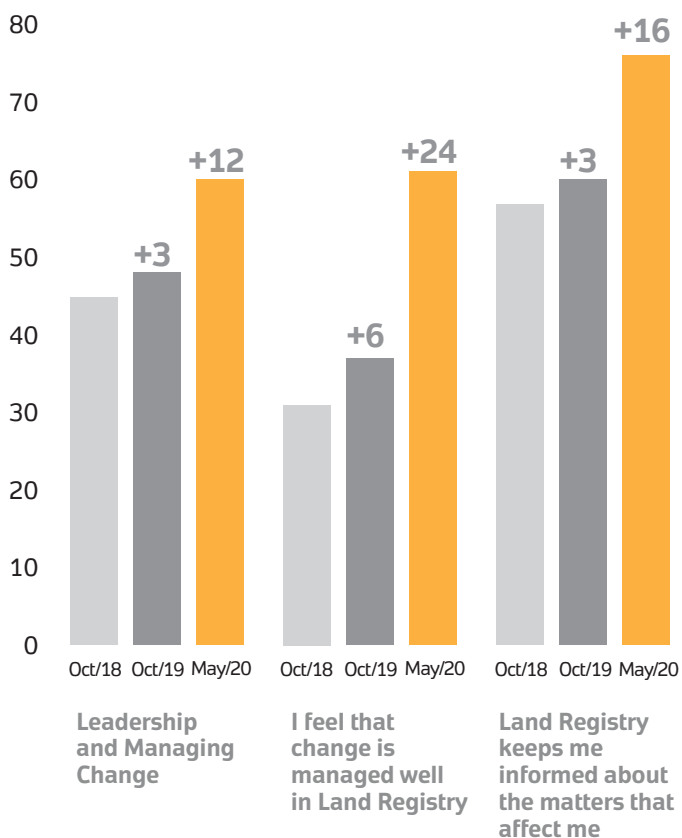
Our customers are convinced of the wider benefits for homebuyers and property investors of simplifying and transforming the service. However, to unlock these benefits faster we need to industrialise migration across many local authorities in tandem. During 2020/21, we will build and test an industrialised delivery model with local authorities and our partners to increase the pace of the migration of the data.

Peterborough Cathedral is the seat of the Bishop of Peterborough. Founded in the Anglo-Saxon period, its architecture is mostly Norman. It is one of the most significant buildings from this period in England to have remained largely intact. Peterborough City Council's local land charges data was transferred to our central register in January 2020.



Photo: Shutterstock/chrisdorney

Managing change, results from Pulse surveys



Changing at pace

Our investment in making organisational change habitual was put to the test when we found ourselves having to make sudden changes to our entire delivery model as a result of the coronavirus pandemic.

The organisation responded rapidly. Experts from across all functions came together under new business continuity structures to demonstrate the culture of innovation, collaboration and inclusiveness we foster. Pulse surveys in May 2020 showed a significant rise in scores for managing change. Collectively they delivered change at a pace and scale unseen in HM Land Registry's long history.

Every single organisation is thinking about change, whether as an immediate response to the coronavirus pandemic, in how they will recover their position or in predicting what their future may look like. It is almost certain things will not be the same again. The most obvious need is for a more rapid adoption of digital technology so conveyancing can be more contactless and thus frictionless in the future.

While HM Land Registry will face challenges, we have been able to manage, adapt and deliver through a year of uncertainty because we are well into our own transformation journey.

The key for us in 2020/21 will be to use what we have learned to enable greater focus and hasten our efforts. The scale and pace of our ambition will be encapsulated next year within our refreshed Business Strategy, but we are already seeking to capitalise on the opportunities and drivers that can take our transformation into a new accelerated phase.

Local land charges

For the local authorities migrated thus far, the average time to access information needed has fallen from 39 days to a few minutes and the average cost to the buyer has been cut from £23.75 to £15. During 2019/20 we delivered another four local authorities onto our pioneering, central Local Land Charges Register, including Watford Borough Council in February 2020.

“JOINING THE LOCAL LAND CHARGES REGISTER HAS MEANT THAT WE NO LONGER HAVE TO PROVIDE SEARCH RESULTS OURSELVES AS THE INFORMATION IS AVAILABLE FROM THE CENTRAL, DIGITAL REGISTER AND EASILY ACCESSIBLE TO OUR CUSTOMERS WHENEVER THEY REQUIRE THE INFORMATION.

“HAVING MIGRATED ALSO MAKES IT A LOT EASIER FOR US TO UPDATE THE CENTRAL REGISTER WHEN REQUIRED. WE CAN EVEN DO THIS FROM HOME AND REGISTERING CHARGES IS ACTUALLY QUICKER THAN IT HAS EVER BEEN.”

Ben Martin

Interim Head of Planning and Building Control at
Watford Borough Council

Vicarage Road stadium, home to Watford Football Club since 1922, seats more than 21,500 fans. Over the years the grounds have also played host to greyhound racing and rugby union side Saracens. After a short-lived purchase of the stadium's freehold in 2002, the fan-led 'Let's Buy Back the Vic' campaign with support from former owner Elton John saw the club once again purchase the freehold in 2004. Plans are currently in motion to expand the ground's capacity to around 30,000 fans. Watford Borough Council joined our Local Land Charges Register in February 2020, transferring its local land charges records to our central digital service.

Rising to the challenge



The London Studios designed by CH Elsom & Partners sit behind London's famous Southbank. The building housed the main studios for ITV productions including *Good Morning Britain*, *The Graham Norton Show*, *Ant & Dec's Saturday Night Takeaway* and *The Jonathan Ross Show*. The studios closed in 2018 and ITV sold the site in November 2019 to Mitsubishi Estate London for £164m. The sale was registered by our Swansea Office. The building has since been offered on short-term leases for TV production until 2021.

Interview with Chris Pope Chief Operations Officer



“I BELIEVE THE CHANGES WE MADE THIS YEAR ALONG WITH SOME EXCITING CHANGES IN 2020/21 WILL VISIBLY IMPROVE THE CUSTOMER EXPERIENCE AS OUR TRANSFORMATION BEGINS TO DELIVER REAL BENEFITS FOR OUR CUSTOMERS.”

How would you describe this year for HM Land Registry's operations?

Despite speculation over the property market in the face of political uncertainty and EU exit planning, our activity remained buoyant. We delivered 5.9m register change services, 20.7m guaranteed queries and 7.8m information service requests. This meant the resource and capability issues we faced in previous years would continue to present challenges to operational delivery this year too. But we did not stand still.

We took a decision to increase our capacity on more complex work to rebalance our operational position, recognising this meant we were at risk with regards to speed of service targets for other work types.

That felt the right thing to do for our customers. However we did miss out on three service standard targets by less than 1%, which feels tough, but reflects the operational refocus on reducing outstanding complex applications. That can feel like a difficult assessment for our operational registration experts who once again worked tirelessly to deliver our statutory duty. And then of course, right at the end of the year, we also had the impact of the coronavirus to contend with too.

How have customers felt about the service you have provided them this year?

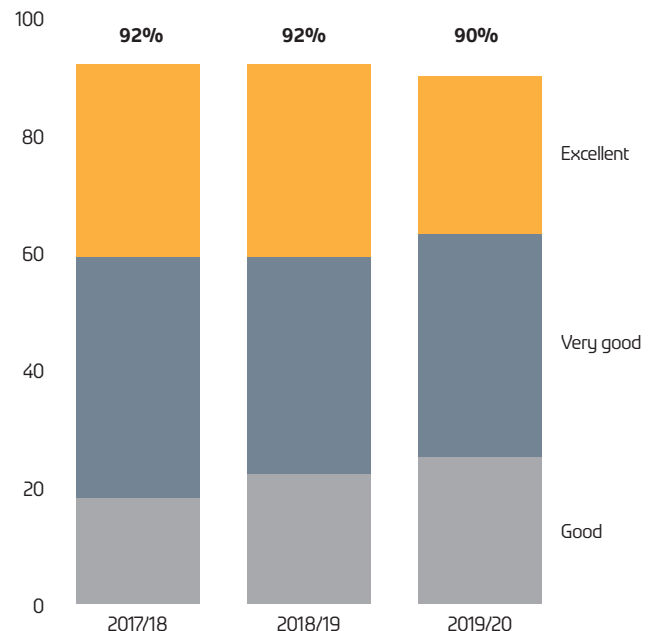
In the discussions we've had with customers we know they most value our expert colleagues and being easy to do business with. They also value consistency, an area that has significantly improved this year, but also getting things done in a reasonable timeframe. We know they have been frustrated by delays to their complex register create requests.

The overall customer satisfaction rating was 90% for this year. Against a backdrop of historically high scores,

customers recognised we still provided them with a really good service even though we are in the process of transforming and overcoming some operational challenges. I believe they still appreciated our efforts to deliver the vast majority of the millions of vital searches and register changes they submitted as quickly as possible and to an impressively high standard. Although we missed our key performance indicator by 2% that is still a score we take pride in achieving and which demonstrates our excellence in public service delivery.

But we know we need to do more. I believe the changes we made this year along with some exciting changes in 2020/21 will visibly improve the customer experience as our transformation begins to deliver real benefits for our customers.

Customer satisfaction scores



What have you been doing to improve the service you provide to them?

Our Customer Support Centre handled close to a million calls and processed 196,055 emails in 2019/20. Its transformation is now complete with improved technology and a dedicated training team for our advisers. In August we launched new clearer interactive voice response (IVR) options, making it faster and simpler to get through to us. These improvements have seen call abandon rates fall by 20% and call wait times reduce by five minutes.

Nearly 95% of our services are delivered via our online business portals. This year we have been testing new features, developed with customers, which enable them to input data which can be verified and checked before their application is submitted – reducing error and preventing unnecessary delays and further enquiries.

View My Applications will also allow customers to view all their previous requests and manage all their applications, alongside an estimated date and any related correspondence, together in one place. Improving the experience for making and managing their applications is a huge leap forward and a key building block of our overall transformation. Our early adopters are excited about these new features, which will be made available more widely in summer 2020.

While digital technology rightly dominates the discussions in the market, it is important we meet the unique and varied needs of property professionals who deliver complex commercial and major infrastructure projects.

We launched a range of bespoke services which this year have helped customers with more than 3,000 interests involving multi-layered multi-party transactions across more than 180 projects.

What measures did you take to tackle the backlog?

In the last year alone, we recruited 340 Registration Officers, 225 colleagues into Executive Registration Officer (ERO) or ERO Line Manager roles, 151 colleagues into Higher Registration Officer (HRO) or HRO Line Manager roles, and 18 colleagues into senior registration roles.

However, the right amount of registration experts available is only one aspect of our ambitions. We want to restructure and reshape our operations to become a more flexible, national function that can better deal with market fluctuations. One that can intelligently divert energies according to needs – we call this programme Brilliant by Design, a key strand of our Business Strategy.

We developed and validated a plan to ensure operational experts are equipped with the rights tools and skills. Where they are motivated by a culture in which productivity improvements are made through collaboration, inclusiveness and innovation. This holistic approach to getting the best from our land registration experts is called Enabling Team Potential. We had nearly completed a national restructure of our operational teams and we were just in the process of rolling out Enabling Team Potential across our operations before the coronavirus situation.

Our decision to refocus our operational capacity on complex work was an early test of the Brilliant by Design structure and whether our collective efforts could achieve early benefits. In February, we initiated a short-term shift onto one clear goal – reducing outstanding complex applications.

With the momentum we achieved, we were on track to clear approximately 11,000 applications from our backlog by end of the year and, in doing so, improve speed of service by 17 days. The coronavirus situation restricted this to approximately 6,000 applications from our backlog with an improvement of 10 days.

I believe these promising results showed we were turning the corner on those previous challenges just when the public health crisis began to take hold.

How did coronavirus impact HM Land Registry's operations?

We are proud that our 157-year-old organisation stood firm through the worst public health crisis in more than a century. We went from an entirely office-based and historically localised operation to a remote-working national function in a matter of weeks. Our experts are now fully equipped to deliver land registration remotely. Even during the first few weeks we still delivered thousands of changes to the register while rapidly building our remote capacity.

The challenge we face now is how we can maximise operational excellence in a completely new environment. But this was something we were already carefully examining as part of our Brilliant by Design programme. The forced change to our operating model creates a catalyst to accelerate our plans, as suddenly we have already become a national function operating out of nearly 4,000 different locations.

Many of the Enabling Team Potential principles of empowering leadership, collaborative problem solving, joint learning through digital tools and a commitment to wellbeing have been rapidly embedded in the way we responded and adapted to the situation we faced. We are now refreshing and revalidating our plan to account for the new ways of working. This includes examining how we can capitalise on this experience to create operational excellence by getting the best out of remotely based colleagues and those working in offices, not just for now but also in the future.

Leicester Office colleagues at their desks, pictured before they started working from home in March due to the coronavirus pandemic



Registering the NHS Wales estate

Clive Ball, Head of Property at NHS Wales:

“The NHS Wales estate includes a range of properties ranging from large acute hospitals to smaller community hospitals, health centres and small ambulance stations.

“Although a significant proportion of the NHS Wales estate was already registered, in accordance with prudent estate management we decided to ensure that all NHS Wales property and land assets were registered with HM Land Registry.

“We registered 365 freehold land assets with HM Land Registry’s help. This has assisted in subsequent disposals of sites as well as boundary disputes and encroachment claims. It also supports government’s commitment to transparency.

“By working closely with HM Land Registry, we were able to complete the registration exercise efficiently and cost effectively. In 2019 HM Land Registry confirmed that the NHS Wales estate had completed registration of its freehold assets, becoming the first public body in England and Wales to be so recognised.”



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Croeso i/Welcome to
Ysbyty Treforys
Morrison Hospital

Photo: Shutterstock/Jax10289

How are you responding to the new needs of the market?

In the short term we are carefully tracking customer sentiment across all channels and actively exploring ways we can help our customers to manage the current situation and also reduce their risks for the future.

While the property market recovers, and our capacity and productivity increases, our focus is to clear all outstanding applications and address any issues for our customers.

A new component in our customer intelligence is a new industry forum which, for the first time, brings together our key stakeholders alongside a cross-section of our

customers to discuss practical solutions to improve how we interact with the market.

Some have estimated that as many as 370,000 property transactions were suspended but we know from experience the great majority will eventually resume, as property transactions themselves reflect life events and the changing circumstances of individuals and businesses.

We intend to use this unexpected opportunity to change the way we deliver our services in the future, focusing on operational excellence and creating a world-class experience for our customers.

Providing confidence and results



Drake's Island, Plymouth, was sold for £2m in July 2019 and planning permission was granted in 2020 for a luxury hotel and spa development. The six-acre plot, originally known as St Michael's Island, has formed an integral part of Plymouth's sea defences since the 16th century including during the two world wars. The transfer was registered by our Telford Office.

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



“GETTING THAT TASK RIGHT EACH TIME REQUIRES THE HIGHEST DEGREE OF EXPERTISE IN PROPERTY AND LAND REGISTRATION LAW, EXCELLENT FRAUD RESILIENCE AND RISK MANAGEMENT.”

For each parcel of land HM Land Registry has to understand who owns it, its extent and the often complicated rights that go with it and the rights that may be held by others over it. In the Land Register there are more than 25 million individual parcels of land worth more than £7 trillion. Last year we dealt with almost 6 million applications to change the register. Each time we must ensure we are dealing with the owners themselves and not a fraudster, and we must accurately reflect the true new picture of property law rights that the parties have agreed.

Getting that task right each time requires the highest degree of expertise in property and land registration law, excellent fraud resilience and risk management.

The security and accuracy of all of our registers is vital to trust and confidence in the property market, which is in turn vital to the economy generally.

At the end of the reporting year and since, HM Land Registry, and those in the conveyancing industry, have been adapting to the new ways of working necessary in response to the coronavirus pandemic. We made some immediate adjustments in practice that would enable the market to continue functioning, while keeping close control over risks to the integrity of the registers.

That work has continued into the next year, as we strive to ensure that all property transactions can proceed at

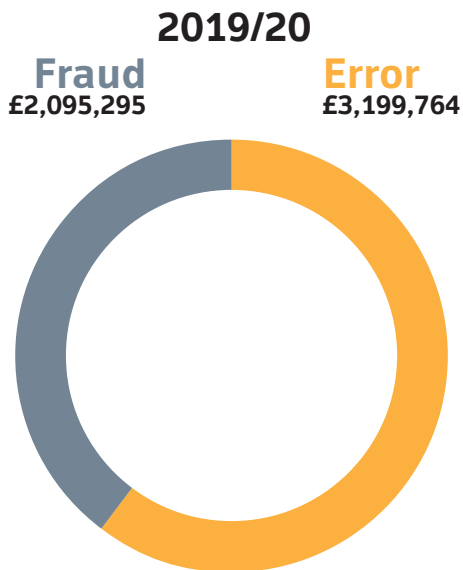
pace. By accelerating our plans for the adoption of digital ways of working – notably in relation to identity and digital signatures – we are supporting the market now and developing its efficiency and resilience for the future.

It has never been more important to maintain a clear view and management of the risks to the registers so innovation can be piloted and adopted with confidence that it does not impair the core responsibility of maintaining trust and confidence.

The Government Actuary’s Department assesses the long-term trends for us. Its advice is that compensation for inaccuracy is broadly steady while fraud is falling. Based on that advice we reduced our provision against incurred but not reported claims (in other words, errors already in the register which we are not aware of yet) by £17.5m to £66.7m.

It is a whole organisation effort that delivers that control over errors and fraud. The Legal and Assurance Directorate is responsible for ensuring we understand and are following every nuance of property and land registration law, controlling fraud risk, delivering assurance and supporting the organisation to manage risk. We achieve those objectives principally through the expertise of our staff and the use of best practice systems and processes.

Claims against the guarantee



Last year we received 18 (13 in 18/19) claims for fraud and 1,055 (1,159 in 18/19) claims for inaccuracy in the register. We pay appropriate compensation for fair claims. Last year we paid £2.1m (£0.4m in 18/19) in compensation for fraud and £3.2m (£2.2m in 18/19) in compensation for inaccuracy. The total compensation was just 0.00008% of the total value of property in the register.

Developing our expertise

This year we established a discrete risk and assurance function and brought in expertise to enable us to embed a three-lines-of-defence risk management model, develop assurance capability and follow best practice for security, business continuity and data management and protection. We will continue to invest more into this area to ensure we can transform the organisation's services at pace, and yet with confidence that we are not undermining our core purpose of maintaining secure and accurate registers.

We continued our legal apprentice scheme, with 12 apprentices completing their training up to the Chartered Institute of Legal Executives (CILEx) level 3 and four colleagues becoming Fellows of CILEx having completed the graduate members scheme, one of whom has subsequently achieved promotion to lawyer. We have taken on a further 14 apprentices and four distance learners at level 3 and added eight more apprentices and one distance learner training up to CILEx level 6 to the original six who are due to complete their training during 2020/21. The opportunities for our distance learners were introduced in our Swansea office due to the apprentice schemes not being available via CILEx in Wales. We also recruited nine lawyers from outside the organisation, helping to maintain a healthy perspective on current practice in the marketplace.

We have brought together our lawyers who give strategic and project advice to provide one centre of excellence. This will ensure that service transformation is supported by the best legal know-how at the time and pace agile projects require.

Among other things, this newly formed team has been responsible for ensuring the smooth legal transition out of a trading fund and the renewal of our data licensing terms.

Developing our systems

Last year we introduced a new state-of-the-art fraud management system to enhance our fraud resilience.

We also took a step back and looked at how land registration could work generally in a digital world, starting from first principles. We believe there are significant advantages to the sector that can be achieved if we reconsider the degree of assurance given by conveyancers to HM Land Registry on each transaction.

Alongside our urgent work to support business continuity during the coronavirus crisis, we have started to talk to stakeholders about how we can most effectively release this potential.



This year we celebrated the first of our experienced caseworker apprentices graduating as a Fellow of CILEx and taking up a role as an HM Land Registry lawyer. Alken Brookes joined HM Land Registry in 1997 as a registration officer, dealing with straightforward registration applications, at a time when we were still mapping some title plans using paintbrushes on linen-backed paper!

During his career, Alken developed his knowledge of land registration law and practice; however, without a recognised legal professional qualification he was ineligible to work as an HM Land Registry lawyer. Becoming a Fellow of CILEx changed this. Alken was successful in an open recruitment competition, beating off other high quality external applicants to become our very first in-house trained lawyer.

“I’M DELIGHTED TO BE TAKING UP THIS NEW ROLE AND REPAYING THE SUPPORT AND INVESTMENT THAT HM LAND REGISTRY HAS MADE IN MY CAREER.”

Alken Brookes, Assistant Land Registrar



Nevill Holt Opera in Leicestershire, designed by Witherford Watson Mann, won the Royal Institute of British Architects (RIBA) East Midlands Award 2019, RIBA East Midlands Conservation Award 2019, RIBA East Midlands Building of the Year 2019 and RIBA National Award 2019. It was also shortlisted for the RIBA Stirling Prize 2019. The 400-seat opera is situated in the 17th-century stable courtyard within Nevill Holt Hall. The first registration was done by our Leicester Office.

Digitally refocused



Goldsmith Street in Norwich was described as a “modest masterpiece” by the judges when it was recognised as the UK’s best new building for 2019 by the award of the Royal Institute of British Architects’ Stirling Prize. Designed by Mikhail Riches with Cathy Hawley for Norwich City Council, Goldsmith Street provides almost 100 ultra low-energy homes arranged in seven terrace blocks. “This is proper social housing, over ten years in the making, delivered by an ambitious and thoughtful council,” said the judges. Parts of the site were registered under a voluntary first registration project by the council.

Photo: Alamy Stock Photo/John Birdsall

Interview with Andrew Trigg Acting Director of Digital, Data and Technology



“OUR TEAMS...HAD TO MAKE AN ALMOST ENTIRELY OFFICE-BASED ORGANISATION OF NEARLY 6,000 PEOPLE, SPREAD RIGHT ACROSS THE COUNTRY, INTO A REMOTE WORKING ONE IN A MATTER OF WEEKS. THE WAY OUR TEAMS CAME TOGETHER TO OVERCOME THE TECHNOLOGICAL AND LOGISTICAL CHALLENGES, ALONGSIDE THE SHEER SCALE OF THE TASK, WAS ABSOLUTELY REMARKABLE.”

What type of year has it been for the directorate?

Overall I think it has been a good year for the Digital, Data and Technology Directorate. Our teams always want to deliver more but I believe we have still demonstrated how much our digital capability has grown over the last few years. For me it is an honour to be able to report on our activities and I must pay credit to John Abbott, who led our directorate during 2019/20.

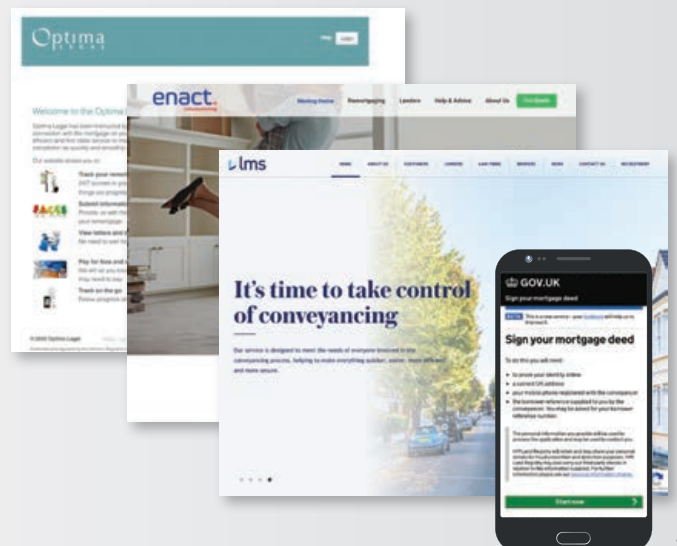
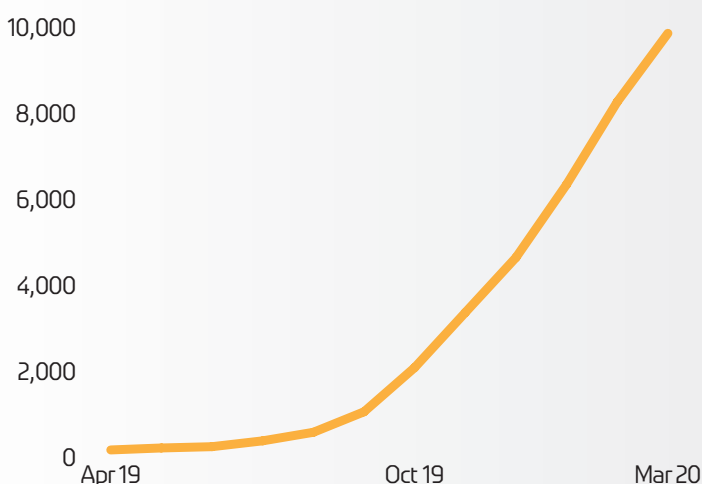
What have been the main highlights?

Early in the year it was great to be recognised by the industry as we were awarded the EG Tech Big Picture Award, we won twice in the Real IT Awards

and we were finalists in the public sector category of the *Financial Times*' Intelligent Business Awards. The awards recognised our ambitious approach to digital transformation and our commitment to work with the market to bring them the data and services to make their lives easier.

We were thrilled to have got close to our take-up target of 10,000 digital remortgage deeds by the end of the year. A delay in fully automating some final elements of the HM Land Registry system contributed to the key performance indicator itself not being met. However it demonstrated our ability to create an innovative service that leading market providers such as HSBC and Santander want to promote as part of the digital offering to their customers.

Digital mortgages registered



We met our key performance indicator for e-service availability. We often take that as a given because of the high levels of service we offer but in the current context I think it is important we do recognise the achievement. This high level of availability has allowed our customers to continue submitting requests through our online services and receive instant results for most time-sensitive requests during the coronavirus crisis.

That brings me onto a final highlight just as the year closed. Our teams suddenly had to make an almost entirely office-based organisation of nearly 6,000 people, spread right across the country, into a remote working one in a matter of weeks. The way our teams came together to overcome the technological and logistical challenges, alongside the sheer scale of the task, was absolutely remarkable.

What has HM Land Registry been focusing on in terms of its digital transformation?

The research undertaken over the last two years through our Digital Street programme demonstrated that frictionless digital conveyancing will need structured data to automate fully the transfer of property ownership without the need for manual information retrieval or verification.

Therefore our digital transformation focuses on receiving verified digital data from our customers, which can enable their request to be processed in a way that eliminates manual administrative tasks and can then be stored as structured data to be retrieved easily and reused for a variety of purposes.

This year we have been trialling our new Digital Registration Service with some of our customers. Ready for launch in the summer, it will enable customers to submit forms using digital fields that will validate the information they enter before it is submitted to us. Not only does this reduce the need for paper, speeding up the process for our customers, but it also ensures data quality standards are applied up front.

While more than 83.6% of customer requests are already fully automated, complex changes to the register will always require registration experts. We introduced robotic processing last year, using it initially to send reminder letters to customers. We are now using it to speed up casework. Our robots now examine more than 25,000 applications per week to check whether any other corresponding applications for the same land or property already exist in the system. This saves valuable time for our registration experts. We are testing how artificial intelligence can further reduce time-consuming manual tasks, with some promising early results. These steps all form part of a completely new application processing system to replace the outdated systems our registration experts currently use, enabling them to be more productive.

At the heart of this are our plans to build a truly digital register that can support structured data. We have already designed the new model for the storage and use of HM Land Registry data which draws on global best practice and standards.

Digital Street Year 3

Digital Street continues to be led by insights from our Digital Street community. The community proposed all of the topics we explored this year and our research fed directly into the wider digital transformation of HM Land Registry.

Whereas last year the Digital Street project focused on how blockchain could improve the land registration process, this year the project explored three themes.

- **Tokenisation of land and property.** The team created a prototype of the concept of HM Land Registry creating and issuing digital tokens to represent title ownership. These tokens would be stored on a database underpinned by blockchain technology. Using security tokens linked to the title token, property owners would be able to securely record fractional ownership of property – where more than one person holds a legal interest in a property – with greater flexibility than currently possible. The team worked with a member of the Digital Street community to demonstrate how these security tokens could be traded on a digital marketplace. This opens up a series of potential benefits, including providing more opportunity for investment in property. We were due to present our work on tokenisation at the World Bank Land and Poverty Conference in March but the event was cancelled due to coronavirus.
- **Enhanced application programming interfaces (APIs).** The team investigated how enhanced APIs – software which allows the casework systems of our customers to read HM Land Registry’s data – could speed up applications by providing more data up front, reducing errors and enabling the Land Register to be updated automatically. The outcome of this research will feed directly into the review of our Business Gateway channel.
- **A 3D land register.** The team built a prototype to demonstrate how HM Land Registry data could be visualised in simple 3D. The team overlaid the text with the geospatial data held in the register to better visualise the register as a whole. By capturing floor numbers it could display the position of different titles within a multi-storey building. The Digital Street community reviewed the work and told us it had the potential to improve many of the day-to-day tasks within the land and property industry. These findings will inform our work on the digital register.

Dataset releases

Registered leases

The planned publication of our leasehold information will drive innovation and create greater transparency in the homebuying and selling process. Statute obliges we register data on granted leases over seven years in length. In opening up this data we hope to assist estate agents in calculating property valuations more accurately, and support government departments in their understanding of the property market. This dataset has approximately 5 million rows of data, including the property description and the date and term of the lease.

Restrictive covenants

We believe early awareness of covenants could help to speed up the property-buying process by revealing and addressing issues much earlier in conveyancing proceedings. And for other property professionals, such as developers, it is essential to know whether there are any restrictions on land identified for potential development. That's why we're planning to release the data we hold on restrictive covenants for wider use. This information, equating to around 17 million rows of data, will catalogue covenants which are usually raised when the seller of a property wants to restrict what a buyer can do with the land. Examples include guaranteeing a right of access and prohibiting the use of the property for business.

How are you enabling digital conveyancing and unlocking the greater use of geospatial beyond just land registration?

Our research and development project Digital Street has continued to look at the potential benefits that emerging technology might bring. Each of the team's three research projects were conducted alongside the Digital Street community. Representatives from all areas of the property market discussed what would be needed to adopt new technology successfully and ensure it benefits all parties in the property buying and selling process. The results from this research feed directly into the planning for the future direction of the digital transformation.

We are already transforming other parts of the conveyancing process, specifically local authority searches, making them more digital through the rollout of our national Local Land Charges Register. With nine local authorities migrated by 31 March 2020, the service has already delivered more than 11,000 searches in a high-quality digital format and for a consistent price. There have also been more than 45,000 digital personal searches.

We are now looking to industrialise the migration of data into the register so we not only create a national digital service but also increase the location intelligence of the nation. Next year we will continue our programme of data releases with three new datasets supported by a new platform that will bring all our data together in one place.

As a founding member of the Geospatial Commission we provided input and direction into its new strategy, which outlines how the UK can become a world leader in geospatial data and work toward unlocking the estimated £6bn to £11bn annual wider economic benefit. The potential of this contribution to economic recovery is why geospatial thinking remains at the core of our plans.

This year will be our fifth year of investment in our incubator programme called Geovation, run jointly with Ordnance Survey, which has seen 117 British-based startups graduate, creating 484 jobs and attracting more than £77m in third-party investment.

What are your plans for next year?

I think the coronavirus situation will force every sector to re-look at their digital plans to see if they are up to the challenges that an uncertain future may bring. Globally I think countries with valuable real estate markets will pay closer attention to the risks of their vital land and property services being unable to function.

Digital adoption in the UK conveyancing sector has been led largely by the sector itself. It has been slow to change its processes, which still rely on paper far too much. I believe consumer demand will change. Where people may have tolerated homebuying and selling being a paper-heavy process before, I think those attitudes will now quickly shift.

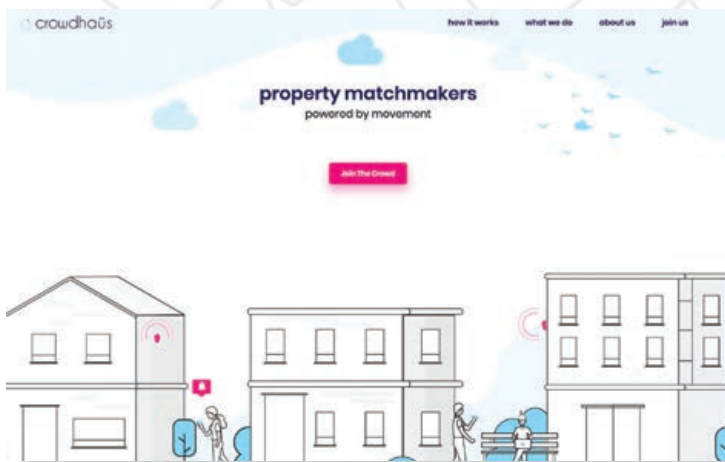
Having spent the last couple of years creating the necessary building blocks, I believe we can bring those strands together to demonstrate digital land registration's potential.

Next year we are aiming to make submission and processing of our most common transaction types digital, maximising automation wherever we can. We will initially focus on applications to remove a mortgage, transfer ownership and add a new charge. The frequency of these requests reflects the way most people buy and sell residential property. We have already tested the first application to transfer ownership of a property, working closely with a select group of customers to build the best service possible.

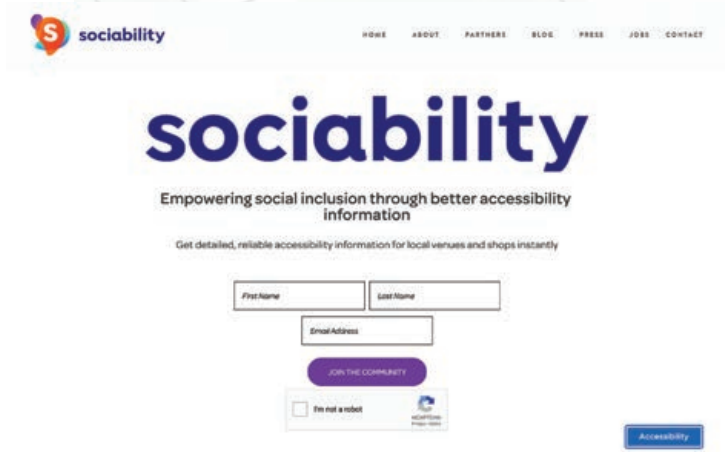
Meet the new Geovation cohorts



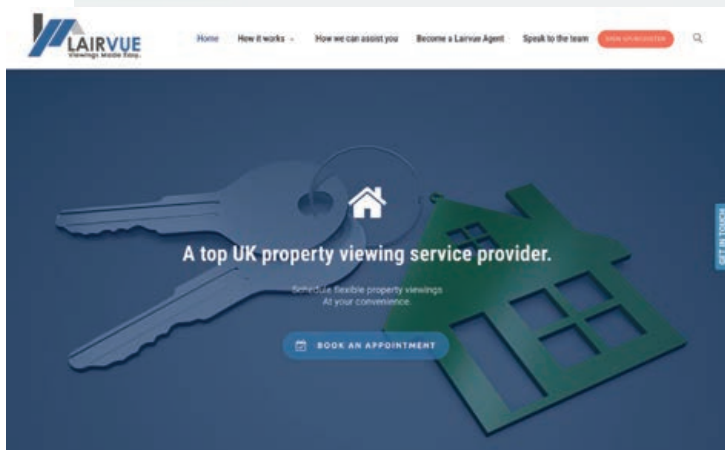
Veya is making important information available to homebuyers earlier in the conveyancing process. Aspiring to reduce the average time to buy and sell, Veya aims to ensure vital details about a property are available to prospective buyers before they make an offer.



Crowdhaus is modernising the property search market by providing the 21st century with smart 'For Sale' signs that send notifications to users who are in the area. By repackaging data and making it available on the go, the Crowdhaus system will present that data in an easily digestible format to help users access important information when they need it.



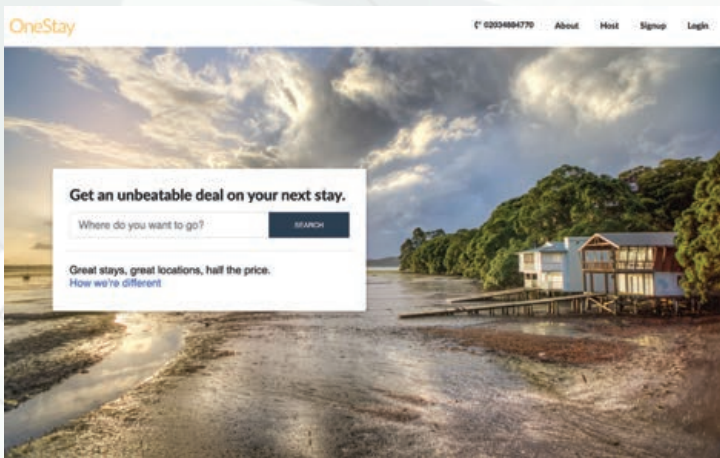
SociAbility's mobile app and crowdsourced data collection platform allows users to find detailed and reliable accessibility information for local social venues and shops quickly and easily. By combining HM Land Registry data with a host of other data sources the app is able to get the information disabled people need but don't currently have access to.



Lairvue is a property viewing company providing a comprehensive seven-day-a-week viewing service to make sure property viewings do not get cancelled, postponed or missed.



Building Passport uses geospatial data to map buildings' floor plans, to create a safer environment for first responders from the emergency services.



OneStay is creating a transparent and trusted marketplace where guests can connect with hosts to bid for holiday rental properties and combat wasted and unused space, while providing value.



Occubly is working with large UK landlords to provide insights through advanced data analysis and automate the resolution of some of the complex issues associated with leasehold property.

“THIS YEAR WILL BE OUR FIFTH YEAR OF INVESTMENT IN OUR INCUBATOR PROGRAMME CALLED GEOVATION, RUN JOINTLY WITH ORDNANCE SURVEY, WHICH HAS SEEN 117 BRITISH-BASED STARTUPS GRADUATE, CREATING 484 JOBS AND ATTRACTING MORE THAN £77M IN THIRD-PARTY INVESTMENT.”

Andrew Trigg, Acting Director of Digital, Data and Technology

Unified through our culture



What do we mean by organisational culture?

Artefacts

- Visible organisational structures and business processes
- *Dress code*
- *Work hours*
- *Policy*

Espoused Values

- Strategies, Goals, Vision
- *Are values communicated to employees, suppliers and customers? Are values aligned with values of each of these groups?*

Unconscious beliefs

- Assumptions, perceptions, thoughts and feelings; the **unwritten rules**
- *How are decisions made, how are conflicts resolved.. What are the underlying assumptions at work?*

Continuous improvement event November 2019 Slide 10

Organisational culture was among the topics discussed when continuous improvement leaders from across government gathered at our Leicester Office in November for the CI (Continuous Improvement) in Leadership conference

Simon Morris

Director of Human Resources



“THROUGHOUT THE YEAR VARIOUS WORKSTREAMS EMBEDDED OUR NEW CULTURE INTO OUR WORKING PRACTICES, OUR PEOPLE-RELATED POLICIES AND THE WAY WE LEAD AND SUPPORT OUR PEOPLE. THIS FULFILLS AN IMPORTANT COMMITMENT IN YEAR THREE OF OUR PEOPLE STRATEGY.”

I am delighted that one of my first tasks since joining in June 2020 is to be able to report on a great year for HM Land Registry. Expert people – making complex land registration judgements, supporting critical systems or delivering best practice in corporate roles – are HM Land Registry’s most valuable asset. We want to ensure we get the best from them.

Thanks to Jon Cocking, who so ably led as acting Director during 2019/20, HM Land Registry explored its future culture with colleagues from across the organisation and launched new culture statements in May 2019, defining what we require from every colleague to become a world-leading land registry. Throughout the year various workstreams embedded our new culture into our working practices, our people-related policies and the way we lead and support our people. This fulfils an important commitment in year three of our People Strategy.

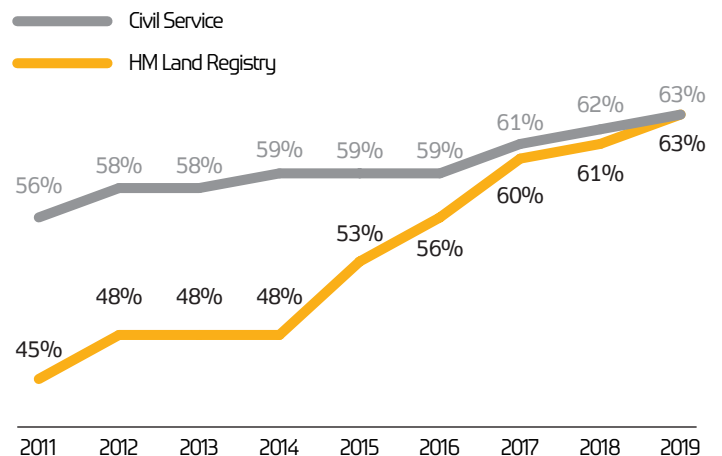
It is clear health and wellbeing has been a continuous focus for HM Land Registry with a range of campaigns, initiatives and support for both the mental and physical wellbeing of our colleagues. An important feature has been our LR Leisure and charity committees with Jon Cocking providing chairship to both.

The efforts from our network of volunteers who coordinate sports and social activities and charity endeavours has seen £88,116 raised for good causes and nearly a quarter of all colleagues participating in some organised activities. Our network of sustainability champions has planted trees to support biodiversity and set up milk clubs and a shopping bag loan scheme to reduce our impact on the environment. The commitment, energy and enthusiasm of our volunteers demonstrate

HM Land Registry values in practice and the best of our culture.

The 2019 People Survey in October produced record high results yet again. Our Engagement Index score of 63% placed us in the top quartile for the Civil Service for organisations of equivalent size and nature. Our leadership and managing change score of 48% also placed us in that same bracket and meant we achieved our 2022 Business Strategy target earlier than planned. In our latest pulse survey in May 2020, a year after our culture launch, those scores have risen considerably to 73% and 60% respectively, benchmarking us against some of the best scores across the Civil Service. I am hugely excited to be joining HM Land Registry at such an exciting time for its colleagues.

Employee engagement index score



Releasing and supporting our talent

A key aspect of the new culture launch was the commitment to improving leadership capability and that only leader-led change would truly embed a new culture within the organisation.

The focus for the Leadership Development Programme has been leading change and developing a coaching style of leadership. This more progressive coaching style focuses on empowering colleagues, encouraging innovation and enabling decision making at the right levels. The programme includes externally and internally facilitated workshops, guest speakers, online learning, 360 feedback and executive coaching and mentoring.

Leaders are expected to role model the aspirations set out in our new culture statements, with more than 20 internal blogs published and 16 senior leadership teams taking part in change leadership sessions to ensure they undertake the actions needed to support our aspirations. Board members have been undertaking a regular programme of office visits with new virtual formats being trialled to maximise impact with remote colleagues. New approaches to performance management are being trialled which are part of our efforts to encourage collaborative innovation, improve our collective performance and support colleagues to develop and succeed.

HM Land Registry has created strong foundations to build and maintain the talented workforce we need. This year we recruited 464 new colleagues and also expanded the award-winning apprenticeship programme to include a wider variety of schemes which are increasing our home-grown specialist and managerial talent while helping to span the gap between senior technical roles and lawyers.



“MY INTRODUCTION INTO CORPORATE COMMUNICATIONS COULDN'T HAVE BEEN BETTER AND I AM EXCITED TO CARRY ON LEARNING SO MUCH MORE!”

Olivia Frost joined the Corporate Communications Team at HM Land Registry as a Government Communication Service Apprentice, working towards NVQ (National Vocational Qualification) level 4 Public Relations and Communications. In her first months with the team, Olivia was involved in projects ranging from storyboarding and filming a video for our Sign your mortgage deed service, updating our social media policy and working with our Graphic Design Team to assemble our newsletter for colleagues who have left the organisation.

We have continued to develop our workforce planning capability at tactical, operational and strategic levels, working collaboratively with colleagues across the organisation. A medium-term resourcing plan is in place for registration experts that can be flexed as circumstances change. The Brilliant by Design programme has established specific requirements for different types of registrations in each office and a new call handling and resourcing system has been implemented in the customer contact centres.

The work the Digital, Data and Technology Directorate is doing on implementing communities of practice, and using this as the vehicle for workforce planning in terms of both capacity and capability, has developed significantly this year and this has led to a different approach in using contractors to supplement our own workforce.

A new project has been established to build a new forecasting, planning and budgeting system that will encompass strategic workforce planning, leading to a more data-driven approach for workforce planning in time for the agreement of a new business plan.

The Learning and Development Framework that underpins our People Strategy has directed our efforts on developing skills and capability. We have introduced a new comprehensive online learning management system with significant increases in colleagues' interactions with learning and development initiatives.

Alongside leadership the priority area for skills development has been technical registration skills and we have created development models and widely used optimum training paths for most of our caseworker roles.

We have also invested in other key skills areas including digital, commercial, financial and project management and legal and communications continuing professional development.

An average of 4.8 days per employee (including apprentices) have been spent on training, with 83% of staff indicating they had the skills needed to do their job in the annual Civil Service People Survey.

Alongside clear training paths, we have provided more opportunities for our colleagues to progress, increasing our capacity to complete more complex casework. We exceeded our key performance indicator to develop and promote at least 275 colleagues to and within the executive caseworker grades, with a final figure of 399 colleagues.

This pipeline of talent must continue to ensure HM Land Registry secures the workforce needed to meet ongoing and future needs. Over the past year our focus has been to encourage people from under-represented groups into management and leadership roles.

Collectively our six colleague-led diversity networks, each with an Executive Board sponsor, have more than 1,200 members and work collectively to achieve the organisation's aims. Although we were unable to reach our target for increasing black, Asian and minority ethnic colleagues in management grades, we exceeded our key performance indicator to increase female representation in middle and senior management grades by 50%. I want our networks to provide valuable insight and challenge to drive our ambition to become the most inclusive employer in government.


HM Land Registry Intranet

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How do I News and blogs HR About us COVID-19 Forums

Home > Blog posts > Leadership blog > When everything feels crazy are we still being Brilliant by Design?



Author

Angie Clarkson
Deputy Director, Registration Services
Blog posts

Categories

Leadership blog

Recommended

Home is where the heart is...and the office, gym, and restaurant

9 April 2020 Angie Clarkson
I was feeling a bit fed up on Sunday morning. More often than not, I'm grateful for a quiet Sunday morning. Grateful not to have to go anywhere. When you...

When everything feels crazy are we still being Brilliant by Design?

1 May 2020

Back in January, I said that getting our operational approach right was important, that "things change, and plans need to flex to reflect that". I think it's fair to say things have changed! As well as adapting to lockdown life (kitchen dancing) I've been working with colleagues in Operations to plan our response.

Rapid change - especially one of this magnitude drives that sort of...


HM Land Registry Intranet

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Author

Simon Hayes
Chief Executive and Chief Land Registrar
Blog posts

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Culture Wellbeing

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Creating a digital land register

9 September 2019

By Gareth Robson


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How do I News and blogs HR About us COVID-19 Forums

Home > Blog posts > Leadership blog > Walking the walk on delivering change



Author

Simon Cairns
Head of Business Change and Continuous Improvement
Blog posts


Categories

Leadership blog

Tags

Business Strategy Change management Culture

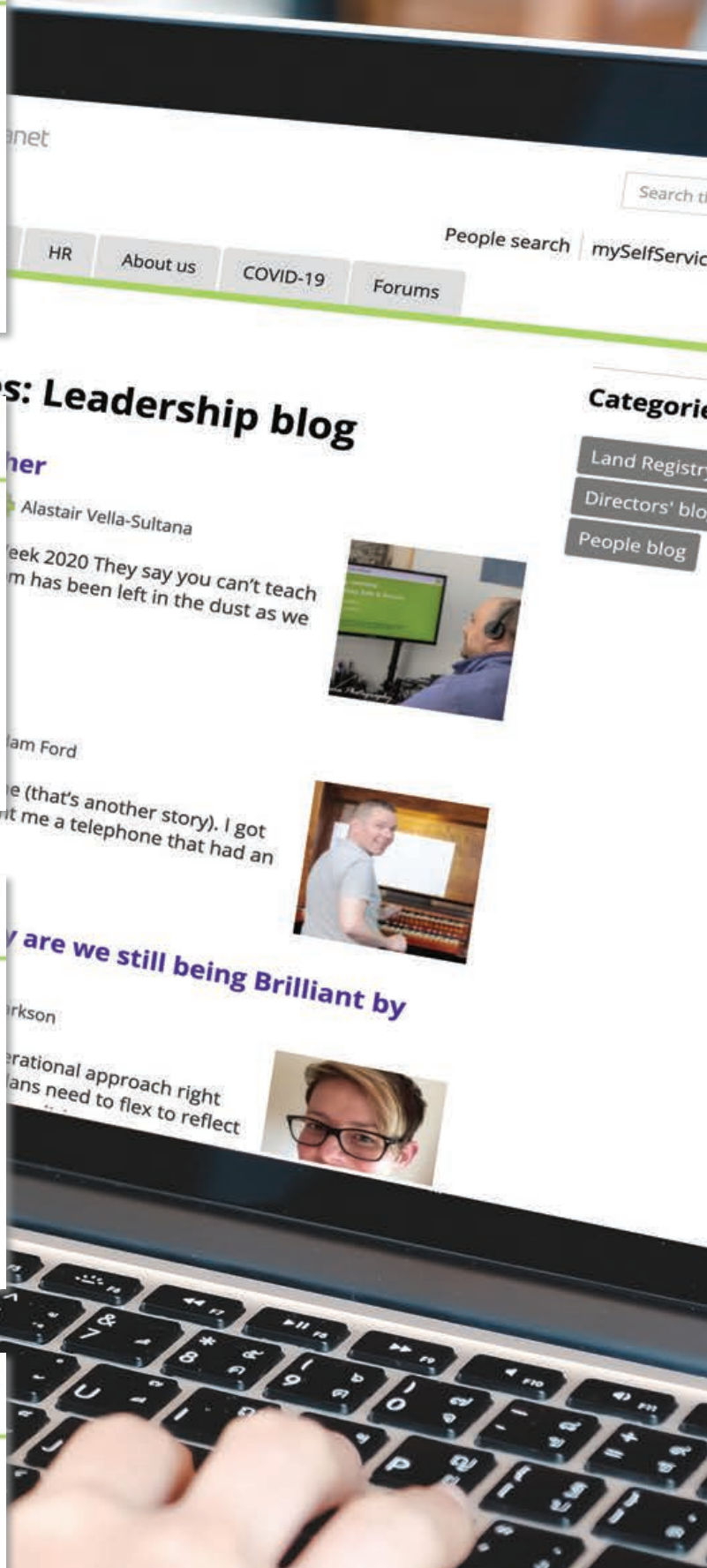
Recommended



Walking the walk on delivering change

9 July 2019

Blog categories: Leadership blog



Senior leaders across the organisation blog regularly on our intranet, from the Chief Executive to deputy directors and other managers. Each blog starts a conversation with colleagues, through comments and replies, that develops the theme of the blog and often throws up new ideas and insights.

Our staff networks

Our staff networks play an important role in helping us to develop the best policies to support and drive our people ambitions. They empower our people and help to make HM Land Registry a great place to work.



The Black History Month Pop-Up Museum in Croydon, organised by BAME Network members and volunteers

Black, Asian and Minority Ethnic Network

The Black, Asian and Minority Ethnic (BAME) Network promotes the HM Land Registry belief that whatever your ethnicity or background, you should have the means and opportunity to fulfil your potential.

For Black History Month 2019 the network organised several talks and events. One colleague wrote a personal account of growing up with a mixed heritage in Malaysia and England, and the instances of racism he encountered along the way. Published on the intranet, this prompted open discussion about race and racism.

A working group has also driven increased BAME representation in interview panels and created recruitment ambassadors to engage local communities and increase BAME application numbers.



Assured members demonstrating HM Land Registry's inclusive culture and hoping to attract diverse new talent at the Plymouth Respect Festival, June 2019

Assured Network

Assured, our network for sexual orientation and gender identity, is open to anybody who wants to raise awareness of lesbian, gay, bisexual and transgender (LGBT)+ issues and support our people by helping to ensure that our work environment allows LGBT+ colleagues to feel safe, comfortable and able to be themselves.

LGBT+ History Month was marked in February 2020 with a personal account about why one member feels safe being 'out' at HM Land Registry. One commenter said: "Wonderful blog [...] I'm really glad you are happy here in our LR family. It really is a great place to work and I'm proud to be an ally to all the equality networks."



The Age Network held a session for colleagues at Fylde Office during Learning at Work Week in 2019

The Age Network

The Age Network provides a place for colleagues of all ages to discuss age-related issues and promote understanding and fair treatment of all based on who they are, not the year on their birth certificate.

Throughout 2019/20 the network has organised events available to many people. These included coffee mornings, Dementia Friend training and Skype chats.

In January 2020 they celebrated Age Awareness Week with events based on priorities for people of all ages – being confident with digital skills, dementia awareness and understanding your pension.

Mike Harlow, Board Sponsor

"People's perception of what being young, old or in the middle means affects all of us. It is a prejudice that, like all others, is unkind and unwelcome here. I am delighted we have established the network and seen it grow in support this year. I want to support its efforts to see everyone respected and understood as extraordinary and unique individuals, whatever their age."



In March 2020 the network hosted a cross-governmental International Women's Day event

Women's Network

The Women's Network is a secure and supportive community offering guidance and support in areas such as career development, parental leave, and physical and mental wellbeing.

The Network uses Yammer as a safe space for members to discuss personal and work-related concerns. During the coronavirus lockdown a complementary Facebook group was created to reach those people who could not access HM Land Registry systems from home.



Disability History Month was a highlight for DEN in 2019. This poster, designed by network member Leticia Atkinson, was used to publicise the weekly themes for activity and resources

Disabled Employee (and carers) Network

The Disabled Employee (and carers) Network (DEN) gives support and care when colleagues need it most. The network helps several directorates in HM Land Registry ensure their systems and processes are compatible with assisted technology users, both staff and customer, and is consulted on protocols and policies that are fully inclusive.

In 2019 the network's Board Sponsor shared his experience of being a carer. He described the challenges and joys of his child's condition and raised awareness of the support available for carers from HM Land Registry, DEN and the Charity for Civil Servants.



June 2019 celebrations in Fylde Office for the Muslim festival of Eid al-Fitr. More than 125 people shared home-cooked food and had their names written in Arabic calligraphy

Faith and Belief Network

The primary aim of the Faith and Belief Network is to promote a stronger faith literacy among staff, because by understanding one another we can more easily relate to each other.

In November 2019 the network celebrated Inter Faith Week by welcoming colleagues from across the Civil Service and local government in the south west to a Q&A session where colleagues representing Buddhism, Christianity, Hinduism, Islam and Sikhism shared their views and experiences.

Karina Singh, Board Sponsor

"As Board Sponsor for the BAME and Faith and Belief networks, I am incredibly pleased to work with a group of committed individuals who care deeply about addressing inequalities and creating an inclusive culture throughout the organisation. This year we have seen membership of the networks increase significantly. The Faith and Belief Network have relished the opportunity to be involved in the corporate decision about the wording in our seasonal greeting card. The series of events organised for Black History Month were awesome and well attended. The Pathways development programme for junior colleagues, with a focus on diversity, has been really well received as reflective, insightful and inspiring."

Performance analysis and financial review

Richmond House, the former Department of Health headquarters in central London, is set to play temporary host to the House of Commons while the Palace of Westminster undergoes planned restoration. The building and its neighbours at 85 Whitehall and 54 Parliament Street were sold to the Commons in September 2019, a transfer registered by our Nottingham Office. Westminster City Council is considering the planning applications for the conversion of the buildings.



Iain Banfield

Chief Financial Officer



“IN 2019/20, WE INVESTED A TOTAL OF £31.7M IN OUR TRANSFORMATION PROGRAMME. WE ALSO RETURNED A DIVIDEND TO THE GOVERNMENT OF £24.7M AND RETAINED AN ANNUAL SURPLUS OF £3.6M*.”

2019/20 financial review

Our financial objective in 2019/20 has been to balance the needs of the organisation today with our ambitions for the future. We have invested in the skills and capacity we need now without jeopardising the investment in our transformation programme, which will help deliver the world-leading registry we want to become. We have also focused on ensuring we have the financial resilience we need to navigate the increased volatility in the housing market that has come with coronavirus.

In 2019/20, we invested a total of £31.7m in our transformation programme. We also returned a dividend to the Government of £24.7m and retained an annual surplus of £3.6m*.

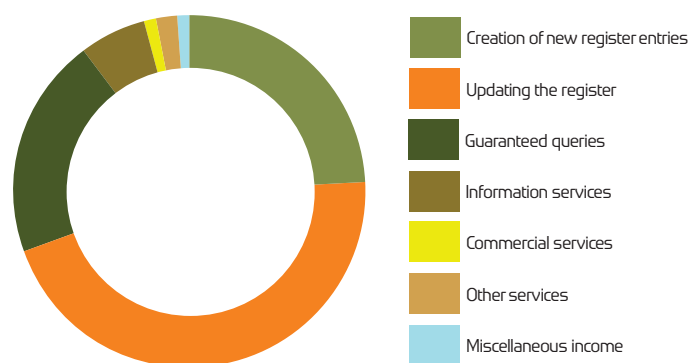
From 1 April 2020, HM Land Registry will operate under a new financial framework as it moves away from being a trading fund and solely becomes a non-ministerial department. Because of this transition, there is a one-off adjustment in 2019/20 as we released a special dividend payment of £483.5m to HM Treasury (HMT). This reflects the movement of reserves from ourselves to HMT.

The property market in England and Wales remained robust for the first 11 months of the year with activity levels similar to 2018/19 prior to the outbreak of coronavirus. In 2019/20 HM Land Registry recognised income of £308.6m from customers. This excludes the cash received for applications that had not been completed by year-end.

*The £3.6m is stated prior to the payment of the special dividend.

	2019/20 £m	2018/19 £m
Operating income	308.6	323.2
Operating costs (including administrative expenses)	(284.5)	(292.2)
Operating surplus	24.1	31.0
Other income/(costs)	4.2	1.3
Dividend	(24.7)	(27.3)
Retained surplus prior to special dividend	3.6	5.0
Special dividend	(483.5)	-
Capital expenditure	22.7	16.8

Operating income



As at 31 March 2020 the fees received in advance balance was £40.5m, an increase of £16.8m from 31 March 2019. The key drivers for this change were the impact that coronavirus had on our ability to process applications in the last two weeks of March and a more general increase in our stock of uncompleted complex transfer of part and new lease applications. HM Land Registry continues to invest in caseworkers to meet this excess demand, though there is inevitably a time lag between recruitment and full productivity given the expert nature of the role.

As in previous years, almost half our operating income was driven by updates to existing titles in the register, which accounted for £138.6m. The creation of new register entries (such as first registrations, transfers of part and new leases) generated income of £75.3m.

Our other major income came from guaranteed query services. These are critical steps in every property transaction and where we see our largest volume of service demand. However, since they are largely automated, they do not carry as high a fee as our register change services (which require input from our expert professionals). In 2019/20, guaranteed query services accounted for £61.0m.

Information services enable users to go online to get a snapshot of any registered plot of land or property and generated £19.5m in 2019/20. Together, the three core registration services above generated £294.3m in 2019/20 (96% of operating income).

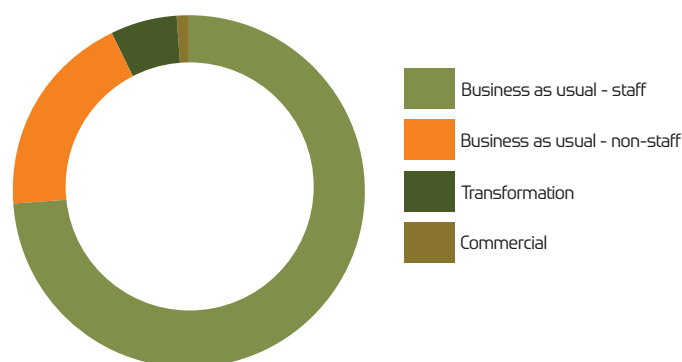
We also provide other land and property services. Our digital Land Charges service protects interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department maintains a register of short-term loans secured on farming stock and other agricultural assets. Together these generated £7.0m.

We also offer commercial data services for customers in the property market and elsewhere in the economy. Income from the commercial release of our data generated £4.5m in 2019/20. Aside from income from our services, we received miscellaneous income of £2.8m, the vast majority of which comes through the investment property we hold, which we let on a commercial basis.

Operating costs

2019/20 has seen a 2.7% decrease in our operating costs. This was driven by a £22.2m reduction in our indemnity provision following the annual calculation by the Government Actuary's Department. Outside of this adjustment, increase in costs were due to planned investment in transformation in line with the profile in the Business Strategy and our commitment to expand caseworker capacity to address historic under-resourcing and to meet levels of demand.

There was also a number of unavoidable pressures such as the cross-government increase in employer superannuation contribution. The reduction in indemnity provision means that no funding from reserves was required to meet these pressures as originally agreed with HMT.



Business as usual costs

We recruited more expert colleagues and funded increased overtime to help manage demand and deliver the vast majority of our applications within our speed of service targets. This contributed to an increase in staff costs for our business-as-usual activity, rising from £195.4m in 2018/19 to £210.4m in 2019/20 (£11m of this relates to higher rates of superannuation than 2018/19).

Non-staff business-as-usual costs totalled £55.4m (2018/19: £60.4m), including spend on: property and facilities management; IT services, including maintenance of equipment and licences; and various contracts with third-party suppliers relating to document storage and retrieval, document scanning and mapping services from Ordnance Survey. Impairment and depreciation costs included within the non-staff costs of £7.9m were broadly consistent with 2018/19 (£7.8m).

Guaranteeing the integrity of the register

These non-staff costs also include the impact of our state-backed guarantee of title, which helps to underpin the integrity of the register. It provides protection for victims of fraud or unforeseen errors. In 2019/20, £5.3m was paid out against 845 claims.

A £22.2m reduction in the claims and "incurred but not reported" (IBNR) provision was driven by a review by HM Land Registry of the underlying assumptions used in the forecasting model by the actuary, the Government Actuary's Department. HM Land Registry has reviewed the key assumptions used, and the model has been updated to incorporate the most-recent 20 years of data. The risks of any potential significant one-off claims are disclosed as a contingent liability within note 17.1.

Further information on outstanding claims and IBNR provisions – including sensitivity analysis that reflect the estimated nature of the IBNR liability and susceptibility of the provision to fluctuation – can be found in note 15 in the accounts.

Improving our services – Transformation

Our strategy depends on investment in transforming the services we provide and how we provide them. In 2019/20, we invested £17.4m of resource in our ambitious change programme.

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

We also invested in improving our existing services, systems and casework processes as part of our Service Improvement Programme and in our Customer Programme. The latter is improving critical elements of how we manage customer contact. These include refreshing our online business portal and improving our customer relationship management system. In addition, we invested in our IT infrastructure, including consolidating our data centres from three sites into two.

Commercial services

Finally, operating costs included £2.6m to support our commercial services.

Local Land Charges

These operating costs include £6.0m of resource used to support the Local Land Charges programme as it continues to expand. As at 31 March 2020 nine local authorities were part of the programme and HM Land Registry is working with 20 for 2020/21.

Other income and costs

The major component of our other income is investment income on bank deposits totalling £3.3m and release of historic provisions of £3.1m. This is offset by other miscellaneous costs of £2.2m.

Capital and reserves

Total capital expenditure was £22.7m, including £14.4m on the transformation programme. This was mainly on IT, software and capitalisation of Local Land Charges development costs. Of the total spend, £14.8m related to tangible assets and £8.0m to intangible assets.

2020/21 onwards

In October 2018, the Office for National Statistics reclassified HM Land Registry into the central government subsector for national accounts' statistical purposes, in accordance with the provisions of the European System of Accounts 2010. As a result, trading fund status will be revoked from April 2020 and HM Land Registry will enter the parliamentary vote-funding regime with our accounts forming part of the financial statistics relating to central government.

As part of the budget settlement agreed on 11 March 2020 HM Land Registry has been delegated a budget set out in the table below with revenue returning directly to HMT. Further details can be found at <https://www.gov.uk/government/publications/main-supply-estimates-2020-to-2021>

Spending total

Amounts sought this year:

Resource DEL £361.3m

Resource AME £12.0m

Capital DEL £40.2m

The overall settlement allows HM Land Registry to continue the delivery of its business plan by increasing the investment in our people, infrastructure and future capability. Importantly, it also gives us security of budget in light of the volatility in the housing market caused by coronavirus.

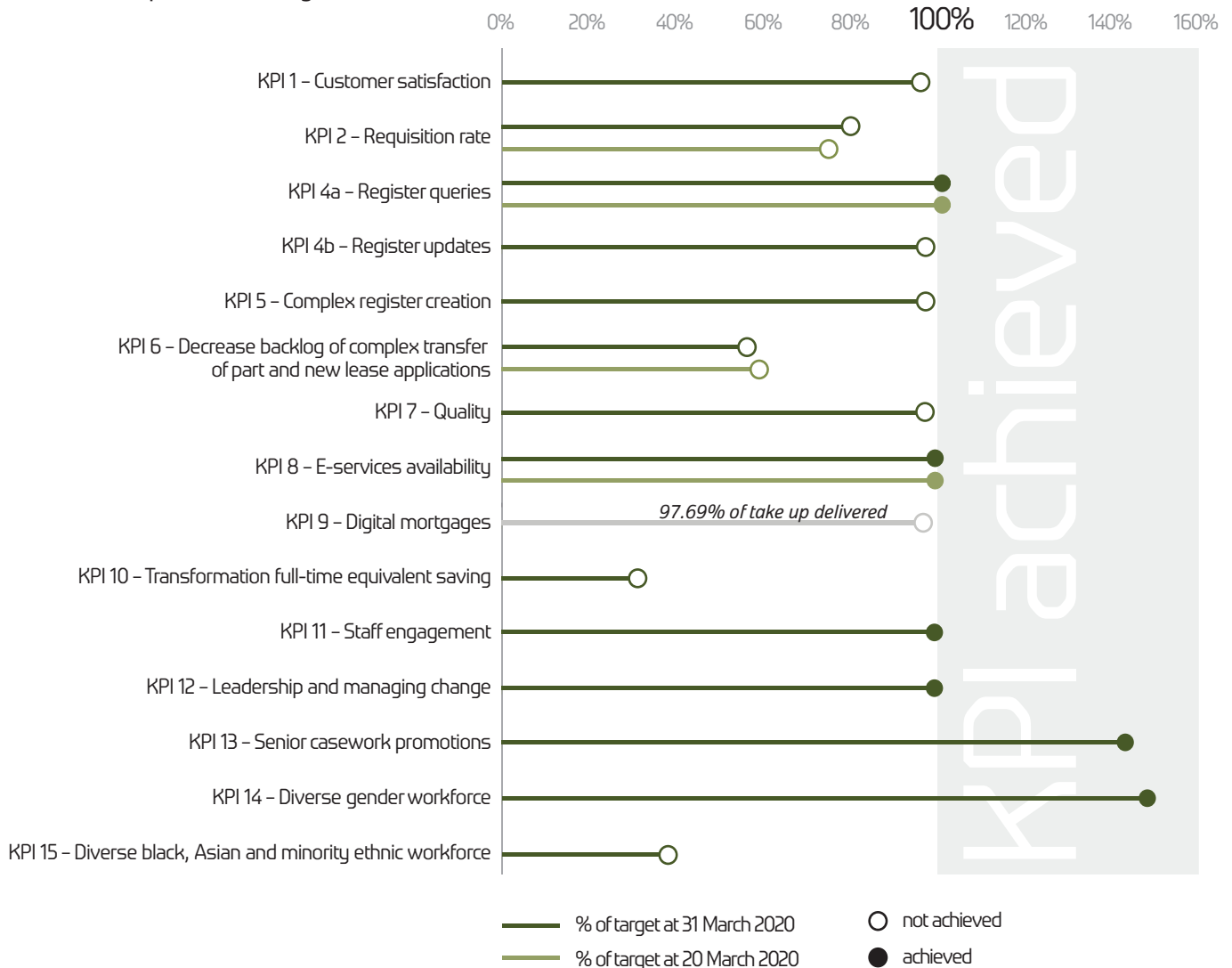
Brixton Village, an indoor market in Lambeth, south London, was built as Granville Arcade in 1937 to designs of Alfred and Vincent Burr. Together with Market Row, it is home to nearly 130 independent traders including the first stores for the successful Franco Manca and Honest Burger chains. The lease for Brixton Village was sold to AG Brixton Village in 2018 for £20m. Lambeth Council transferred its local land charges data to our central digital register in October 2019.



Our key performance indicators

We monitored 15 key performance indicators (KPIs) against our strategic priorities in 2019/20. Our KPIs presented a broad set of challenges, with a high degree of stretch for the organisation. In many areas that ambition has been met in full. In others progress has been considerable but there is more to be done.

See Appendix F for an explanation of our key performance indicators and our performance against them.



Our focus on people and culture

Five of our 15 KPIs this year supported our People Strategy (KPIs 11-15, inclusive), spanning a range of objectives to ensure the organisation has the right capacity and culture to be as effective as possible. We are pleased to report the strongest staff engagement results in our organisation's history, continuing the trend of year-on-year improvement over recent times. Our commitment to leadership and managing change has produced similarly positive results, delivering both an improvement on last year and a ranking within the top quartile for Civil Service organisations of similar size and nature. We have successfully increased our operational capacity and offered promotion opportunities to many of experienced caseworkers, providing a positive impact on organisational culture after more than a decade of limited career progression opportunities for our colleagues. There has been a more varied performance in the diversity KPIs (KPIs 14 and 15), with extremely positive progress in our gender targets but less impact against our ambitions for black and ethnic minority colleagues. This is

something we take very seriously, and the causes of this differential impact on diversity ambitions is something we will continue to focus on in the year ahead.

Our transformation

We missed the KPI monitoring the savings delivered through transformation activities this year (KPI 10). However, the volume of transformation activity planned over this year was considerable and delays naturally arose in projects. We also took pragmatic decisions both to prioritise improving the customer service experience for our most complex applications where demand had outstripped our capacity to process, and also to ensure change was not delivered into the organisation all at the same time, which would have negatively impacted the delivery of critical services. The impact of coronavirus was a minor contributing factor to these delays. One such impact included turning on the automation of our digital mortgage service this year, which was ready to go live in March after careful testing with our customers. Some

9,767 deeds were registered through this service over the course of the year, but these did not contribute to the KPI as it was focused on automated registrations (KPI 9). We are grateful for the significant engagement and support from mortgage lenders in the market who have been instrumental in getting us ready to roll out end-to-end automation of digital mortgages in the year ahead.

Our focus on the customer

Delivering a timely service to our customers remains an important aspect of our Business Strategy. We delivered 96% of total applications within service standards this year. We did not, however, meet all of our KPIs in this area (KPI 4a was met but 4b, 5, and 6 were not). Feedback from our customer base throughout the year suggested a need to revisit how we prioritise among the applications we receive, such that we increased the number of caseworkers processing our most complicated applications. Progress was being made in reducing the number of uncompleted applications of this product type before coronavirus restrictions came into effect.

Our research partner, Ipsos Mori, surveys our customers every quarter to ask them how they rate our overall service. A total of 1,195 customers were surveyed over the course of the year, with 90% rating our service as excellent, very good or good (KPI 1). This is a slight reduction on last year, however, it is worth noting that over a quarter of customers rated 'overall service' as excellent, while under 3% gave a poor rating. Understanding how our services are received by our customers is very important to us and we have worked with Ipsos Mori throughout the year to develop a more granular view of customer satisfaction.

A new survey, which we have run in parallel with the approach monitored by this year's KPI, will form the basis of the target for the year ahead.

Providing trust and confidence in land ownership

This year, HM Land Registry refined its indicator of quality of register changes with a risk-informed metric showing where changes have the greatest impact on register integrity (KPI 7). Our targets were ambitious, in keeping with our corporate belief in register integrity as a cornerstone of property rights. We narrowly missed the overall quality KPI target by 0.5 percentage points, and performance among the basket of measures demonstrated improvements in many areas.

Our key deliverables

Our business plan for 2019/20 outlined 19 deliverables covering all areas of our business strategy. At the end of the year we had met 15 of these, and partially met a further two. These were a combination of business as usual and transformation objectives. Some of our key successes include:

- implementing changes through the Brilliant by Design programme, with improvements to the way casework is managed;
- continued improvements to make our services faster and easier, this year we received the first application through our new online lodging service (Front End Validation);
- centralising our customer service centres to improve the consistency of the information we provide;
- developing our cultural aspirations to enable us to manage the development and ambitions of our people; and

- managing the transition into central government through the passing of relevant legislation and negotiating our first Spending Round settlement with HM Treasury.

The evolution of performance in HM Land Registry

Over recent years, we have had KPIs that have centred around output measures, each with varying levels of ambition. We are changing our approach to performance reporting next year and have worked with leaders across HM Land Registry to consider what it is most important for us to measure, with specific focus on the behaviours we want to drive, and ultimately, the outcomes we wish to achieve. Our performance will be measured against the following outcome statements:

- There is trust and confidence in land ownership
- The conveyancing process is quick, easy and secure
- Property data support a stable and innovative UK economy

In delivering this change, we will be refocusing our KPIs to show a clear line of sight to these outcome statements. Change does not mean losing sight of performance indicators we have used in the past, but rather contextualising them to ensure they are being used for maximum effect. For example, efficiency of application processing (the indicator under development over 2019/20) is a critical success factor for a new KPI focused on overall application output. This KPI maps into the first two outcome statements. It is about ensuring there is trust and confidence in land ownership by maintaining an accurate register and ensuring the conveyancing process is quick, easy and secure to support the economy. Reframing our performance indicators this way will support outcome-focused decision making, ensuring we are delivering maximum impact for the UK.

Humberside Police took part in a comprehensive registration pilot with us resulting in the registration of its freehold land assets. Since then Leicestershire, West Yorkshire and Cumbria police forces have also registered their property and we are working with several more. Fiona Rendell, a solicitor working on behalf of West Midlands Police, said: "We had started to register our land and property assets on an ad hoc basis so when I heard that HM Land Registry could help us register everything in one project, I knew this would be the most cost-effective way to progress."



Photo: Alamy Stock Photo/Les Gibbon



Sustainability performance



This year we have worked on delivering some major projects to help with the reduction of our utility use. LED (light-emitting diode) lighting has been installed on one floor at Birkenhead, and across all three floors occupied by HM Land Registry at the Peterborough office and throughout the Swansea office. The estimated saving of LED lighting is likely to be in the region of 52 tonnes of carbon. The installation of a new boiler at the Fylde office will look to deliver an estimated 12% reduction in gas consumption over the next year and beyond. The start of a refurbishment of the washroom facilities in our Leicester office will eventually result in an estimated 96,000 litres of water reduction.

A major change to our property portfolio has resulted in a net reduction in electricity of 1,000,000KWh and 68,000KWh of gas reducing carbon by 292 tonnes for this activity alone.

HM Land Registry also commenced a biodiversity improvement programme along with assistance from our facilities management service provider ISS and their supply chain, with works completed at our Hull and Fylde offices and further plans to deliver similar improvements at Plymouth, Telford and Weymouth already agreed.

Other initiatives

Crisp packet recycling through a third-party provider has generated 439kg of material.

Many offices have taken advantage of the coffee cup recycling schemes run by the major coffee shop chains, resulting in 287kg of waste being removed from landfill.

We supported the Natural England campaign to plant 1 million trees in conjunction with ISS and its grounds contractors. We planted trees at all our suitable locations and are looking to continue this as part of the biodiversity improvements already mentioned above.

Our offices have been offering the use of reusable bags in reception areas for staff to borrow if they need to go out to the shops during their breaks.

Our performance

We manage the delivery of land registration in an environmentally responsible way. We utilise our Environmental Management System to ensure we are continually improving and working towards the required targets set as part of the Greening Government Commitments (GGC) and the Greening Government ICT requirements.

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

We have continued our accreditation to the environmental ISO14001 standard which independently ratifies our performance across the full range of sustainability activities within the organisation.

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

	Achieved	Target for 2020	On target/achieved?
Carbon	66% reduction	40% reduction	Yes
Waste arising	60% reduction in waste generated	Reduce the amount of waste generated by at least 25%	Yes
	82% recycled	Recycle or compost at least 70% of waste and landfill less than 10% of waste	
	3% landfill		
	15% Waste to Energy process		
Water consumption	27% reduction	25% reduction (self-imposed)	Yes
Paper consumption	70% reduction	Reduce our paper use by 50% from 2009/10 baseline	Yes

In addition the following requirement within the GGC continues to be delivered.

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

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

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



Photo: Shutterstock/pxl.store

The North London Waste Authority is building a £500m replacement energy recovery facility at the Edmonton EcoPark in north London after winning Government backing. Construction work began in January 2019 and is expected to be completed by 2025. Our Plymouth Office registered the acquisition of an access road at the northern end of the site.

Area		Performance	
		Actual (£'000)	2020 reduction target
Energy: greenhouse gas emissions, all areas within scope	carbon emissions (tonnes)	4,545	9,776
	expenditure (£)	3,325	
Waste	consumption (tonnes)	794	1,484
	expenditure (£)	138	
Water	consumption (m ³)	41,829	38,346
	expenditure (£)	201	

Sustainability governance

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

Overall delivery of additional requirements of GGC

The targets continue to drive central Government to be more sustainable and ensure the requirements of the Climate Change Act (2008) of a reduction of 31% by 2020 in greenhouse gas emissions is delivered.

Climate change adaptation

Climate change impacts are considered during the delivery of building works and projects. We utilise information delivered in building condition surveys and forward maintenance plans as part of our sustainability reduction strategy while carrying out major refurbishments, relocations or when delivering significant building plant replacement. The climate change adaptation plan is under continuous review.

The delivery of the Governments Net Zero Carbon requirements is being included in building maintenance and wider property management decisions. Funding for major change will need to be planned for in future budget allocations.

Biodiversity and the natural environment

Improvements continue to be introduced where financially viable through the facilities management provider. Biodiversity improvement plans have been created and are being delivered at Fylde, Hull, Plymouth, Weymouth and Telford. This improvement process will continue at sites that have been identified as benefitting from future improvements such as Swansea.

Carbon

Consumption of electricity has reduced by more than 1.5m KWh. This reflects the infrastructure works delivered as detailed above. Gas consumption has increased slightly by 2%. This was as a result of a colder winter in 2019/20 than the previous year.

The cost of the Carbon Reduction Commitment to the organisation was a credit of -£45,000 as we had pre-purchased credits in previous years and were able to sell on some excess credits. This was the final year of the commitment and the provision is now covered within utility bills for gas and electricity.

Our overall reduction in carbon emissions since 2009/10 is 66%. See Appendix C for historic trend data.

Note: data includes other government departments in occupation of our estate, but excludes data relating to non-government tenants.

Note: Ordnance Survey and the NHS, who use HM Land Registry data centre services, report their carbon consumption directly to government.

The greenhouse gas draft target set for all BEIS agencies and public bodies is to reduce emissions by 40% by March 2020 over the baseline data for 2009/10.

Waste

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

In partnership with our waste providers through our facilities management contract we are working towards zero to landfill. We are currently meeting all of the targets with performance as follows: the amount of waste generated reduced by 60%, the amount of waste recycled is at 82%, waste incinerated for energy conversion 15%, all waste not going to landfill is 97%.

Waste management is delivered through two routes. Paper waste is managed through a confidential waste disposal contract outside of the facilities management contract. In the last year the contractor has changed. The new contractor operates a different average waste weight per bin which is about half of the previous contractor's calculation. All other waste management is delivered through the facilities management contract.

Of the waste arising 505 tonnes is paper sent for recycling. Paper equates to 64% of our total waste arising.

Our overall reduction in waste generated since 2009/10 is 60%. See Appendix C for historic trend data.

Water consumption

The water target is to continue to further reduce water consumption from a 2009/10 baseline. This allows departments to set their own internal targets for water reduction and report on their progress against these. Additionally, departments will continue to report on office water use (m³ per full-time equivalent).

A 27% reduction in water consumption has been achieved against a target of 25%.

Consumption per full-time equivalent, including estimated number of colleagues on HM Land Registry sites from other government departments, is 6.5m³.

Paper usage

The GGC reduction target to reduce our paper use by 50% from an HM Land Registry baseline year of 2011/12 shows a current improvement of 70% of A4 equivalent paper use. Our digital services programme and our continued move to on-request printing are continuing to have a significant impact.

Sustainable procurement

The Corporate Procurement Team continue to work to maintain and, we hope, improve on Level 3 (Practice) across all categories in the Sustainable Procurement Flexible Framework maturity model. By working with our business stakeholders and key suppliers, the

Cabinet Office's Government Buying Standards are now embedded into our procurement processes.

Key suppliers are to identify and progress opportunities for making social and environmental improvements. We have continued to work on sustainability issues as highlighted by:

- Enterprise, our vehicle hire provider, working closely with us to help identify which category of vehicle will provide the best value for money while at the same time reducing our carbon footprint; and
- Procurement & Commercial Group undertaking an exercise to obtain sustainability information on suppliers.

Work is also being done to implement the use of contract sustainability action plans.

The Corporate Procurement Team has appointed two sustainability champions from within the team to help add emphasis and focus in achieving our sustainability objectives. As a team we are continually searching for methods to leverage our position and promote benefits that help tackle economic, social and environmental issues. We continue to maintain and improve on Level 3 (Practice) across all categories in the Sustainable Procurement Flexible Framework maturity model.

Some initiatives we've completed over the last few months include:

- creating a sustainability project management board to help coordinate works;
- revising sustainability action plans to add simplicity and focus on HM Land Registry contract-specific benefits, as opposed to generic business achievements;
- completing a Modern Slavery checklist to ensure all suppliers are meeting Cabinet Office's Government Buying Standards; and
- working with sustainability colleagues to dovetail efforts.

Our current procurement documents are being reviewed to ensure sustainability plays a bigger role in pre and post procurement activity.

We communicated to all suppliers a piece of work aimed in achieving BEIS' target that by 2022 one £1 in every £3 will be spent with a small or medium-sized enterprise.

Other corporate information



The Podium Shopping Centre in Bath lies in a premium location in the centre of the city on a 2.6 acre freehold. It was sold for £69m in 2019 to Glasgow City Council. The transfer was registered by our Swansea Office. The Podium contains a Waitrose store, a 175-room Hilton Hotel, a library and an underground car park.

Public Sector information holder

We fulfil our role as a public sector information holder, which we take very seriously, through adherence to the General Data Protection Regulation (GDPR), the Data Protection Act 2018 and the Freedom of Information Act. HM Land Registry is exempt from the application of some individual data protection rights where the application of legislation would conflict with the Land Registration Act and Rules. We are in the process of recruiting a new Information Rights Team, headed by its Data Protection Officer. The Information Rights Team will help to ensure we continue to meet our legal obligations under relevant legislation.

We have completed a comprehensive review of our information assets. A new Information Asset Register has been implemented and new asset owners, at director level, have been appointed in line with Cabinet Office guidance. Work has commenced on a new Knowledge and Information Management (KIM) strategy following the appointment of a new Head of KIM.

We received 431 Freedom of Information requests, of which 406 were answered within 20 working days.

In the provision of our data services, HM Land Registry complies with the Reuse of Public Sector Information Regulations 2015 and has been reviewing the new Directive on the Reuse of Public Sector Information which, if implemented in the UK, would lead to a change in the regulations.

Business impact target

The business impact target score comprises the economic impact of regulatory activity where the burden or benefit will impact on businesses above a £5m threshold. HM Land Registry regularly reviews its activities to assess the impact on its business customers in complying with its regulatory processes and requirements. We are continuing to develop our electronic lodgement of applications to make it easier and cheaper to deal with us.

Health and safety

We have continued to develop our health and safety management system to ensure compliance with legislative and regulatory requirements, monitor the adequacy of health and safety policies and promote continual improvement.

In January 2020, we successfully migrated from the British Standard for health and safety management, OHSAS18001, to the European Standard, ISO 45001. The achievement and retention of this standard provides assurance of the maturity of our health and safety management system, alignment with best practice and promotes our continual improvement.

We have maintained a good level of compliance via our facilities management provider, who deliver health and safety services on our behalf. We continue to focus on awareness and improvement of workplace assessment processes, including display screen assessments, working out of the office and workplace inspections. Following coronavirus, these processes will be, in 2020, rolled out to home working and will reflect our changing workplace practices.

During the financial year 2019/20, we recorded a total of 145 accidents. This is broken down as:

- 135 accidents relating to HM Land Registry staff;
- 7 accidents relating to contractors; and
- 3 accidents relating to visitors.

Three of the above accidents were required to be reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

Complaints

We recorded 5,678 complaints in 2019/20 compared with 3,193 in 2018/19.

We anticipated a higher number of recorded complaints this year as a result of changes we made in 2019/20 to the way we recognise, record and action complaints. These were the result of a review of our customer feedback processes aimed at ensuring that complaints are recognised and dealt with more consistently and with greater customer focus. Changes made included simplifying our definition of a complaint, revising our speed of service standards and process stages and widening the channels by which customers can complain. The review is continuing into 2020/21 looking at the insights we capture as a result of complaints and doing more with that information to improve what we do for the benefit of all of our customers.

As part of the review, we carried new training for key staff to raise awareness and understanding of the changes and also to highlight the importance of being consistent and effective in the recognition and recording of customer feedback, particularly complaints.

A total of 45% of recorded complaints were upheld or partially upheld. Customer feedback about delays on registration applications and associated customer enquiries was the most common area of upheld complaint, comprising 25% of the upheld total. This reflects that we are taking longer to complete some more complex applications involving the creation of a new register.

The other main areas of complaint related to our cancellation of applications (comprising 16% of the upheld total), the requests we raise for information from customers when their applications are not in order (12%) and the results we send when we complete applications (10%).

We conduct analysis of all complaints received throughout the year, both individually and in their overall categories, to capture and act on learning points. For example, our customers said:

- they require more detailed information about speed of service on the different types of application which require the creation of a new register as completion times can vary. We revised our service standard information published on GOV.UK to give separate average completion times for register create applications which involve a developing estate of five or more plots and those which do not;
- they would like the current facility to view their variable direct debit information for a period of three months in the Business e-services portal extended. Customers can now view this information for a 12-month period;
- they would like to be informed when the point(s) raised in an HM Land Registry preliminary request for information (requisition) has been resolved. We now

send out a communication to inform customers that a preliminary requisition has been fully addressed and to alert customers to the possibility that further points might arise as the application moves forward to completion;

- we are sometimes inconsistent in applying our requirements for plans lodged with deeds and applications forms and for the execution of deeds by private individuals. In response, we updated and clarified our internal and external guidance; and
- they sometimes receive unexpected requests for information (requisitions) and would like our suite of free webinars extended to support them in lodging their applications in order and to get the best out of our services. Further webinars were introduced covering additional topics, including guidance on applications to register a lease and on our Pre-submission Enquiry and Application Management services. A link to our webinars was added to the electronic services home page used by our business customers.

Our Independent Complaints Reviewer provides a free and impartial review and resolution service for any customer dissatisfied with how we have handled their complaint.

Modern slavery

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

Land Registration Rule Committee Annual Summary of Activities

The Land Registration Rule Committee was constituted under the Land Registration Act 2002 to provide advice and assistance, originally to the Lord Chancellor but now to the Secretary of State for Business, Energy and

Industrial Strategy, in making land registration rules and fee orders under the Act.

In April 2020, the committee provided advice and assistance in relation to the drafting of emergency rules amending the Land Registration Rules 2003 in the light of the impact of the coronavirus pandemic. In view of the urgency and the restrictions on movement, the committee's business was conducted by email. The amendment rules came into force on 16 April 2020.

During the year, Greville Healey was nominated to serve on the committee, as nominee of the Bar Council, and the following members were renominated:

- Ian Kirkaldy, as nominee of UK Finance.
- Kim Caley, as nominee of the Council for Licensed Conveyancers.


Service standards

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

Welsh Language Scheme

We remain committed to our obligations under the Welsh Language Scheme to treat the English and Welsh languages equally when dealing with the public in Wales. Chris Pope, Chief Operations Officer, is the senior responsible owner for the scheme. Our revised scheme, which contains our Action Plan for the next four years, was approved by the Welsh Language Commissioner on 27 September 2019. We have a dedicated Welsh language team in our Swansea Office and a Welsh language telephone line for general enquiries – 0300 006 0422.

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



Carlisle Castle is more than 900 years old and has been the scene of many significant episodes in British history. It was registered in 2016 to the Historic Buildings and Monuments Commission for England. Carlisle City Council joined our Local Land Charges Register in April 2020, transferring tens of thousands of charges. There are 24 local land charges registered to the castle, which is now home to the Border Regiment Museum.

Comprehensive registration

In 2019/20 we completed 77,997 first registrations, which equates to an estimated 120,000 hectares of land with a value estimated at more than £10 billion.

Policy and stakeholder coordination

The Chief Land Registrar's Office fulfils a range of functions to uphold the reputation of HM Land Registry with government and key stakeholders. It coordinates our representation globally and our contribution to the development of government policies by maintaining strong relationships at a working level. This enables HM Land Registry both to remain in step with and seek to influence wider government policy. HM Land Registry takes a proactive approach to policy horizon scanning that ensures it responds appropriately to formal consultations. The Office is responsible for HM Land Registry's relationship with its sponsor department as well as corporate governance that includes the Board Secretariat. The Office also supports the executive and non-executive senior teams.

During the year, HM Land Registry has provided its expert views to several key government and stakeholder policy initiatives. These include the joint Cabinet Office and Department for Digital, Culture, Media and Sport's consultation on digital identity, and the latter's call for evidence on a national data strategy. HM Land Registry has contributed to the Ministry of Housing, Communities and Local Government's consultations on making home ownership affordable and right to manage and is part of the industry-led House Buying and Selling Initiative that is taking forward a number of ideas to improve the way the conveyancing process works. HM Land Registry has contributed to the Geospatial Commission's national geospatial strategy (<https://www.gov.uk/government/publications/unlocking-the-power-of-location-the-uks-geospatial-strategy>) and has responded to the Law Commission consultation on electronic execution of documents. In relation to corporate good practice, HM Land Registry has responded to the Information

Commissioner's Office consultation on their draft code of practice and the BEIS consultation on Corporate Transparency and Register Reform. The office has led the organisation's preparations for leaving the EU and continues to coordinate its contribution to the future arrangements.

The Chief Land Registrar's Office works closely with UK Government Investments who act as the agent of BEIS in representing the Government's interest in the governance and performance of HM Land Registry as an organisation. We responded to three Parliamentary Questions, and worked with other departments as needed as well.

The office coordinates HM Land Registry's key stakeholder relationships to optimise opportunities to engage and to track sentiment. The Land Registry Advisory Council brings together key representative organisations involved in the conveyancing process and has met four times to share views and contribute to HM Land Registry's policy development. HM Land Registry met with other land registries from Scotland, Northern Ireland, Ireland and the Isle of Man three times and hosted the forum in March 2020. We have brought together a cross-section of stakeholders and customers in a discussion forum intended to address both the immediate challenges of coronavirus as well as longer term. We are using this to build a shared understanding and vision of what measures HM Land Registry can take to provide support to stakeholders, our customers and the property market as a whole to enable the conveyancing process to operate and to enable wider benefits to the property market and economy.

HM Land Registry has a global presence. We submit the annual response to the World Bank Ease of Doing Business report on behalf of the UK. Our ranking for registering property has increased one place to 41st. HM Land Registry supports policy commitments of the Department for International Development and the Foreign and Commonwealth Office. We have contributed advisory support to the British High Commission in India under the Foreign and Commonwealth Office Prosperity Fund. We have also provided support through hosting educational study visits for representatives from many jurisdictions including Bangladesh, Mongolia, Ukraine, China, Indonesia and Greece.

We attended the international Registrar of Titles conference in September, presented on Transforming Land Administration at the 11th Session of the United Nations Economic Commission for Europe Working Party on Land Administration in February and we co-hosted the EuroGeographics General Assembly with Ordnance Survey and Registers of Scotland in October. We established an emerging technologies forum for land administration authorities in October which gives us the combined opportunities to demonstrate our expertise globally and to learn from a global community.



Simon Hayes
Chief Executive and Chief Land Registrar

8 July 2020



Glossary

Term	Definition
Agile	A method of project management that uses collaborative efforts to evolve solutions which achieve its goals.
Annually Managed Expenditure Resource (Resource AME)	Items of an uncontrollable or unpredictable nature. For HM Land Registry, the most significant element is the annual movement in the Indemnity Fund provision, which is utilised to underwrite the accuracy of the Land Register.
Application	Applying for the registration of unregistered land, updating registered land or property titles, or applying for information from HM Land Registry.
Artificial intelligence (AI)	Intelligence and learning demonstrated by machines.
Blockchain	A distributed, decentralised public ledger.
Capital Departmental Expenditure Limit (Capital DEL, CDEL)	Investment in internally-generated software, IT equipment and estates.
Continuous improvement	An ongoing effort to improve products, systems, services and knowledge.
Core registration services	The registration of ownership, interests and mortgages against land and property.
Dividend	The sum we pay to HM Treasury annually out of our surplus.
Document view	View a document as a PDF and print or save it.
Geospatial	Data and information that is associated with a particular location.
Guaranteed queries	Services that provide information and results which come with a state guarantee.
Land Charges	Interests in unregistered land that are capable of being protected by entry in the Land Charges Register.
Local land charges	Local land charges are generally financial charges or restrictions on the use of land which are governmental in character and imposed by public authorities under statutory powers.
Official copy	Copies of deeds and documents filed with us, including title registers and title plans, which are guaranteed as being accurate and are admissible as evidence as if they were the original.
Official search	Allows people such as homebuyers or mortgage lenders to protect their interest before the actual purchase or mortgage is recorded in the register.
Register create application	An application that requires new entries to be created in the Land Register.
Register update	Updating the register of a title that is already registered.
Register view	Viewing the current version of the register.
Request for information	Where HM Land Registry has to make enquiries to the applicant on an application because information or evidence is missing or incorrect and so cannot be processed.
Requisition	See 'Request for information'.
Resource Departmental Expenditure Limit (Resource DEL, RDEL)	A net ceiling comprising day-to-day organisational running costs. This total is typically analysed into ringfenced amounts (depreciation and amortisation charges) and non-ringfenced sums.
Restriction	An entry that limits HM Land Registry from updating the register unless specified conditions are met.
Restrictive covenant	An agreement, usually contained in a deed, creating an obligation on the owner of land affected, such as limiting the uses of the land.
Robotic process automation	An emerging form of business process automation technology.
Sustainable Procurement Flexible Framework	A self-assessment mechanism that allows organisations to measure and monitor their progress on sustainable procurement over time.
Title	The evidence of a person's right to property.
Title plan	A plan showing the area of a registered property on a map, usually Ordnance Survey.
Transfer of part	The transfer of part of a registered title, such as where a house and garden are registered under one title and the owner sells part of the garden.

Accountability report

Corporate governance report

Directors' report

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

Our governance structure

HM Land Registry has a two layered system of governance:

- HM Land Registry Board
- HM Land Registry Executive Board

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

HM Land Registry Board

The remit of the HM Land Registry Board (LRB) is to support, advise, challenge and provide guidance. The LRB ensures good governance and public accountability, endorses the HM Land Registry Business Strategy and assists the Chief Executive and Chief Land Registrar in their responsibility as Accounting Officer for the governance of HM Land Registry.

In line with Cabinet Office Guidance the LRB is tasked with advising on, challenging and supervising five main areas. They are:

- strategic clarity;
- commercial sense;
- talented people;
- results focus; and
- management information.

The LRB, supported by its Audit Committee, also ensures HM Land Registry is working within a framework of prudent and effective governance arrangements and controls that enable risk to be appropriately assessed and managed. As part of that function, the LRB agrees the key activities that HM Land Registry will need to undertake to meet its strategic objectives as set out in its published Business Strategy. The LRB supports the Chief Executive and Chief Land Registrar in ensuring the necessary financial and human resources are in place for HM Land Registry to meet these objectives. It agrees the organisation's risk appetite, approves the annual budget and plan and regularly reviews performance in relation to agreed targets.

The LRB contains a mix of executive directors and non-executive board members. The non-executive board members of LRB are highly skilled and have the appropriate experience in the relevant fields to support and challenge the Executive Board. Elliot Jordan joined LRB this year, bringing the total number of non-executives to eight, including the Chair.

The non-executive board members are independent of management. They are required to sign an annual statement recording any potential conflict of interests. A central 'Register of Interests' record is then retained. This process was reviewed and revised during 2019/20 to ensure that it is aligned to best practice. See note 19 to the accounts on page 103 for related party disclosures.

In July 2019, the LRB carried out a self-assessment and the results were discussed at a Board meeting including suggestions of minor improvements to board packs and board 'themes'. No significant actions were identified.

LRB membership

Michael Mire	Non-executive Chair
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member
Iain Banfield	Chief Financial Officer
Diana Breeze	Non-executive Board Member
Doug Gurr	Non-executive Board Member
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar (from 11 November 2019) and Acting Chief Executive and Chief Land Registrar (to 10 November 2019)
Simon Hayes	Chief Executive and Chief Land Registrar (from 11 November 2019)
Elliot Jordan	Non-executive Board Member (from 15 August 2019)
Angela Morrison	Non-executive Board Member
Chris Morson	Non-executive Board Member
Chris Pope	Chief Operations Officer
Ed Westhead	Non-executive Board Member, UK Government Investments (UKGI) (from 15 July 2019)
Claire Wren	Non-executive Board Member, UKGI (to 14 July 2019)
Attendees	
Mike Westcott-Rudd	Board Legal Adviser (to 31 July 2019)

HM Land Registry Board



Michael Mire
Non-executive Chair of
HM Land Registry Board



Diana Breeze
Non-executive Board Member



Kirsty Cooper
Non-executive Board Member
Senior Independent Board Member



Doug Gurr
Non-executive Board Member



Elliot Jordan
Non-executive Board Member



Angela Morrison
Non-executive Board Member



Chris Morson
Non-executive Board Member



Ed Westhead
Non-executive Board Member, UK
Government Investments

Executive Board



Simon Hayes
Chief Executive and Chief Land Registrar



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



Andrew Trigg
Acting Director of Digital, Data and
Technology



Iain Banfield
Chief Financial Officer



Karina Singh
Director of Transformation



Simon Morris
Director of Human Resources



Chris Pope
Chief Operations Officer

A year in focus

During 2019/20 matters covered by the LRB included:

- setting the strategic direction and pace of change within HM Land Registry;
- strategic oversight and direction of a refresh of HM Land Registry's Business Strategy;
- monitoring of operational performance and a productivity review;
- providing strategic input into the Local Land Charges Programme;
- agreeing the new financial framework as HM Land Registry ceased to be a trading fund;
- inputting into the development of a new fee order;
- development of a revised risk appetite statement and approach to risk management;
- endorsing the programme of digital registration services for the future;
- considering and providing direction for people-related initiatives and developments; and, latterly
- supporting and providing advice in relation to HM Land Registry's response to the coronavirus pandemic.

Board visits

The LRB met eight times in 2019/20 and meetings were held in London or at HM Land Registry regional offices.

This year the LRB visited our Swansea and Nottingham offices where members took the opportunity to engage with HM Land Registry staff through a variety of events, including town hall sessions, presentations on subjects such as large-scale projects and listening to customer calls at the Swansea Customer Support Centre.

Board meetings held in London included interactive sessions with start-ups on the Geovation programme as well as offering opportunities for a cross-section of staff to meet informally with LRB members.

LRB visits continue to be a key route for members to engage with colleagues across HM Land Registry.



Chief Operations Officer Chris Pope answers a question at a 'town hall' meeting at Nottingham Office during a visit by members of the HM Land Registry Board and the Executive Board

Engaging with stakeholders

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

- The Chair is a Commissioner of the Geospatial Commission and board members met regularly with their Geo6 counterparts.
- The Chair and Chief Executive and Chief Land Registrar regularly engage with the Department for Business, Energy and Industrial Strategy (BEIS) Minister and BEIS Permanent Secretary and met with the Chief Executive of the Civil Service.
- Quarterly meetings took place between the Chair, Chief Executive and Chief Land Registrar and Chief Financial Officer with UK Government Investments (UKGI), including informal meetings in between.
- The board engaged with their counterparts at other government departments such as HM Treasury and the Ministry of Housing, Communities and Local Government as required.
- Members of the board regularly met market stakeholders who are members of the Land Registry Advisory Council and drew upon their knowledge and expertise, tested ideas, shared information and discussed land and property-related issues.
- Board members met with their counterparts at the land registries of Scotland, Ireland, Northern Ireland and Isle of Man four times throughout the year at the 'five registries meeting'.



The Land Registry Advisory Council in discussion at the Geovation Hub in Clerkenwell, central London

Committees of the HM Land Registry Board

Audit Committee

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

At every meeting, the Audit Committee sees the risk register along with other performance-related data as well as a risk management report of at least one directorate.

During 2019/20 matters covered by the Audit Committee included:

- oversight and input into the development of a revised risk and assurance framework, maturity plans, risk taxonomy and the risk appetite statement;

- monitoring and challenge of HM Land Registry's strategic risks;
- reviewing and providing direction to individual directorates' risk management;
- oversight of the risk-based programme of internal audit assurance activity and monitoring of the implementation of agreed management actions;
- challenge to business continuity and cyber security-related activity;
- oversight of and challenge to data and register quality;
- oversight and challenge of the indemnity fund provision;
- monitoring and challenge to fraud controls;
- review of the whistleblowing process; and
- consideration and provision of direction in relation to the indemnity and other financial judgements.

Audit Committee membership

Elliot Jordan	Non-executive Board Member and Chair of Audit Committee from 15 August 2019
Angela Morrison	Non-executive Board Member
Chris Morson	Non-executive Board Member (Interim Chair to 14 August 2019)
Derrick Palmer	Independent member of the Audit Committee (to 31 July 2019)
Ed Westhead	Non-executive Board Member, UKGI (from 28 January 2020)

Attendees

Iain Banfield	Chief Financial Officer
Stuart Brown	Senior Internal Audit Manager
Rick Deuttenburg	Deputy Director, Risk and Assurance (from 18 November 2019)
Patrick Green	Head of Internal Audit
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar (from 11 November 2019) and Acting Chief Executive and Chief Land Registrar (to 10 November 2019)
Simon Hayes	Chief Executive and Chief Land Registrar (from 11 November 2019)
Robin Malpas	Acting General Counsel and Deputy Chief Land Registrar (to 10 November 2019)
Mike Westcott-Rudd	Board Legal Adviser and Senior Information Risk Owner (to 7 June 2019)
Representative from UKGI	Attendee only to 27 January 2020
Representative of the National Audit Office	National Audit Office

Remuneration and Nomination Committee

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

During 2019/20 the main matters covered by the committee were:

- performance of both the Acting Chief Executive and Chief Land Registrar and the Chief Executive and Chief Land Registrar;
- Senior Civil Service performance and pay;
- steer and input into the preparation of a pay business case; and
- senior leadership development and succession planning.

Remuneration and Nomination Committee membership

Diana Breeze	Non-executive Board Member and Chair of Remuneration Committee
Mike Harlow	Acting Chief Executive and Chief Land Registrar (to 10 November 2019)
Simon Hayes	Chief Executive and Chief Land Registrar (from 11 November 2019)
Chris Morson	Non-executive Board Member
Ed Westhead	Non-executive Board Member, UK Government Investments (UKGI) (from 28 January 2020)
Attendees	
Jon Cocking	Acting Director of Human Resources and Organisation Development

Attendance schedule for LRB, Audit Committee and Remuneration Committee

Name	Title	Period*	Board LRB	Committee	
				Audit	Remuneration
Non-executive board members					
Michael Mire	Non-executive Chair		8/8	–	–
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member		7/8	–	–
Diana Breeze	Non-executive Board Member		7/8	–	2/2
Doug Gurr	Non-executive Board Member		1/8	–	–
Elliot Jordan	Non-executive Board Member	From 15 August 2019	5/5	3/3	–
Angela Morrison	Non-executive Board Member		7/8	4/4	–
Chris Morson	Non-executive Audit Committee Member		8/8	4/4	2/2
Derrick Palmer	Independent member of the Audit Committee	To 31 July 2019	–	1/1	–
Ed Westhead	Non-executive Board Member/ UKGI representative	From 15 July 2019	6/6	2/2	0/0
Claire Wren	Non-executive Board Member/ UKGI representative	To 14 July 2019	2/2	–	–
Executive directors					
Simon Hayes	Chief Executive and Chief Land Registrar	From 11 November 2019	4/4	2/2	0/0
Iain Banfield	Chief Financial Officer		8/8	4/4	–
Jon Cocking	Acting Director of Human Resources and Organisation Development		–	–	2/2
Mike Harlow ¹	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar		7/8	3/4	2/2
Robin Malpas	Acting General Counsel and Deputy Chief Land Registrar	To 10 November 2019	–	2/2	–
Chris Pope	Chief Operations Officer		8/8	–	–

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

1. Mike Harlow was Acting Chief Executive and Chief Land Registrar to 10 November 2019

Executive Board

The Executive Board (EXB) is chaired by the Chief Executive and Chief Land Registrar and its members are HM Land Registry's executive directors. The EXB is responsible for leading and managing the delivery of HM Land Registry's approved Business Strategy, annual business plan, objects and targets and for the day to day operational management of the organisation, including compliance with the Framework Document. The EXB met weekly during 2019/20.

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

In September 2019 the EXB carried out a self-assessment and discussed the results at a meeting. No major concerns were highlighted, but the EXB agreed a variety of minor actions to take forward.

Executive Board membership	
Simon Hayes (Chair)	Chief Executive and Chief Land Registrar (from 11 November 2019)
John Abbott	Director of Digital, Data and Technology (to 11 May 2020)
Iain Banfield	Chief Financial Officer
Jon Cocking	Acting Director of Human Resources and Organisation Development (to 5 June 2020)
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar (from 11 November 2019) and Acting Chief Executive and Chief Land Registrar (to 10 November 2019)
Robin Malpas	Acting General Counsel and Deputy Chief Land Registrar (to 10 November 2019)
Simon Morris	Director of Human Resources (from 8 June 2020)
Chris Pope	Chief Operations Officer
Karina Singh	Director of Transformation
Andrew Trigg	Acting Director of Digital, Data and Technology (from 12 May 2020)
Mike Westcott-Rudd	Board Legal Adviser (to 26 November 2019)
Attendees	
Cathy Jenkins	Chief of Staff

Other executive committees and panels

A number of committees report to the EXB, focusing on people, information management and register protection matters. Each committee is in turn supported by a number of sub-groups on specific items such as diversity, health and safety, cyber and counter-fraud. All meetings are chaired by senior managers and report regularly to their parent board or committee. Membership is drawn from across the organisation and includes subject matter experts.

The Transformation Board is made up of the EXB directors and other representation from appropriate areas of the organisation. The board oversees the delivery of operational and digital change in the organisation through oversight of delivery programmes and projects, their strategic alignment, benefits, risks and finances. Significant progress has been made across programme areas on digital and data, service improvement, customers, local land charges, IT infrastructure and people and team development.

The Commercial Governance Panel is chaired by the Deputy Chief Financial Officer and includes the Head of Commercial Group, the Head of Strategic Finance and a corporate lawyer. It provides an additional layer of internal governance for expenditure on external goods and services above £100,000. The panel provides assurance to the Chief Financial Officer and the Accounting Officer in relation to significant contract awards and contract extensions. It ensures all expenditure is aligned to HM Land Registry's Business Strategy, that the proposed procurement route will deliver the best value for money, and, that HM Land Registry complies with public procurement legislation and Cabinet Office controls.

During 2019/20 a governance review was carried out which reviewed the purpose, accountability and transparency arrangements of the EXB sub-committees. A refreshed EXB sub-committee structure will be implemented during 2020/21 to bring the sub-committees in line with best practice, with updated terms of reference, clear accountability lines to better meet the needs of the EXB.

Security incidents

Physical security is overseen by the Security and Resilience Panel. There were 24 incidents during the year and one of those was a significant (Class 1) incident. Class 1 incidents cover matters such as injury to a staff member or third party, major property damage, major theft or breach of system.

Personal data-related incidents

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

Statement of Accounting Officer's responsibilities

Under the Section 4(6) of the Government Trading Funds Act 1973 HM Treasury has directed HM Land Registry to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction referred to in note 1.1. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of HM Land Registry and of its income and expenditure, changes in reserves and cash flows for the financial year.

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

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

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

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

Governance statement

Scope of responsibility

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

I was appointed Chief Executive and Chief Land Registrar from 11 November 2019 and replaced Mike Harlow who had been holding the role on an acting basis since 1 January 2019. I have received from him assurance that this annual report and accounts are a fair reflection of performance and risk management during his period as acting Chief Executive.

I received a ministerial letter of appointment pursuant to Land Registration Act 2002 and a letter from the Permanent Secretary to the Treasury, appointing me as Accounting Officer, plus a letter from the Chief Financial Officer at BEIS providing me with financial delegations.

HM Land Registry is a non-ministerial government department. Up until 31 March 2020 it was also an executive agency and a trading fund. My duties as Accounting Officer are set out in Managing Public Money, which are to ensure public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The main statutory duties relating to maintaining the registers HM Land Registry holds are found in the Land Registration Act 2002, the Land Charges Act 1972, the Agricultural Credits Act 1928 and the Local Land Charges Act 1975.

HM Land Registry's trading fund status

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

On 1 April 2020 HM Land Registry's trading fund status was revoked in law and HM Land Registry joined other central government departments in having its annual expenditure control totals delegated directly by HM Treasury.

As of 1 April 2020 HM Land Registry will be classified administratively as a non-ministerial government department when previously it was classified as both a non-ministerial department and an executive agency. It now receives its expenditure controls via the main supply estimate process. The estimate process is the means of obtaining legal authority to spend Parliament's approved funding. Further details on the estimate and HM Land Registry's settlement for 2020/21 can be found on GOV.UK. In 2020/21 HM Land Registry will surrender all income it collects to the consolidated fund and will account for these in a Trust Statement.

Purpose of the governance framework

The governance framework is designed to give assurance that HM Land Registry carries out its duties in a manner that fulfils the appropriate standards of effective internal control and risk management. It is based on processes designed to identify and prioritise

the opportunities and risks to the delivery of HM Land Registry's strategy, the strategic objectives and performance targets. It aligns with our statutory duties and is designed to support the governance and strategic aims of BEIS and our statutory duties. The governance of HM Land Registry and its relationship with other government bodies is set out in a Framework Document dated 2012 and is in the process of being revised to reflect HM Land Registry's new status.

Central controls

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

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

Business Strategy 2017-22

HM Land Registry has an ambitious Business Strategy for the period 2017-2022. Its objectives are to realise the Government's commitment for HM Land Registry to become the world's leading land registry for speed, simplicity and an open approach to data.

During 2019/20 the HM Land Registry Board and Executive Board have worked on refreshing the Business Strategy as referenced in the Performance report.

Framework for risk management

HM Land Registry takes a three lines of defence approach to risk management. This is coordinated centrally through the Risk and Assurance function, headed by a deputy director and part of the Legal and Assurance Directorate reporting into the General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar. Risk and assurance is positioned as a key central function of the organisation and a key board focus. Appropriate resources have been allocated to reinforcing the capability and capacity of the team to further develop a proportionate and sustainable function.

HM Land Registry has 15 key strategic risks. Many are operational delivery and people-focused, including ensuring the capacity of staff to deliver our core services, the quality of the register and combating and preventing fraud. There is a strong focus on maintaining the cyber security of HM Land Registry to enable us to protect our assets. Business continuity is also a strategic risk, owned by the Chief Executive and Chief Land Registrar.

The LRB, Audit Committee and EXB all consider the strategic risks of the organisation formally on a quarterly basis.

The second line assurance function focuses on the integrity of the registers, and the quality of output from our casework teams. It also provides bespoke, ad hoc assurance engagements for projects and changes when required. The second line assurance function will transition towards more thematic, risk-based assurance.

In 2019 HM Land Registry appointed a Chief Security Advisor (CSO), as approved by the Cabinet Office under the Transforming Government Security programme. The CSO is responsible for all business continuity and security arrangements, physical, personnel and cyber, providing assurance to the Executive Board and Audit Committee that these activities are undertaken to the high standards set by government.

Response to coronavirus

The coronavirus (COVID-19) national emergency has impacted HM Land Registry operationally and the property market generally. HM Land Registry invoked its Business Continuity Plan for coronavirus on 3 March 2020. It set up a command structure to oversee its response, based on clear prioritisation to minimise disruption to land registration services with immediate, medium and longer-term impacts on the property market and customers.

HM Land Registry is following government guidance, putting in place arrangements to enable all staff to remain connected and supported when instructed to adopt social distancing guidance not to attend offices, and to equip staff incrementally to work as near normally as possible from their home locations where possible.

Internal and customer communications were enhanced including to increase reporting to BEIS ministers and the LRB, and to establish an industry forum to enable HM Land Registry to work quickly to address customer and stakeholder needs.

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

EU Exit

HM Land Registry put a team in place to ensure readiness for EU Exit, including the management of associated risks. Regular updates were provided to BEIS and the LRB.

Quality of management information

HM Land Registry has a dedicated 'Strategic Planning and Performance' team, falling under the umbrella of the Finance and Business Services Directorate.

HM Land Registry operates a number of models critical to its core business. A dedicated Modelling and Decision Support Oversight Group provides oversight and relevant challenge to all of our business-critical models.

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

Performance reporting

In addition to the monthly financial reports from the Chief Financial Officer, I receive information on operational performance through a performance hub, which is compiled from wider performance data received and reviewed by a Performance Panel before its submission monthly to the EXB. I also receive update papers and presentations from management teams to me and the EXB.

I have visited all of the operational offices and Head Office groups throughout the year, as have other members of the EXB. The operational visits provide vital feedback on quality, work in progress and speed of service outcomes as well as on other issues of concern to our staff at all levels of the organisation. I, along with other members of the EXB, write regular blogs covering important key messaging, which are the subject of comment and feedback.

I also meet with a range of external stakeholders through planned visits, regular meetings and formal stakeholder engagement groups to understand their concerns and operational context.

Procurement assurance

I am assured by the Chief Financial Officer, regarding specific procurements, that procurement activities are conducted in line with Cabinet Office and HM Treasury guidance and that senior managers have complied with these and HM Land Registry specific procurement guidelines.

Assurance reporting

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

The EXB and the Audit Committee also receive assurance from the Register Integrity Team regarding casework quality and the Counter-Fraud Group on fraud resilience.

Whistleblowing

HM Land Registry has a whistleblowing policy and we have conducted a review of its application and practice this year. The Audit Committee was satisfied that a robust policy is in place and that staff are able to raise concerns under the policy.

Internal Audit and opinion

For the 12 months ended 31 March 2020, the Head of Internal Audit's opinion for HM Land Registry is as follows: 'HM Land Registry has an adequate and effective framework for risk management, governance and internal control to support the satisfactory achievement of its business objectives and enable key risks to be effectively managed. However, our work has identified further enhancements to the framework are required to ensure that it remains adequate and effective'.



Simon Hayes

Chief Executive and Chief Land Registrar
8 July 2020

Remuneration and staff report

Policy for senior civil servants

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

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

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

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

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

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

During the year the members of the Remuneration Committee were Non-executive Board Members Diana Breeze (Chair) and Chris Morson, Mike Harlow as Acting Chief Executive and Chief Land Registrar (until 10 November 2019) and Chief Executive and Chief Land Registrar Simon Hayes from the start of his appointment on 11 November 2019. This committee was also attended by Acting Director of Human Resources and Organisation Development Jon Cocking.

Policy for other civil servants

Pay for HM Land Registry employees who are not in SCS grades is determined each year following negotiation and consultation between HM Land Registry and trade unions, and is subject to approval by the Secretary of State, taking into account guidance issued by HM Treasury. A pay flexibility business case for the 2019/20 pay award was formally approved by the Cabinet Office and HM Treasury in June 2020. The subsequent pay offer was accepted by trade unions

following a members' ballot, and the award will be implemented with July 2020 salaries backdated to June 2019.

Service contracts

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

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

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

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Off-payroll disclosure

Off-payroll engagements as at 31 March 2020, for more than £245 per day and that last for longer than six months:

	2019/20	2018/19
Existing engagements as of 31 March 2020	25	17
Of which existing:		
— for less than one year at time of reporting	16	15
— for between one and two years at time of reporting	9	2
— for between two and three years at time of reporting	–	–
— for between three and four years at time of reporting	–	–
— for four or more years at time of reporting	–	–
New off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months:		
New engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	42	25
Of which:		
— have been assessed as caught by IR35	40	21
— have been assessed as not caught by IR35	2	4
— have been terminated as a result of assurance not being received	–	–
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	–	–
Number of engagements reassessed for consistency/assurance purposes during the year	42	25
Number of engagements that saw a change to IR35 status following the consistency review	–	–
Off payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020		
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	–	–
Total number of individuals on-payroll and off-payroll that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year. This figure should include both on-payroll and off-payroll engagements	9	11

Expenditure on consultancy

	2019/20	2018/19
	£'000	£'000
Cost of consultancy	1,719	714
Total	1,719	714

Salary and performance pay – executive directors¹ 2019/20

	Salary	Performance pay	Compensation for loss of office	Benefits in kind	Pension benefits ²	Total
	£ 000	£ 000	£ 000	To nearest £100	£	£ 000
Simon Hayes ³ Chief Executive and Chief Land Registrar	50 – 55	–	–	–	73,000	125 – 130
Annual equivalent	(135 – 140)	–	–	–	–	(135 – 140)
Mike Harlow ⁴ General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	125 – 130	10 – 15	–	–	44,000	185 – 190
John Abbott ⁵ Director of Digital, Data and Technology	120 – 125	10 – 15	–	–	28,000	160 – 165
Jon Cocking ⁶ Acting Director of Human Resources and Organisation Development	85 – 90	10 – 15	–	–	70,000	165 – 170
Iain Banfield Chief Financial Officer	110 – 115	–	–	–	125,000	235 – 240
Chris Pope Chief Operations Officer	130 – 135	–	–	–	52,000	180 – 185
Karina Singh Director of Transformation	110 – 115	–	–	–	48,000	155 – 160
Robin Malpas ⁷ Deputy Director for Central Legal Services	65 – 70	5 – 10	–	–	95,000	170 – 175
Annual equivalent	(85 – 90)	–	–	–	–	(85 – 90)
Mike Westcott-Rudd ⁸ Board Legal Adviser	80 – 85	0 – 5	40 – 45	–	24,000	150 – 155

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

Salary and performance pay – executive directors¹ 2018/19

	Salary £ 000	Performance pay £ 000	Benefits in kind To nearest £100	Pension benefits ² £	Total £ 000
Graham Farrant ³ Chief Executive and Chief Land Registrar	145 – 150	–	–	–	145 – 150
Annual equivalent	(195 – 200)	–	–	–	(195 – 200)
Mike Harlow ⁴ General Counsel and Deputy Chief Land Registrar	120 – 125	–	–	136,000	260 – 265
John Abbott Director of Digital, Data and Technology	115 – 120	10 – 15	–	46,000	175 – 180
Caroline Anderson ⁵ Director of Human Resources and Organisation Development	90 – 95	–	–	37,000	125 – 130
Annual equivalent	(95 – 100)	–	–	–	(95 – 100)
Jon Cocking ⁶ Acting Director of Human Resources and Organisation Development	5 – 10	–	–	29,000	35 – 40
Annual equivalent	(85 – 90)	–	–	–	(85 – 90)
Ruth Curry ⁷ Acting Director of Finance and Business Services	75 – 80	–	–	24,000	100 – 105
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Iain Banfield ⁸ Chief Financial Officer	15 – 20	–	–	54,000	70 – 75
Annual equivalent	(100 – 110)	–	–	–	(100 – 110)
Chris Pope Chief Operations Officer	130 – 135	–	–	51,000	180 – 185
Karina Singh Director of Transformation	105 – 110	–	–	186,000	290 – 295
Robin Malpas ⁹ Acting General Counsel and Deputy Chief Land Registrar	20 – 25	–	–	53,000	75 – 80
Annual equivalent	(80 – 85)	–	–	–	(80 – 85)
Mike Westcott-Rudd Board Legal Adviser	80 – 85	–	–	1,000	80 – 85

- Audited.
- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.
- Graham Farrant's appointment ended on 31 December 2018.
- Mike Harlow was placed on temporary promotion to Acting Chief Executive and Chief Land Registrar on 1 January 2019. The salary figure includes a period from 1 April 2018 to 31 December 2018 where Mike was General Counsel and Deputy Chief Land Registrar. The pension benefits amount quoted was recalculated by the pension provider during 2019/20.
- Caroline Anderson's appointment ended on 15 March 2019.
- Jon Cocking was placed on temporary promotion on 1 March 2019. The disclosed amounts above relate to his appointment as Acting Director of Human Resources and Organisation Development.
- Ruth Curry's appointment ended as Acting Director of Finance and Business Services on 3 February 2019. The pension benefits amount quoted was recalculated by the pension provider during 2019/20.
- Iain Banfield's appointment started on 1 January 2019 but he acted in his role of Chief Financial Officer from 4 February 2019. The pension benefits amount quoted was recalculated by the pension provider during 2019/20.
- Robin Malpas was placed on temporary promotion on 1 January 2019. The disclosed amounts relate to his appointment as Acting General Counsel and Deputy Chief Land Registrar. The pension benefits amount quoted was recalculated by the pension provider during 2019/20.

Salary – non-executive directors¹

	2019/20 £ 000	2018/19 £ 000
Michael Mire Non-Executive Chair	55 – 60	55 – 60
Claire Wren ² Non-Executive Director	–	–
Ed Westhead ³ Non-Executive Director	–	–
Diana Breeze Non-Executive Director	20 – 25	20 – 25
Kirsty Cooper Non-Executive Director	20 – 25	20 – 25
Chris Morson Non-Executive Director	20 – 25	20 – 25
Doug Gurr ⁴ Non-Executive Director	–	–
Angela Morrison Non-Executive Director	20 – 25	20 – 25
Elliot Jordan ⁵ Non-Executive Director	10 – 15	–
Annual equivalent	(20 – 25)	–

1. Audited.
2. Claire Wren represents the interests of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry. Claire's appointment ended on 14 July 2019.
3. Ed Westhead represents the interests of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry. Ed's appointment commenced on 15 July 2019.
4. Doug Gurr does not receive any remuneration from HM Land Registry.
5. Elliot Jordan's appointment commenced on 15 August 2019.

Salary

'Salary' includes gross salary, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The tables on pages 67 to 69 are based on accrued payments made by HM Land Registry and thus recorded in these accounts.

Benefits in kind

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

Performance awards

Awards are based on performance levels attained and are made as part of the performance review process. The awards reported relate to the performance in the year in which they were paid to the individual. Therefore, the awards reported in 2019/20 relate to performance in 2018/19 and the comparative awards reported for 2018/19 relate to performance in 2017/18.

Pension benefits¹

	Real increase in pension and lump sum at 60		Total accrued at March 2020		Cash equivalent transfer value (CETV) at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	Pension £ 000	Lump sum £ 000	Pension £ 000	Lump sum £ 000	2020 £ 000	2019 £ 000	
Simon Hayes ² Chief Executive and Chief Land Registrar	2.5 – 5	5 – 7.5	25 – 30	70 – 75	495	427	52
Mike Harlow ³ General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	2.5 – 5	–	30 – 35	–	457	409	22
John Abbott ⁴ Director of Digital, Data and Technology	0 – 2.5	–	15 – 20	–	178	155	12
Jon Cocking Acting Director of Human Resources and Organisation Development	2.5 – 5	–	30 – 35	–	468	401	45
Iain Banfield ³ Chief Financial Officer	5 – 7.5	10 – 12.5	25 – 30	55 – 60	392	299	73
Chris Pope Chief Operations Officer	2.5 – 5	–	15 – 20	–	232	177	36
Karina Singh Director of Transformation	2.5 – 5	0 – 2.5	45 – 50	45 – 50	822	754	27
Robin Malpas ³ Deputy Director for Central Legal Services	2.5 – 5	12.5 – 15	35 – 40	105 – 110	831	702	94
Mike Westcott-Rudd Board Legal Adviser	0 – 2.5	2.5 – 5	35 – 40	105 – 110	787	763	23

1. Audited.
2. Simon Hayes' appointment as Chief Executive and Chief Land Registrar started on 11 November 2019.
3. 2019 data recalculated by the pension provider during 2019/20.
4. John Abbott's appointment ended on 11 May 2020.
5. No director paid into a stakeholder pension.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee

does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash equivalent transfer values

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

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

Real increase in CETV

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

Reporting of Civil Service and other compensation schemes – exit packages¹

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
£0–£10,000	–	–	11	4	11	4
£10,001–£25,000	–	–	–	1	–	1
£25,001–£50,000	–	–	2	–	2	–
£50,001–£100,000	–	–	–	2	–	2
£100,001–£150,000	–	–	–	–	–	–
£150,001–£200,000	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–
Total number of exit packages	–	–	13	7	13	7
Total cost	–	–	£106,945	£166,862	£106,945	£166,862

1. Audited.

There were no ex-gratia payments in 2019/20 (2018/19: none).

Compensation for loss of office

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

Pay multiples¹

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

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

	2019/20	2018/19
Band of highest paid director's total remuneration (£'000)	135 – 140	195 – 200
Median total (£)	26,295	26,213
Remuneration ratio	5.1	7.5

1. Audited.

In 2019/20 no employees received remuneration in excess of the highest paid permanent director. Remuneration ranged from £135,000 – £140,000 to £15,000 to £20,000 (2018/19: £195,000 – £200,000 to £15,000 – £20,000).

The key element within the variation in the 2019/20 remuneration ratio is the decrease in the highest paid permanent director's total remuneration compared to 2018/19.

Staff report as at 31 March 2020

	2019/20	2018/19
Number of employees (including fixed-term appointments)	5,787	5,619
Permanent full-time equivalents	5,189	5,074
Number of apprentices	80	62
Number of temporary/contract staff	69	17
Average sickness days per employee	7.8	7.3
Average number of training days per employee	4.8	4.4
Training days per apprentice	44	45
Training spend as percentage of salary bill	0.37%	0.38%
Female employees	60.5%	60.5%
Employees working part-time	33.9%	33.2%
Employees from ethnic minorities	5.5%	5.6%
Employees who report they have a disability	8.3%	8.5%

Staff costs for 2019/20

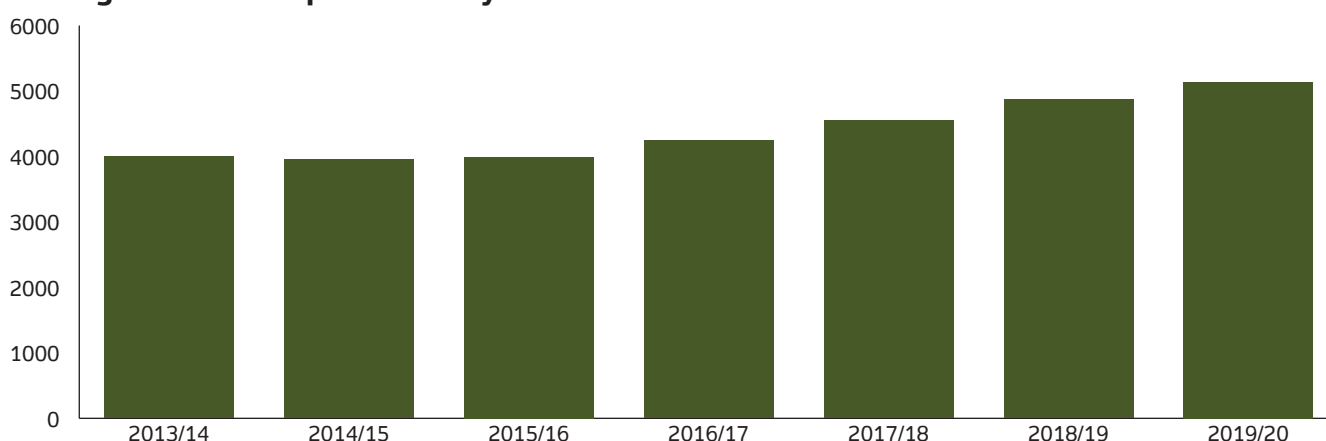
	Permanent staff £ 000	Apprentices £ 000	Others £ 000	Total £ 000
Salaries	167,057	810	1,269	169,136
Social security costs	16,052	36	103	16,191
Other pension costs	40,097	190	255	40,542
Total staff costs	223,206	1,036	1,627	225,869

Gender analysis at 31 March 2020

	Male	Female	Total
Non-executive directors	5	3	8
Executive directors ¹	8	1	9
Senior Civil Service – band 2 ¹	5	1	6
Senior Civil Service – band 1 ¹	11	6	17
Permanent employees (not including SCS) ²	2,235	3,462	5,697
Apprentices ²	40	40	80

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

Average full-time equivalent in year



Resourcing

HM Land Registry is governed by the Civil Service Commission Recruitment Principles which requires the selection of people for appointment to be on merit and on the basis of fair and open competition.

In addition, all our job opportunities are advertised supporting the Disability Confident Scheme which ensures disabled people will progress to the next stage of the selection process if their application meets the minimum criteria. It is our policy to ensure that any tests used do not discriminate against disabled candidates and adequate reasonable adjustments are made where required.

Resourcing activity has addressed a number of requirements including:

- addressing front-line needs to meet and maintain service delivery standards and to address future workforce sustainability; and
- enhancing specific capability areas, particularly in digital transformation and agile development skills.

We have supplemented our digital transformation and agile development capabilities through the engagement of delivery partners through the Government's Digital Services Framework.

Our apprenticeship schemes were expanded to provide the opportunity for people to gain a qualification in legal, human resources, information technology and finance.

Recruitment

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

Off-payroll contractors have also been used to meet short-term needs in more specialist areas, and information regarding compliance and disclosures is included on page 66.

Health and wellbeing

Supporting our People Strategy – HM Land Registry's Attendance, health and wellbeing delivery plan

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

Our framework focuses on the four key areas of:

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

Our supporting attendance, health and wellbeing delivery plan aims to create a culture in HM Land Registry that recognises the importance of health and wellbeing, and to build an environment that supports our wellbeing and helps us to look after our own health. In respect of mental health, we have wanted to make a real difference in the way we view, talk and act on mental health – for HM Land

Registry to be an organisation where mental health issues are widely understood and destigmatised; where our people feel confident to talk about their mental ill health; and where our managers are equipped to identify and understand the spectrum of mental health issues they may encounter and support those affected.

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

Capability

Developing our skills

The Learning and Development Framework that underpins our People Strategy has directed our efforts on developing skills and capability.

We have introduced a new comprehensive learning management system which has resulted in a significant increase in staff engagement with learning and development.

Priority areas for skills development have been caseworker technical skills and leadership and management. We have created development models and widely used optimum training paths for most of our caseworker roles. We have further developed our senior

leaders against our established leadership expectations focusing on leading cultural change, change leadership and creating a coaching leadership style. Workshops designed to upskill new and existing line managers have continued with 1,010 managers attending 74 events.

We have also invested in other key skills areas including Digital, Commercial, Financial and Project Management and Legal and Communications Continuing Professional Development (CPD).

An average of 4.8 days per employee (including apprentices) have been spent on training, with 83% of staff indicating they had the skills needed to do their job in the annual Civil Service People Survey.

Employee involvement

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

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

Managers are expected to have regular monthly discussions with individual team members to discuss employee performance, ideas for improvements to working practices, wider organisational issues, changes and any employee concerns.

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

Informal regular dialogue between the Chief Executive and trade union leads has continued during the year. Day-to-day operation of employment relations is managed through monthly Engagement and Consultation meetings between senior management and departmental trade union representatives and we have now replaced the fortnightly Model Office consultation meetings to broader Transformation and Change meetings.

As the change agenda has broadened, a review of how we consult was undertaken with departmental union colleagues and the Model Office approach has been reviewed, adapted and approved again by the Transformation Board.

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

The culture work was launched in May 2019 and has been positively received. During the year we have again seen further positive improvements in our engagement scores in the Civil Service People Survey, and regular internal surveys held during the year have shown these improvements have been maintained and people are positively referencing the work on culture. We continue to be committed to further improvements in engagement and are focusing on building on the foundations and positivity created by the culture work, and are developing a more sophisticated maturity model and measures, underpinned by a combined Culture and Engagement

plan that still maintains a strong focus on behaviours in addition to people initiatives that will drive cultural change. This work will involve all staff, union colleagues, managers and leaders and will be supported by local culture and engagements. An executive lead has responsibility for an engagement key performance indicator and combined action plan to create an environment where everyone feels valued and connected and which moves us toward the cultural change we have described through our People Strategy and with our people.

Continued constructive discussion with unions at both departmental and local level, in addition to encouraging staff involvement on other committees (including health and wellbeing, social and sports, diversity and charity), and directors' visits with question and answer sessions, are all essential in ensuring our colleagues' views are heard and understood.

Diversity

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

This year we have continued to build an inclusive culture and a reputation that attracts, develops and fully engages diverse talent, and increases representation from underrepresented groups.

These ambitions were set out in new organisational equality objectives for 2019 and beyond, through which we committed to:

- advancing equality of opportunity for our female staff, supporting them into management roles; and
- increasing the representation of under-represented groups within our workforce; specifically, people with disabilities, and those from a black, Asian or minority ethnic (BAME) background.

To drive action and to measure our progress against these objectives, we set two diversity and inclusion key performance indicators (KPIs): aiming to increase the numbers of women in our middle-to-senior management grades and increasing the numbers of BAME people in the first levels of management.

We have continued to support our female staff in their career ambitions, working with our Women's Network to understand and remove barriers and sponsoring a range of development activities both internally and externally, through Women into Leadership activities.

In the last 12 months, we have successfully created opportunities for a further 45 women to progress their careers into, and within, our management tiers, exceeding our original target by 15.

This activity has, in some part, also contributed to a welcome further reduction in our median gender pay gap, which we reported in January. However, while our actions have contributed to improved representation in managerial roles, they also continue to appeal to women applying for less senior roles, which perpetuates the aggregation of women at entry level which is a significant factor in that pay gap.

We have fared less well in our ambition to improve the representation of BAME colleagues in our entry-level management roles, achieving an increase of eight, against a target of 20, on the previous period.

As with our women's KPI, we have sought to understand and remove barriers identified through real-life experiences, and supported progression through a range of sponsored development activities. Internally, 17.6% of people undertaking our Pathways development programme declared a BAME background. Externally, we have supported staff through BAME Leadership activities.

The failure to achieve our second diversity and inclusion KPI, can, in part, be attributed to a lack of meaningful data, and thereby clear insight, to inform and focus our activity; achieving the KPI has been a significant challenge, largely due to the geographical locations of our vacancies and the relatively lower levels of BAME representation in the 'recruitment pool' in those areas.

We have continued to develop and refine our data, working with our analytics team within Human Resources to create new reports and dashboards to provide clearer insight, both in setting and progressing our diversity and inclusion ambitions. We will use this new insight to create greater awareness of, and responsibility for, diversity and inclusion throughout the organisation.

At a local office level, it will be used to inform recruitment and development activity to help us make sure our local offices more closely reflect the communities in which they are located, where there is the opportunity to do so.

At a corporate level we will seek to lever the synergies between our ongoing culture and engagement programmes and our diversity and inclusion ambitions to deliver more embedded outcomes, measured through common Civil Service standards and practice expectations which are relevant to HM Land Registry.

In this coming year, we will refresh our strategic approach to diversity and inclusion and develop a new set of diversity targets, supported by clear and meaningful data, and a common understanding of our shared responsibility for the creation of a diverse and inclusive workplace.

Parliamentary accountability and audit report

Fees and charges¹

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

	2019/20			2018/19		
	Income £ 000	Total costs £ 000	Surplus/(deficit) £ 000	Income £ 000	Total costs £ 000	Surplus £ 000
Registration of title ²	294,251	275,543	18,708	308,745	288,723	20,022
Land Charges and Agricultural Credits ³	7,019	213	6,806	7,004	988	6,016
Commercial income ⁴	4,467	2,600	1,867	4,504	2,468	2,036
Local Land Charges ⁵	126	6,127	(6,001)	–	–	–
	305,863	284,483	21,380	320,253	292,179	28,074

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

The financial objective is defined in the Treasury Minute for HM Land Registry as being 3.5% real rate, adjusted for Consumer Price Index (CPI) inflation, which for this financial year is 5.26%. The actual return on operating profit was 2.98% after deducting investment and ongoing transformation costs.

Losses and special payments⁶

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

6. Audited

Simon Hayes

Simon Hayes

Chief Executive and Chief Land Registrar
8 July 2020

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

Opinion on financial statements

I certify that I have audited the financial statements of HM Land Registry for the year ended 31 March 2020 under the Government Trading Funds Act 1973.

The financial statements comprise: the Statements of Comprehensive Income, Financial Position, Changes in Reserves and Cash Flows, and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of HM Land Registry's affairs as at 31 March 2020 and of its retained loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

Emphasis of Matter – Disclosure in relation to the valuation of Property, Plant and Equipment

I draw attention to the disclosure made in note 8 to the financial statements concerning the material uncertainty in property valuations triggered by the COVID-19 pandemic. My opinion is not modified in respect of this matter.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of HM Land Registry in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- HM Land Registry's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- HM Land Registry have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about HM Land Registry's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Chief Executive for the financial statements

As explained more fully in the Statement of Accounting Officer's responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the HM Land Registry's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of HM Land Registry's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HM Land Registry's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause HM Land Registry to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Trading Funds Act 1973;
- in the light of the knowledge and understanding of HM Land Registry and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; 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 Accountability Report 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.

Gareth Davies

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

9 July 2020

Financial statements

Statement of Comprehensive Income for the year ended 31 March 2020

		2019/20	2018/19
	Notes	£'000	£'000
Income from contracts with customers	2	305,863	320,253
Miscellaneous income	2.1	2,716	2,967
Cost of service	2	(258,038)	(270,414)
Gross surplus		50,541	52,806
Administrative expenses	2	(26,445)	(21,765)
Operating surplus	2.1	24,096	31,041
(Loss)/gain on disposal of non-current assets		(1,583)	39
Investment income – interest receivable	5	3,268	3,068
Finance costs	6	(605)	(633)
Restructure and reorganisation costs	3.2	3,129	3,494
Local Land Charges revenue costs		–	(4,681)
Surplus for the financial year		28,305	32,328
Dividend payable	7	(24,689)	(27,264)
Retained surplus prior to special dividend		3,616	5,064
Special dividend payable	7	(483,514)	–
Retained (loss)/surplus transferred to retained reserves		(479,898)	5,064
Gain on revaluation of property, plant and equipment		4,754	2,273
Comprehensive (loss)/surplus for the financial year		(475,144)	7,337

The notes on pages 84 to 103 are an integral part of these accounts.

Statement of Financial Position as at 31 March 2020

2019/20

2018/19

	Notes	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	8	74,817		60,638	
Investment properties	8.3	3,130		2,950	
Intangible assets	9	27,637		25,227	
Trade and other receivables	11.2	925		1,498	
Total non-current assets			106,509		90,313
Current assets					
Contract assets	10	9,845		5,670	
Trade and other receivables	11.1	9,547		10,279	
Cash and cash equivalents	12	20,094		519,798	
Total current assets			39,486		535,747
Total assets			145,995		626,060
Current liabilities					
Trade and other payables	13.1	90,243		67,373	
Obligations under finance leases	13.1, 14.1	273		241	
Short-term provisions	15.1	517		4,945	
			91,033		72,559
Indemnity Fund	15.2		73,200		95,400
Total current liabilities			164,233		167,959
Non-current assets plus net current (liabilities)/assets			(18,238)		458,101
Non-current liabilities					
Obligations under finance leases	13.2, 14.1	4,009		4,282	
Long-term provisions	15.1	5		927	
Total non-current liabilities			4,014		5,209
Net (liabilities)/assets			(22,252)		452,892
Capital and reserves					
Public Dividend Capital			-		61,545
Revaluation reserve			24,981		20,308
Income and expenditure reserve			(47,233)		371,039
			(22,252)		452,892

The notes on pages 84 to 103 are an integral part of these accounts.

Simon Hayes

Simon Hayes
Chief Executive and Chief Land Registrar
8 July 2020

Statement of Changes in Reserves for the year ended 31 March 2020

	Public Dividend Capital	Revaluation reserve	Income and expenditure reserve	Total reserves
	£'000	£'000	£'000	£'000
Adjusted balance at 31 March 2018	61,545	18,096	365,914	445,555
Changes in reserves 2018/19				
Transfer to retained earnings	–	(61)	61	–
Comprehensive surplus	–	2,273	5,064	7,337
Balance at 31 March 2019	61,545	20,308	371,039	452,892
Changes in reserves 2019/20				
Transfer to retained earnings	(61,545)	(81)	61,626	–
Comprehensive loss	–	4,754	(479,898)	(475,144)
Balance at 31 March 2020	–	24,981	(47,233)	(22,252)

*The notes on pages 84 to 103 are an integral part of these accounts.

Public Dividend Capital was cancelled on 31 March 2020 by the payment of a special dividend to HM Treasury of £483.5m.

The income and expenditure reserve represents the cumulative retained net income, adjusted for dividend payments. The comprehensive loss for 2019/20 reflects the payment of the special dividend. The retained surplus prior to the payment of the special dividend was £3.6m.

The revaluation reserve records the revaluation of non-current property and investment assets.

Cash Flow Statement for the year ended 31 March 2020

	Notes	2019/20 £'000	2018/19 £'000
Net cash inflow from operating activities	18.1	23,397	43,547
Investing activities			
Purchase of tangible assets		(5,277)	(2,368)
Purchase of intangible assets		(17,885)	(13,816)
Proceeds on disposal of tangible assets		3	8
Interest received		3,268	3,359
Decrease in investment in National Loans Fund		-	230,335
Net cash (outflow)/inflow from investing activities		(19,891)	217,518
Financing activities			
Dividends paid		(502,364)	(49,160)
Repayments of capital element of obligations under finance leases		(241)	(213)
Interest elements of obligations under finance leases	6	(605)	(633)
Net cash outflow from financing activities		(503,210)	(50,006)
Net (decrease)/increase in cash and cash equivalents	18.2	(499,704)	211,059
Cash and cash equivalents at the beginning of the year	18.2	519,798	308,739
Cash and cash equivalents at the end of the year	12	20,094	519,798

The notes on pages 84 to 103 are an integral part of these accounts.

Notes to the financial statements

1 Statement of accounting policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2019/20 and comply with the Accounts Direction given by HM Treasury in accordance with section 4(6)(a) of the Government Trading Funds Act 1973. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that has been judged to be the most appropriate to the particular circumstances of HM Land Registry for the purposes of giving a true and fair view has been selected. HM Land Registry's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

These financial statements have been prepared on a going concern basis. Management is of the opinion that a going concern basis is appropriate as we are legally obliged under the Land Registration Act 2002 to provide statutory services relating to land registration and there are sufficient reserves to support the organisation going forward.

Accounting standards issued but not yet effective

IFRS 16 *Leases* came into effect on 1 January 2019 and replaced IAS 17 *Leases*. However, HM Treasury recommended that government departments defer the adoption of this accounting standard until 1 April 2021 although some departments were permitted early adoption in limited circumstances.

The change from 1 April 2021 using the modified retrospective approach is expected to affect four property operating leases and one property held on a non-commercial basis within government. The capitalised values of these right to use assets have been calculated using an existing lease rate of 1.99%* (* HM Treasury PES 2019 11 issued December 2019) which together have a right to use capital value of £5.8m. Since HM Land Registry will create right to use assets, and corresponding lease liabilities, net assets are not expected to change significantly. No extra capital funding will be required, and instead of being charged rent the payments falling due will be a reduction in the right to use liability and finance interest expense, together with amortised depreciation of the right to use asset values. An initial cost budget for the £5.8m right to use asset additions will be required for 2021/22, this amount split between £1.9m (short lease) and £3.9m (long lease) right to use. IFRS 16 permits a lessee to exclude assets and liabilities attached to leases with terms of less than 12 months. HM Land Registry currently has one lease with a term of less than 12 months.

IFRS 17 *Insurance Contracts* will become effective from 1 January 2023 for public sector organisations. This reporting standard is anticipated to have no accounting impact upon HM Land Registry as no such insurance contracts are held.

1.2 Accounting convention

The financial statements have been prepared under the historical cost convention modified for the revaluation of property, plant and equipment, investment properties and intangible assets to fair value as determined by the relevant accounting standard.

1.3 Estimation techniques

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgements that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current year are:

- Note 8 – valuation and impairment of non-current assets and the impact of the coronavirus (COVID-19);
- Note 9 – impairment of intangible assets;
- Note 10 – contract assets – which requires a judgement on the percentage of work complete for outstanding applications. This is applied to a tiered standard cost depending upon the application type; and
- Note 15.2 – estimated provision for indemnity claims – where uncertainty exists for the proportion of outstanding claims that will ultimately be paid, the value of those payments and the effect of any legal judgements. For incurred but not reported (IBNR) claims, the number of unreported claims is unknown as is the point at which an error is discovered and the value of any potential claim.

1.4 Income from contracts with customers

IFRS 15 *Revenue from Contracts with Customers* has been adopted. The income recognition criteria within IFRS 15 are consistent with HM Land Registry accounting policy.

Income from fees and charges is included within the financial statements of the financial year in which the service is delivered. Income is recognised net of any refunds for transactions that are not completed, or on transactions where erroneous information is provided by customers.

Registration of title and Land Charges and Agricultural Credits income is recognised upon receipt of a completed application. If an application is not complete, the amount received is treated as a fee in advance, regardless of application type. All application types are accounted for consistently. The associated payment amounts received for services not delivered in the financial year reported are subsequently recorded as contract liabilities and disclosed within current liabilities. Income is recognised once the contract performance obligation under IFRS 15 has been fulfilled, that is once the register has been fully updated following receipt of an application.

1.5 Operating segments

HM Land Registry's operating segments are organised around the services it provides and are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The four main reportable business segments are: registration of title, Land Charges and Agricultural Credits, Local Land Charges (LLC) and commercial income. This is based on the group's internal organisation and management structure, and is the primary way in which the CODM is provided with financial information. The CODM of HM Land Registry is Simon Hayes, Chief Executive and Chief Land Registrar.

1.6 Employee benefits

The cost of providing employee benefits is recognised in the period in which HM Land Registry receives services from its employees, rather than when it is paid or payable. Short-term employee benefits are recognised as an expense in the period in which the employee renders the service. Performance payments are recognised only when there is a legal or constructive obligation to pay them and the costs can be reliably estimated. Termination benefits are recognised when it can be demonstrated there is an irreversible agreement to terminate the employment of employee(s) before the schemes' retirement date or as a result of an offer to encourage voluntary redundancy.

1.7 Pensions

HM Land Registry employees are civil servants who are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS) or the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha'. These are unfunded multi-employer defined benefit schemes, but HM Land Registry is unable to identify its share of the underlying assets and liabilities on a reasonable and consistent basis. HM Land Registry has therefore accounted for contributions and payments to these schemes under International Accounting Standard (IAS) 19 *Employee Benefits* as if they were defined contribution schemes. Liability for the payment of future benefits is a charge on the PCSPS or alpha scheme.

1.8 Property, plant and equipment

Freehold and leasehold land and buildings are professionally valued by external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Cushman and Wakefield (Royal Institution of Chartered Surveyors (RICS) registered valuer) carried out a desktop valuation in March 2020.

HM Land Registry is required by the FReM to disclose non-current assets in the Statement of Financial Position at fair value. For assets in use the FReM requires valuation at existing use as an asset's fair value, rather than market value required by IFRS 13 *Fair Value Measurement*. Details of FReM adaptations which continue to apply for 2019/20 can be found on GOV.UK (search 'Financial Reporting Manual 2019/20').

For short-life non-property assets, historical cost is used as an approximation to the fair value of the asset. Freehold land and buildings and leasehold buildings are included at revaluation less accumulated depreciation and impairment losses. All other tangible non-current assets are included at historical cost less accumulated depreciation and impairment losses.

Assets in the course of construction are not depreciated. For other assets the depreciation charge is calculated so as to allocate the cost or revalued amount, less the estimated residual value, of non-current assets systematically over their remaining useful lives using the straight-line method.

Other property, plant and equipment includes IT and office equipment and machinery. HM Land Registry capitalises expenditure over £1,000 for an individual asset. Where appropriate, individual assets falling below the minimum value for capitalisation are grouped. It is HM Land Registry's policy not to capitalise expenditure on fixtures and fittings, principally office furniture, as they are not considered material.

Asset lives are reviewed at the end of each financial year.

The following asset depreciation rates are used:

Freehold land	Nil
Freehold buildings	Estimated useful life
Leasehold buildings	Period of the lease or estimated useful life
Telecommunications equipment	5 years
Office equipment	5 years
Computers: mainframe	5 years
Computers: PCs	5 years
Structured cabling	10 years
Plant and heavy machinery	10 years

1.9 Impairment of non-current assets

Impairment reviews are undertaken at each year-end and if there are indications the asset has suffered an impairment loss a charge is reflected in the Statement of Comprehensive Income in the year in which it occurs. If the asset is carried at a revalued amount, the impairment loss is treated as a revaluation decrease, to the extent of the revaluation reserve that relates to the asset, with any excess in the Statement of Comprehensive Income. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use.

For assets under development, an annual review is undertaken to confirm that these assets still meet the measurement criteria within IAS 38 *Intangible Assets*.

1.10 Intangible assets

Software licences

Separately acquired intangible assets are shown at historical cost. The costs incurred to acquire and bring these assets to use are capitalised. These include contractors' charges, materials, directly attributable labour and directly attributable overhead costs.

Software licences are included at cost less accumulated amortisation. They are amortised on a straight-line basis at a rate of:

Mainframe	5 years
PCs	5 years

Software development costs

In accordance with IAS 38, expenditure incurred on developing new IT infrastructure (covering third-party costs and the direct costs of in-house staff effort) are capitalised. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by HM Land Registry are recognised as intangible assets when:

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

All research expenditure is written off as incurred.

Software development costs are categorised as assets under development within note 9.

Local Land Charges

HM Land Registry completed the building and development of a computerised register to hold the Local Land Charges data in July 2018. As of 31 March 2020, the data relating to nine local authorities has been added to the register and is in use.

Under IAS 38, development costs have been capitalised for two separate assets: a database to hold the information; and the data itself, which needs to be cleansed, digitised and migrated to this database. Following commencement of the register service, these components are amortised over their respective useful lives of:

Local Land Charges register	5 years
Local Land Charges data	10 years

1.11 Investment properties

Investment properties are measured at fair value. Any gain or loss on disposal (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings (see note 1.8 for details of the valuer engaged).

1.12 Contract assets

Contract assets relate to incomplete applications that have been partially processed and have incurred costs – internal costs of staff and directly attributable overheads. The costs associated with the contract assets are derived from the average costs for producing the relevant service. These estimates, and the underlying assumptions, are reviewed on a regular basis.

1.13 Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for irrecoverable amounts. These impairment provisions are recorded in administrative expenses within the Statement of Comprehensive Income. The carrying amount of trade receivables is deemed to be an approximation of fair value.

If collection of amounts receivable is expected in one year or less they are classified as current assets.

1.14 Cash and cash equivalents

Cash represents cash-in-hand, cash held with the Government Banking Service (GBS) and commercial banks. The commercial bank and GBS deposits are immediately available funds.

1.15 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are stated at their nominal value. The carrying amount of trade payables is deemed to be an approximation of fair value.

1.16 Provisions

HM Land Registry provides for legal and constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date, on the basis of management's best estimate at that date of the expenditure required to settle the obligation. As the effect of discounting is immaterial, it is included as part of the revaluation to that provision in year, rather than disclosed on a separate line. Provisions are charged to the Statement of Comprehensive Income and recorded as liabilities in the Statement of Financial Position. (Further details, including sensitivities, are given in note 15.)

1.17 Indemnity Fund

Schedule 8 to the Land Registration Act 2002 requires HM Land Registry to indemnify third parties against loss caused by mistakes in the register, mistakes in search results and loss of documents by HM Land Registry. Most of HM Land Registry's indemnity claims arise as a result of mistakes in the register, and some of these mistakes are the result of forgery of documents such as charges. Indeed fraud/forgery usually accounts for the largest share of indemnity payments, and this year is no exception. Under Schedule 8 to the Act, HM Land Registry has statutory rights to recover these payments from third parties, where it is the case that third parties are at fault, either wholly or partly, for the loss.

As at the current accounting date, future claim payments are uncertain in timing and amount. The Indemnity Fund is established on the basis of the best estimate of the expenditure required to settle the obligation. The Indemnity Fund is determined after considering actuarial estimates of the cost of claims reported but not settled, as well as claims incurred but not reported. The estimated cost of claims includes expenses incurred in settling these claims.

The carrying amount of the Indemnity Fund is derived from critical judgements, estimates and assumptions based upon historical experience and other factors which are considered to be relevant. These estimates and underlying assumptions are reviewed on a quarterly basis by HM Land Registry, supported by its independent actuary, the Government Actuary's Department (GAD).

After the accounting date, a further review of claims received by HM Land Registry (up to the date the Accounting Officer approves the Annual Report and Accounts) is made to see if the Indemnity Fund is still appropriately valued. Provided in these accounts are the likely settlement values of current and future claims against the Indemnity Fund. Further details of the Indemnity Fund are shown in note 15.2 of this report.

1.18 Contingent liabilities

Where appropriate, liabilities that have only a possible chance of crystallising and do not meet the provisions criteria have been classified as contingent liabilities. This includes, but is not limited to, claims for losses arising from errors or fraud in relation to HM Land Registry's statutory responsibility as insurer of titles in England and Wales (see note 17).

1.19 Finance leases

Where HM Land Registry retains all the risks and rewards of ownership of an asset subject to a lease under IAS 17, the lease is treated as a finance lease. Future instalments payable under finance leases, net of finance charges, are included in liabilities with the corresponding asset values recorded in non-current assets and depreciated over the shorter of their estimated useful lives or their lease terms. Lease payments are apportioned between the finance element, which is charged to the Statement of Comprehensive Income as interest, and the capital element, which reduces the outstanding obligation for future instalments.

From 1 April 2021, IFRS 16 will apply to HM Land Registry. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

1.20 VAT

HM Land Registry accounts for VAT on its statutory activities under HM Treasury's Taxing and Contracting Out of Services Directions. For non-statutory activity – which is business activity – VAT is charged and recovered according to commercial VAT rules. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of non-current assets. Where output tax is charged or input tax is recoverable the amounts are stated net of VAT.

1.21 Dividend payments

HM Land Registry was required to pay HM Treasury an annual dividend (being 3.5% of the average capital employed during the financial year plus the latest inflation estimate for the year), provided by the Office for National Statistics (ONS). HM Land Registry considered it sufficient to calculate this figure using an annual average. There was no material impact of calculating this figure using an alternative method, such as a monthly average.

From 1 April 2020, HM Land Registry ceased to be a trading fund and transferred its operational activities into central government. This status change means that no dividend will fall payable in future years.

HM Land Registry paid HM Treasury a special dividend in respect of retained cash reserves and the cancellation of Public Dividend Capital on 31 March 2020.

2 Business segments

IFRS 8 *Operating Segments* requires analysis of income and expenditure by principal business activities.

There are four separate areas for statutory services carried out by HM Land Registry: registration of title; Local Land Charges (LLC); registration of Land Charges and registration of mortgages made under the Agricultural Credits Act 1928. Registration of title comprises registration change services, guaranteed queries and information services income amounts. For operational purposes, HM Land Registry combines delivery of these latter two services and this is reflected in this segmental analysis. Local Land Charges was recognised as a distinct operating segment during the current financial year, with operational performance benchmarked against the wider business case established.

HM Land Registry also provides a range of commercial services (commercial release of our data) which is shown separately as a business segment.

Detailed in the table below is the income from statutory fees and commercial charges, the cost of service and the operating surplus/(deficit) for each of the business segments. The cost of service and administrative expenses are allocated and apportioned on an appropriate basis for the service.

	Statutory			Non-statutory	2019/20	Statutory		Non-statutory	2018/19
	Registration of title	Land Charges and Agricultural Credits	Local Land Charges	Commercial income	Total	Registration of title	Land Charges and Agricultural Credits	Commercial income	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	294,251	7,019	126	4,467	305,863	308,745	7,004	4,504	320,253
Cost of service	(253,911)	(183)	(1,692)	(2,252)	(258,038)	(267,318)	(958)	(2,138)	(270,414)
Administrative expenses	(21,632)	(30)	(4,435)	(348)	(26,445)	(21,405)	(30)	(330)	(21,765)
Operating surplus/(deficit)	18,708	6,806	(6,001)	1,867	21,380	20,022	6,016	2,036	28,074

The accounting policy for operating segments is referenced within Note 1.5.

2.1 Reconciliation between the operating segments and the Statement of Comprehensive Income

The table below shows the difference between the operating surplus in Note 2 and the operating surplus in the Statement of Comprehensive Income:

	Note	2019/20	2018/19
		£'000	£'000
Total operating surplus reported for operating segments	2	21,380	28,074
Reconciling items:			
Miscellaneous income		2,716	2,967
Total operating surplus in the Statement of Comprehensive Income		24,096	31,041

3 Operating surplus

3.1 Operating surplus is stated after charging/(crediting):

	2019/20	2018/19
	£'000	£'000
Staff costs (see note 4.1)	225,869	209,166
Provision for indemnity costs (see note 15.2)	(22,200)	4,400
Payments for indemnity including legal costs	5,350	2,620
IT services	14,854	14,835
Hire of machinery	3,032	5,628
Auditor's remuneration – audit fee	80	98
Depreciation of tangible non-current assets – owned	4,728	4,109
Depreciation of tangible non-current assets – leased	250	241
Amortisation of intangible assets	1,022	2,972
Amortisation – Local Land Charges	3,046	2,092
Impairment in value of non-current assets	531	443
Charge for operating leases – buildings (see note 14.2)	1,627	1,570
Adjudicator costs and other professional fees	12,052	16,904
Accommodation costs	15,970	17,073
Survey and scanning costs	5,185	5,016
File store costs	3,766	3,624
Other costs	9,321	1,388
Total	284,483	292,179

3.2 Restructure and reorganisation costs

	2019/20			2018/19		
	Early retirement	Early severance	Total	Early retirement	Early severance	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Costs incurred in year	(3,133)	4	(3,129)	(3,494)	–	(3,494)
	(3,133)	4	(3,129)	(3,494)	–	(3,494)

4 Employee information

4.1 Staff costs

	2019/20				2018/19			
	Permanent staff	Apprentices	Others	Total	Permanent staff	Apprentices	Others	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	167,057	810	1,269	169,136	158,851	3,844	1,416	164,111
Social security costs	16,052	36	103	16,191	15,415	171	117	15,703
Other pension costs	40,097	190	255	40,542	28,476	670	206	29,352
	223,206	1,036	1,627	225,869	202,742	4,685	1,739	209,166

4.2 Staff numbers

The average number of persons employed (Full-Time Equivalent) by HM Land Registry during the year was made up as follows:

	2019/20				2018/19			
	Permanent staff	Apprentices	Others	Total	Permanent staff	Apprentices	Others	Total
Senior management	9	–	–	9	9	–	1	10
Operational	4,048	6	28	4,082	3,796	62	39	3,897
Administration	491	4	7	502	466	3	4	473
IT	509	27	7	543	467	18	8	493
	5,057	37	42	5,136	4,738	83	52	4,873

4.3 The salary and pension entitlements of the Chief Executive and the directors of HM Land Registry are included in the Remuneration and staff report on pages 65 to 76.

Further information relating to pension arrangements can be found in the Remuneration and staff report on pages 65 to 76 and note 1.7.

4.4 Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as alpha – are unfunded multi-employer defined benefit schemes but HM Land Registry is unable to identify its share of the underlying assets and liabilities. The scheme actuary, the Government Actuary's Department (GAD), valued the PCSPS as at 31 March 2016, with the report published on 26 February 2019. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2019/20, employers' contributions of £39.7m were payable to the PCSPS (2018/19 £29.0m) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0.25m were paid to one appointed stakeholder pension provider. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £7,036, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £3.4m. Contributions prepaid at that date were £0. Four individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £12,480 (2018/19: £28,395).

5 Investment income

	2019/20	2018/19
	£'000	£'000
Interest on bank deposits	3,268	3,068

6 Finance costs

	2019/20	2018/19
	£'000	£'000
Interest on obligations under finance leases	605	633

7 Dividend payable and special dividend payable

	2019/20	2018/19
	£'000	£'000
Dividend payable	24,689	27,264
Special dividend payable	483,514	–

HM Land Registry paid a one-off special dividend of £483.5m to HM Treasury on 31 March 2020. This represented the cancellation and repayment of Public Dividend Capital of £61.5m, along with the clearance of excess cash and reserves prior to the change in Trading Fund status.

The closing balance of Public Dividend Capital as at 31 March 2020 is £nil.

See Note 1.21 for the accounting policy relating to dividend payments.

8 Property, plant and equipment

8.1 Cost or valuation

	Property Freehold			Plant and equipment			Total
	Land	Buildings	Leasehold Buildings	Assets under construction	IT-related assets	Other plant and equipment	
	£'000	£'000	£'000	£'000	£'000	£'000	
At 1 April 2019	9,795	52,352	13,163	14	71,415	5,339	152,078
Additions	–	–	–	7,867	4,506	526	12,899
Assets brought into use	–	–	–	(7,881)	9,765	–	1,884
Revaluation during the year	2,460	1,829	285	–	–	–	4,574
Impairment	–	(19)	–	–	–	–	(19)
Disposals	–	–	–	–	(2,600)	–	(2,600)
At 31 March 2020	12,255	54,162	13,448	–	83,086	5,865	168,816

Accumulated depreciation

At 1 April 2019	–	19,019	5,911	–	62,670	3,840	91,440
Provided during the year	–	1,394	636	–	3,522	261	5,813
Current cost revaluation	–	(449)	(386)	–	–	–	(835)
Disposals	–	–	–	–	(2,419)	–	(2,419)
At 31 March 2020	–	19,964	6,161	–	63,773	4,101	93,999
Carrying amount at 31 March 2020	12,255	34,198	7,287	–	19,313	1,764	74,817

8.2 Cost or valuation

	Property		Leasehold Buildings	Plant and equipment		Other plant and equipment	Total
	Freehold			Assets under construction	IT-related assets		
	Land	Buildings					
	£'000	£'000	£'000	£'000	£'000	£'000	
At 1 April 2018	9,025	49,643	13,021	737	65,922	4,967	143,315
Additions	-	-	-	-	2,668	372	3,040
Assets brought into use	-	-	-	(723)	723	-	-
Revaluation during the year	300	1,496	487	-	-	-	2,283
Reclassification of assets	-	-	(300)	-	2,649	-	2,349
Impairment	-	(333)	(10)	-	-	-	(343)
Disposals	(80)	(4)	(35)	-	(547)	-	(666)
Transferred from assets held for sale	550	1,550	-	-	-	-	2,100
At 31 March 2019	9,795	52,352	13,163	14	71,415	5,339	152,078

Accumulated depreciation

At 1 April 2018	-	18,136	5,701	-	60,133	3,602	87,572
Provided during the year	-	1,394	637	-	3,076	238	5,345
Current cost revaluation	-	(510)	(395)	-	-	-	(905)
Reclassification of assets	-	-	-	-	(88)	-	(88)
Disposals	-	(1)	(32)	-	(451)	-	(484)
At 31 March 2019	-	19,019	5,911	-	62,670	3,840	91,440
Carrying amount at 31 March 2019	9,795	33,333	7,252	14	8,745	1,499	60,638

See note 1.8 for details of the property, plant and equipment accounting policy.

See note 1.9 for details of the impairment accounting policy.

See note 8.3 for details of investment properties.

The market value of land and buildings is £42.2m.

At the end of the year, the net amount relating to finance leases within the leasehold carrying amount above was £0.0m, based on external valuations (2018/19: £0.0m). However, there remains a finance lease obligation at 31 March 2020 of £4.3m (see note 14.1).

Valuation of land and property

The outbreak of the coronavirus (COVID-19), declared by the World Health Organisation as a “global pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

HM Land Registry has 14 UK office locations, most offices open for many years. The valuation method for these assets is outlined in the Government Financial Reporting Manual 2019-20 (FRm) which has an adaptation from IAS 16 *Property, Plant and Equipment* suggesting measurement at current value in existing use. The current value is determined using the comparison method based upon recent rental activities and sales of similar properties (by size, location and condition), with resulting adjustments made for any variations. These values are

demand-led, and ideally the UK property market should be stable. However, an impact of COVID-19 may be that working patterns may shift, thus reducing overall demand for office accommodation. This trend may adversely affect the values of the HM Land Registry estate.

HM Land Registry relies upon independent and professional valuation advice but challenges both the assumptions made and where changes occur. If subsequent information demonstrates that the assumptions used in valuations were inaccurate, this would affect the value of property, plant and equipment, revaluation reserve and possibly the financial outturn stated in the Statement of Comprehensive Income for the reporting period.

In making these judgements we are aware that RICS has issued a valuation practice notice which gives guidance to valuers where a valuer declares a material uncertainty attached to a valuation in light of the impact of the coronavirus (COVID-19) on markets. Cushman and Wakefield (RICS registered valuer) carried out a desktop valuation in March 2020. This valuation is based on true uncertainty, in line with RICS guidance issued on 15 April 2020. The valuation has been reflected in the financial statements but it should be noted that there is now greater uncertainty in markets on which the valuation obtained and included is based due to a lack of data at the year-end. Given the judgements made and the uncertainty that COVID-19 presents, we consider there to be a material uncertainty in this valuation at the reporting date.

HM Land Registry uses its offices for the purpose of fulfilling a statutory duty of land and property registration and guarantee of title. The offices are not utilised for their investment potential, and the value of the estate as at 31 March 2020 is £53.8m. The accumulated revaluation reserve is £25.0m, and this represents an unrealised gain of 46% of the total office estate value. Any adverse movement in this total would be charged against the revaluation reserve initially, and while net (liabilities)/assets in the Statement of Financial Position may alter overall, this variation would be unlikely to affect future operational performance as well as short-term and medium-term management decision-making, or materially vary HM Land Registry's operating model.

8.3 Investment properties

	2019/20	2018/19
	£'000	£'000
At 1 April	2,950	2,750
Revaluation during the year	180	-
Reclassification of assets	-	300
Disposals	-	(100)
At 31 March	3,130	2,950

Investment properties comprises a number of properties that are leased to third parties either in part or whole. The leases have different non-cancellable periods with current break option points ranging from six months to eight years. One lease has an annual rent review period, two are five yearly and one has none. Increases are linked to market rent based on comparables. None have an automatic right of renewal. Further information about these leases is included in note 14.2.

The fair values of investment properties were determined by an external independent property valuer, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The independent valuer provides the fair values of HM Land Registry's investment properties annually (see note 1.8 for details of the valuer).

The fair values of investment properties are all Level 3 on the fair value hierarchy because they are valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between Level 2 and Level 3 fair value disclosures during the year.

Each investment property is measured based upon active market prices adjusted where necessary for any difference in nature, location or condition of each specific property. The active market price is the market rent taking into account any expected or anticipated periods of non-occupancy by a future tenant.

9 Intangible assets

9.1 Cost or valuation

	E-security	Portal	Business Gateway	Assets under development	Local Land Charges	Software licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019	9,691	15,967	1,766	5,889	19,113	44,209	96,635
Additions	-	-	-	6,481	2,450	919	9,850
Assets brought into use	-	-	-	(1,884)	(1,461)	1,461	(1,884)
Disposals	-	-	-	-	(1,402)	(5,031)	(6,433)
At 31 March 2020	9,691	15,967	1,766	10,486	18,700	41,558	98,168
Amortisation							
At 1 April 2019	9,691	15,967	1,766	-	2,091	41,893	71,408
Charge for the year	-	-	-	-	3,046	1,022	4,068
Disposals	-	-	-	-	-	(4,945)	(4,945)
At 31 March 2020	9,691	15,967	1,766	-	5,137	37,970	70,531
Carrying amount at 31 March 2020	-	-	-	10,486	13,563	3,588	27,637

9.2 Cost or valuation

	E-security	Portal	Business Gateway	Assets under development	Local Land Charges	Software licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2018	9,691	15,967	1,766	14,995	-	43,049	85,468
Additions	-	-	-	10,007	-	3,809	13,816
Assets brought into use	-	-	-	(19,113)	19,113	-	-
Reclassification	-	-	-	-	-	(2,649)	(2,649)
At 31 March 2019	9,691	15,967	1,766	5,889	19,113	44,209	96,635
Amortisation							
At 1 April 2018	9,691	15,967	1,766	-	-	41,012	68,436
Charge for the year	-	-	-	-	2,091	793	2,884
Reclassification of assets	-	-	-	-	-	88	88
At 31 March 2019	9,691	15,967	1,766	-	2,091	41,893	71,408
Carrying amount at 31 March 2019	-	-	-	5,889	17,022	2,316	25,227

See note 1.10 for details of the intangible assets accounting policy.

The e-security, portal and Business Gateway assets had all been fully amortised by the start of the financial year, but are included in the accounts as they are still in use. Assets under development relate to the capitalisation of Local Land Charges costs during the year, case management improvements, mainframe to cloud-based migration and digital mortgage. More details about digital mortgage can be found on GOV.UK (search 'HM Land Registry digital mortgage service contingent liability').

10 Contract assets

	2019/20	2018/19
	£'000	£'000
Work-in-progress	9,845	5,670
	9,845	5,670

Contract assets relate to internal costs of staff and directly attributable overheads in preparing completion of registration for the customer.

11 Trade and other receivables

11.1 Current

	2019/20	2018/19
	£'000	£'000
Trade receivables	3,194	3,456
Other receivables	1,561	1,991
Prepayments and accrued income	4,792	4,832
	9,547	10,279

The average credit period taken on provision of services is 4.0 days. No interest is charged on the receivables. An allowance has been made for estimated irrecoverable amounts from the provision of services and this allowance has been determined by reference to past default experience.

Individual application receipts are only processed once the relevant fee has been accounted for. In respect of contract assets, this fee has already been collected and therefore no impairment is recognised. The total collectable is spread over a high volume of different customers with associated low-value fees. Accordingly, the likelihood of non-collection of fees and credit risk exposure have both been determined as insignificant in terms of overall risk, with these assessments unchanged in light of the impact of the coronavirus (COVID-19).

11.2 Non-current

	2019/20	2018/19
	£'000	£'000
Other receivables	180	199
Prepayments	745	1,299
	925	1,498

The carrying amounts of trade and other receivables are deemed to be an approximation of their fair values.

12 Cash at bank and in hand

	2019/20	2018/19
	£'000	£'000
Government Banking Service	2	504,081
Commercial banks and cash-in-hand	20,092	15,717
	20,094	519,798

HM Land Registry's financial assets are bank balances and cash and trade and other receivables, which represent the maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to trade and other receivables and is spread over a large number of customers. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by management based on past experience and an assessment of the current economic climate. Credit risk exposure was limited during the current financial year because prior to the payment of the HM Treasury special dividend on 31 March 2020, HM Land Registry's bank balances were primarily held with the Government Banking Service, with limited funds retained within commercial banking facilities.

13 Trade and other payables

13.1 Current

	2019/20	2018/19
	£'000	£'000
Trade payables	584	738
Taxation and social security	4,087	4,987
Other payables	4,109	3,635
Accruals	34,574	27,542
Net obligations under finance leases – buildings	273	241
Contract liabilities	40,567	23,661
Dividend payable	6,322	6,810
	90,516	67,614

The average credit period taken for trade purchases is 2.5 days. The carrying amounts of trade payables are deemed to be an approximation of their fair values.

13.2 Non-current

	2019/20	2018/19
	£'000	£'000
Net obligations under finance leases – buildings	4,009	4,282
	4,009	4,282

14 Obligations under leases

14.1 Finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000
Amounts payable under finance leases				
Within one year	846	846	273	241
In the second to fifth years inclusive	3,384	3,383	1,512	1,333
After five years	3,384	4,230	2,497	2,949
	7,614	8,459	4,282	4,523
Less future finance charges	(3,332)	(3,936)		
Present value of lease obligations	(4,282)	4,523		
Less amount due for settlement within 12 months (shown under current liabilities)			(273)	(241)
Amount due for settlement after 12 months			4,009	4,282

14.2 Operating leases

Leases as lessee

	2019/20 £'000	2018/19 £'000
Minimum lease payments under operating leases recognised in the year	1,627	1,570
	1,627	1,570

At the Statement of Financial Position date, HM Land Registry had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019/20 £'000	2018/19 £'000
Within one year	4	267
In the second to fifth years inclusive	1,116	951
After five years	408	409
Total lease payments payable in year	1,528	1,627
Lease payments payable over total lease terms	8,958	9,921

Operating lease payments represent rentals payable by HM Land Registry for land and buildings, including the Nottingham and Peterborough local offices.

Leases as lessor

HM Land Registry leases investment properties (see note 8.3).

At 31 March the future minimum lease payments under non-cancellable leases are receivable as follows:

	2019/20	2018/19
	£'000	£'000
Within one year	-	-
In the second to fifth years inclusive	-	-
After five years	428	398
	428	398

During the year, rental income from investment properties of £0.2m was receivable. Whereas previously the properties were let under Memorandum of Terms of Occupation (MOTO) to other public sector organisations, these are now let on commercial terms.

15 Provisions for liabilities and charges

15.1 Early release schemes and other

	Early retirement	Other	Total	Early retirement	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	4,911	961	5,872	7,105	445	7,550
Provided in the year	-	-	-	-	721	721
Revaluation of provision	(12)	-	(12)	115	-	115
Provision utilised in the year	(1,311)	(760)	(2,071)	(2,309)	(205)	(2,514)
Provision written back unused	(3,122)	(145)	(3,267)	-	-	-
At 31 March	466	56	522	4,911	961	5,872
Included in current liabilities	461	56	517	3,984	961	4,945
Included in non-current liabilities	5	-	5	927	-	927
			522			5,872

The early retirement provision (ERP) gives retirement benefits to certain employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme (PCSPS). HM Land Registry bears the cost of these benefits until the normal retirement age of the employees retired under the scheme. Total payments in the year amounted to £1.3m in 2019/20, of which £1.3m had been provided for within the ERP provision in the 2019/20 accounts. The total pension liability up to normal retiring age in respect of each employee is charged to the Statement of Comprehensive Income in the year in which the employee takes early retirement and a provision for future pension payments is created. Pension and related benefit payments to the retired employee until normal retiring age are then charged annually against the provision.

Other provisions relate to property dilapidation costs.

15.2 Indemnity Fund

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR).

	Outstanding provision	IBNR provision	2019/20 Total	Outstanding provision	IBNR provision	2018/19 Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	11,200	84,200	95,400	10,800	80,200	91,000
Provided in the year	5,350	–	5,350	2,620	–	2,620
Provisions utilised in the year	(5,350)	–	(5,350)	(2,620)	–	(2,620)
Claims revaluation	(4,700)	–	(4,700)	400	–	400
IBNR revaluation	–	(17,500)	(17,500)	–	4,000	4,000
At 31 March	6,500	66,700	73,200	11,200	84,200	95,400

Following the actuarial review by the Government Actuary's Department (GAD), the fund in respect of reported but not settled claims (Outstanding provision) has decreased in 2019/20 by £4.7m (2018/19: £0.4m increase). The provision for claims incurred but not reported (IBNR provision) has decreased in 2019/20 by £17.5m (2018/19: £4.0m increase).

The reason for the £4.7m decrease in outstanding claims is due to a decrease in the value of pending indemnity claims.

The £17.5m IBNR provision movement was as a result of a £17.5m decrease in the IBNR provision due to fraud and error claims having different settlement values, different settlement patterns and lower projected claim numbers.

The Outstanding provision (for claims received but not yet settled) is an estimate and as it involves projecting future payments, the final amounts paid on these claims are uncertain. The main uncertainties are:

- the proportion of outstanding claims that will ultimately be paid;
- the value of the payments made; and
- the effect of any legal judgements.

The presence of large outstanding claims can add significantly to this uncertainty.

The IBNR provision is greater and inherently more uncertain than the Outstanding provision. Unlike the Outstanding provision, which is based on existing claims information, the IBNR provision covers potential claims that may be made as a result of errors that have already been introduced into the register as a result of day-to-day update activity (either through fraud and forgery or administrative error). The main uncertainties within the IBNR provision are:

- the number of unreported errors currently within the register is unknown;
- at what point in the future these errors will be discovered and claims made; and
- how much the cost of the corresponding claims will be.

Claims can take many years to be reported and subsequently settled.

In estimating the IBNR provision, the actuary projects the number and timing of future claim reports and average claim sizes, using assumptions about claims settlement patterns, the expected effects of any known legal judgements and claims inflation. The resulting projected future claims cash flows are then discounted to a net present value at the accounting date using HM Treasury-prescribed discount rates.

The assumptions used in the projections are based on analysis of historical claims data, allowance for recent trends and consideration of the potential effects of underlying factors such as the volume of HM Land Registry activity and numbers of registered titles.

We provide input to the actuary on these assumptions, based on the knowledge of the legal team that handles the claims.

Uncertainty in the provisions – sensitivity analysis

The values of the Indemnity Fund provisions are subject to future uncertain final settlement value, both for known claims and claims incurred but not reported (IBNR). The uncertainty in value of outstanding claims could lead to a variation in the proposed provision. A range of scenarios have been considered in respect of the assumptions on:

- the proportion of claims that settle for zero;
- the average claim size;
- the HM Treasury prescribed discount rate;
- the number of claims that will be received; and
- the rate of inflation.

These scenarios have been considered in isolation and combination as shown in the sensitivity analysis table below.

On the basis of this analysis work it is reasonably foreseeable that the value of liabilities could be in the region of £6.5m (Outstanding provision) or £66.7m (IBNR provision).

It is possible that in extreme favourable scenarios the value of liabilities could be as little as £6.3m (Outstanding provision) and £44.7m (IBNR provision).

We have also considered extreme adverse scenarios, where the value of liabilities is as much as £6.7m (Outstanding provision) and £89.3m (IBNR provision).

The long-term open-ended nature of statutory indemnity means these figures do not represent the maximum possible liability. However, we believe the likelihood of such scenarios to be small.

The degree of uncertainty at future accounting dates may be different from that illustrated here. This could be for a number of reasons, for example because the profile of claims has changed or because the outlook on future claim trends has changed.

At future accounting dates, it should be expected that:

- the outstanding provision will fluctuate depending on the volume of claims reported at the time, especially large claims;
- all else being equal, the IBNR provision will increase over time because of inflationary forces; and
- both the Outstanding provision and the IBNR provision will be particularly sensitive to the number and value of fraud and forgery claims as these are the most financially significant category of claims.

The Indemnity Fund provision of £73.2m is a best estimate. Additionally, the future values of Indemnity Fund provisions are subject to inherent uncertainties.

Sensitivity analysis

	2019/20 Outstanding provision Maximum £m	2019/20 Outstanding provision Minimum £m	2019/20 Percentage movement %	
Provided in these accounts (reasonably foreseeable value – see note 15.2)	6.5	6.5	0	
Impact of scenarios				
Discount rate				
1. Increase Treasury prescribed discount rate by 0.5% pa	-0.1		- 1	
2. Decrease Treasury prescribed discount rate by 0.5% pa		0.1	1	
Settlement costs				
3. Increase settlement costs for the first development year by 5% for error claims	0.1		2	
4. Decrease settlement costs for the first development year by 5% for error claims		-0.1	- 2	
5. Increase settlement costs for the first development year by 5% for fraud claims	0.2		3	
6. Decrease settlement costs for the first development year by 5% for fraud claims		-0.2	- 3	
Extreme favourable scenarios				
(1) + (4) + (6)		6.3		
Extreme adverse scenarios				
(2) + (3) + (5)	6.7			
	2019/20 IBNR provision maximum £m	2019/20 IBNR provision minimum £m	2019/20 Percentage movement increase decrease % %	
Provided in these accounts (reasonably foreseeable value – see note 15.2)	66.7	66.7	0	0
Impact of scenarios				
Favourable but foreseeable scenarios				
Nil claims proportion				
1. Change the nil claims proportion for attritional claims by +/- 5%	2.7	-2.7	4	- 4
2. Change the nil claims proportion for large claims by +/- 5%	2.0	-2.0	3	- 3
Average cost per claim				
3. Change average cost per claim for attritional error claims by +/- 10%	2.0	-2.0	3	- 3
4. Change average cost per claim for large error claims by +/- 10%	2.0	-2.0	3	- 3
5. Change average cost per claim for attritional fraud claims by +/- 10%	2.0	-2.0	3	- 3
6. Change average cost per claim for large fraud claims by +/- 10%	1.3	-1.3	2	- 2
Discount rate				
7. Increase Treasury prescribed discount rate by 0.5% pa		-2.7	- 4	
8. Decrease Treasury prescribed discount rate by 0.5% pa	2.7		4	
Projected number of IBNR claims				
9. Increase projected number of attritional IBNR claims by 10% for incident years since 2013/14	1.3		2	
10. Decrease projected number of attritional IBNR claims by 10% for incident years		-1.3	- 2	
11. Increase projected number of large IBNR claims by 10% for incident years since 2013/14	1.3		2	
12. Decrease projected number of large IBNR claims by 10% for incident years		-1.3	- 2	
Future claims inflation				
13. Increase assumed future claims inflation by 1%	5.3		8	
14. Decrease assumed future claims inflation by 1%		-4.7	- 7	
Extreme favourable scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(7)+(10)+(12)+(14)		44.7		
Extreme adverse scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(8)+(9)+(11)+(13)	89.3			

16 Capital commitments

	2019/20	2018/19
	£'000	£'000
Capital expenditure	750	-
Contracted for but not provided in these accounts	750	-

17 Contingent liabilities

17.1 Indemnity

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions in the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR) (see note 15.2) based upon the assumed likelihood that claims will be successful.

As at 31 March 2020, the value of pending indemnity claims made to HM Land Registry is shown below. The estimated settlement value of these claims included within the Indemnity Fund provision is £6.5m (see note 15.2).

Errors or omissions

	2019/20	2018/19
	£'000	£'000
Mistakes	7,064	10,510
Fraud and forgery	15,107	18,967
	22,171	29,477

17.2 Employment tribunals

At 31 March 2020, HM Land Registry has one employment tribunal case, which is considered a contingent liability. At this time, it is not possible to estimate its likely outcome and timing. IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* requires only the general nature of the dispute to be disclosed.

18 Notes to the Cash Flow Statement

18.1 Reconciliation of operating surplus to net cash inflow from operating activities

	2019/20	2018/19
	£'000	£'000
Operating surplus	24,096	31,041
Impact of changes in accounting policy*	–	(826)
Restructure and reorganisation costs	3,129	3,494
Local Land Charges revenue costs	–	(4,681)
Depreciation of property, plant and equipment	4,978	4,351
Amortisation of intangible assets	4,068	2,972
Impairment in value of non-current assets	512	443
Decrease in provisions	(1,837)	(4,709)
(Increase)/decrease in inventories	(4,176)	978
Decrease/(increase) in receivables	1,306	(485)
Increase in payables	13,521	6,569
(Decrease)/increase in Indemnity Fund	(22,200)	4,400
Net cash inflow from operating activities	23,397	43,547

*The movement in inventories has been restated to reflect the impact of IFRS 15.

18.2 Reconciliation of net cash flow to movement in net cash

	2019/20	2018/19
	£'000	£'000
Net cash at the beginning of the year	519,798	308,739
(Decrease)/increase in cash in the year	(499,704)	211,059
Net cash at the end of the year	20,094	519,798

19 Related party disclosures

In accordance with IAS 24 *Related Party Disclosures*, as interpreted by the FReM, the following information is provided on related party transactions.

Until 31 March 2020, HM Land Registry was an executive agency, trading fund and government department, with BEIS as the parent department. During the year HM Land Registry had a number of material transactions with other government departments and other central government bodies. Most of these transactions have been with Ordnance Survey and HM Courts and Tribunals Service.

None of the board members, or members of the key management staff or other related parties, have had influence over any material transactions undertaken by HM Land Registry.

20 Events after the reporting period

In accordance with the requirements of IAS 10 *Events After the Reporting Period*, events after the Statement of Financial Position date are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the certificate and report of the Comptroller and Auditor General.

Appendix A

Volumes and workloads 2019/20 and 2018/19

Application intake by type and method of receipt

	2019/20			2018/19		
	Total applications/products received	Applications/products received through online services	% of applications/products received through online services	Total applications/products received	Applications/products received through online services	% of applications/products received through online services
Bulk register updates (BRUs)	971,542	–	–	2,148,099	–	–
Total applications excluding BRUs	34,676,913	32,879,308	94.82	34,407,348	32,262,218	93.77
Total applications/products	35,648,455	32,879,308	92.23	36,555,447	32,262,218	88.26
Substantive applications excluding BRUs	4,904,994	4,423,494	90.18	5,032,142	4,511,832	89.66
Preliminary services products	20,703,603	20,597,854	99.49	20,052,646	19,905,920	99.27
Enquiry services applications	9,068,316	7,857,960	86.66	9,322,560	7,844,466	84.14
Total	34,676,913	32,879,308	94.82	34,407,348	32,262,218	93.77

Substantive applications excluding BRUs

First registrations	91,093	–	–	102,663	–	–
Dispositional first leases	195,432	185,723	95.03	204,576	191,826	93.77
Transfers of part of registered land	214,465	200,359	93.42	209,041	191,853	91.78
Dealings of whole with registered land	4,404,004	4,037,412	91.68	4,515,862	4,128,153	91.41
Total	4,904,994	4,423,494	90.18	5,032,142	4,511,832	89.66

Preliminary services products

Official copies ¹	17,351,299	17,273,140	99.55	16,671,499	16,556,937	99.31
Official searches	2,588,407	2,585,783	99.90	2,595,584	2,591,796	99.85
Official searches of the index map ¹	763,897	738,931	96.73	785,563	757,187	96.39
Total	20,703,603	20,597,854	99.49	20,052,646	19,905,920	99.27

Enquiry services applications

Register views	5,591,981	5,591,981	100.00	5,504,351	5,504,351	100.00
Title plan views	949,475	949,475	100.00	990,453	990,453	100.00
Document views	50,575	50,575	100.00	56,858	56,858	100.00
Correspondence	305,755	84,446	27.62	303,643	76,236	25.11
Telephone enquiries	989,047	–	–	1,250,687	–	–
MapSearch downloads	1,181,483	1,181,483	100.00	1,216,568	1,216,568	100.00
Total	9,068,316	7,857,960	86.65	9,322,560	7,844,466	84.14

For accompanying text see overleaf.

The table above sets out the transactional activities for the year, along with comparatives for the previous year. In this financial year we serviced more than 35.6 million applications, fulfilling the requirements of the 2002 Land Registration Act. These form the core of our activities and the revenues associated with them. The table also details our progress towards electronic delivery, in relation to the various types of application we receive. Excluding bulk register updates, the proportion of applications received electronically increased slightly from 93.77% to 94.82%.

Bulk register updates are groups of applications lodged at HM Land Registry affecting a large volume of registered titles, such as a bank changing the address for service on all of its registered charges. The levels of receipt of such applications are volatile in their nature and are therefore separated from other application types in order to avoid distortion of the data.

Note: An official copy application may result in more than one register and/or title plan being supplied.

A search of the index map application may give rise to more than one title number being revealed. For this reason the number of registers/title plans or the number of title numbers revealed are used as a metric rather than the number of applications themselves. These are termed products.

Appendix B

Land Charges and Agricultural Credits volumes and workloads 2019/20 and 2018/19

The Land Charges Department

The Land Charges Department operates under the authority of the Land Charges Act 1972.

The department maintains registers of Land Charges, pending actions, writs and orders affecting land and other encumbrances registered against the names of owners of property, which are not registered under the Land Registration Acts. The department also maintains the Index of Proprietors' Names (IOPN). This index can be searched against only on production of the appropriate authority and is used to establish whether any property assets are held against individuals or companies.

Some elements of customer accounts are also managed in the Land Charges Department.

Type of application	Number of applications or names in 2019/20	Number of applications or names in 2018/19
New registrations, rectifications and renewals	23,637	24,672
Cancellations	5,443	6,152
Official searches		
– Full searches	131,601	143,268
– Searches limited to insolvency	1,679,703	1,680,801
Office copies	20,421	22,846

The Agricultural Credits Department

The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

Type of application	2019/20	2018/19
New registrations	504	599
Cancellations and rectifications	867	660
Searches	2,112	2,460
Total	3,483	3,719

Appendix C

Sustainability historical data

Carbon data (tonnes)

Greenhouse gas emissions	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Non-financial indicators (tCO ₂ e)							
Total gross emissions for scopes 1 and 2	3,900	4,885	5,142	6,818	7,835	8,048	8,404
Electricity: green/renewable	525	1,824	1,688	1,710	1,195	2,306	2,780
Total net emissions for scopes 1 and 2 (having removed renewable elements)	3,375	3,061	3,454	5,108	6,640	6,839	5,624
Gross emissions scope 3 travel	645	460	528	510	557	608	724
Total gross reported emissions	4,545	5,345	7,361	7,328	8,392	8,656	9,128
Non-financial (mWh)							
Electricity: purchased (grid, combined heat and power, and non-renewable)	8,757	11,994	12,478	12,808	12,956	12,902	12,200
Electricity: renewable	1,896	–	–	–	–	–	–
Gas	6,657	6,528	6,659	5,774	7,325	6,989	8,355
Other energy sources	–	–	–	–	–	–	–
Total energy	17,310	18,522	19,137	18,582	20,281	19,891	20,555
Financial indicators (£'000)							
Expenditure on energy	2,102	1,943	1,788	1,485	1,641	1,684	1,810
Expenditure on accredited offsets (for example Government Carbon Offsetting Fund)	–	–	–	–	–	–	–
Expenditure on official business travel	1,222	1,305	1,193	1,231	1,222	1,142	–

Waste arising (tonnes)

Waste	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Non-financial indicators							
Hazardous waste	–	–	6	3	1.6	–	–
Non-hazardous waste							
Landfill waste	20	40	29	13	31.9	105	101
Reused/recycled waste	651	966	986	1,028	1,604	802	858
Energy from waste	123	163	26	5	6.6	–	–
Total waste arising	794	1,169	1,047	1,049	1,644	907	959
Financial indicators (£'000)							
Hazardous waste	–	–	–	–	–	–	–
Non-hazardous waste							
Landfill waste	–	–	–	–	–	–	–
Reused/recycled waste	–	–	–	–	–	–	–
Incinerated waste	–	–	–	–	–	–	–
Total waste costs	138	75	147	129	212	297	290

Water reduction (cubic metres)

Water	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Non-financial indicators (cubic metres)							
Consumption							
Supplied	41,829	41,548	41,130	34,967	36,395	38,153	36,037
Abstracted	–	–	–	–	–	–	–
Total consumption	41,829	41,548	41,130	34,967	36,395	38,153	36,037
Financial indicators (£'000)							
Total supply costs	201	164	139	152	173	188	228

Appendix D

Indemnity Fund

In 2019/20 we paid £5,295,059 for 845 claims, compared with £2,620,743 for 882 claims in 2018/19. The largest claim paid this year was for a register entry error where we had incorrectly guaranteed an easement entry, this payment being for £1,142,549. Payments this year were back to similar levels seen during 2017/18.

The maximum value of the substantive claims paid was £7,610,446 but these were settled for £4,066,812, saving £3,543,634. During the year a further 245 claims valued at £7,835,540 were settled for no value. Of these 18 were for fraud and were valued at £5,245,770. This year 1,073 new claims were received totalling £7,917,615, including 16 fraud claims valued at £4,351,303.

We recovered £175,588 under our statutory rights of recourse, compared with £127,750 last year. Recourse figures can vary considerably from year to year, reflecting the unpredictable interplay of legal and factual elements which will determine the viability of achieving any recovery.

Nature of claim	Number of claims	Substantive loss (£)	Costs (£)	Percentage of total
Extent of registered titles	104	765,459	396,334	21.94
Errors in/omissions from register entries	88	1,162,023	495,757	31.31
Sundry plans errors	13	5,519	10,951	0.31
Fraud and forgery	12	1,915,306	179,989	39.57
Official searches (plans)	8	184,165	15,438	3.77
Bankruptcy errors	2	1,000	–	0.02
Official searches (legal)	3	3,985	2,190	0.12
Official copies	1	–	540	0.01
Errors in searches of the index map (SIMs)	9	250	10,201	0.20
Errors in filed extracts	345	174	61,068	1.16
Lost documents/administrative errors	260	28,931	55,779	1.60
Land Charges errors	–	–	–	–
Total	845	4,066,812	1,228,247	100
Gross payment				£5,295,059
Less sums recovered under HM Land Registry's statutory right of recourse				£175,588
Net indemnity				£5,119,471

Appendix E

Trade union facility time

Time period: 1 April 2019 to 31 March 2020

Months: 12

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
155	138.58

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	76
1 – 50%	79
51 – 99%	0
100%	0
Total	155

Table 3: Percentage of pay bill spent on facility time

	Amount
Total cost of facility time	£271,766
Total pay bill	£225,869,000
Percentage of total pay bill spent on facility time	0.12%

Table 4: Paid trade union activities

Total number of hours spent on paid trade union activities	0.00
Total number of hours spent on paid facility time	13,000.35
Time spent on paid trade union activities as a percentage of total paid facility hours	0.00%

Appendix F

Key performance indicators

Key performance indicator	Performance to 31 March 2020	Met/not met
1 The percentage of customers who rate our overall service as good, very good or excellent to be at least 92%	90%	Not met
2 Work with conveyancers to reduce the average rate for all requisitions to beneath 15%	18.24%	Not met
4a Complete 95% of register queries within two days	97.81%	Met
4b Complete 95% of register updates within five days	94.18%	Not met
5 Complete 95% of first registration and developer register creation cases within 25 days	94.24%	Not met
6 The percentage of complex registrations awaiting the creation of a new title entry to be less than 90 days old by the end of the financial year to be at least 95%	Day 154	Not met
7 To continuously improve the quality of the register, with substantive applications to pass 98% of defined quality checks	97.50%	Not met
8 Average external e-services availability to be at least 99.8% during published service hours	99.91%	Met
9 Automatically process 10,000 applications through the Digital Mortgage Service	0	Not met
10 Changes through the Transformation Portfolio to deliver a productivity saving of 200 full-time equivalents	66 full-time equivalents	Not met
11 Staff engagement score to be in the top quartile for the Civil Service for organisations of equivalent size and nature by the October 2019 Civil Service People Survey	63% (in top quartile)	Met
12 Engagement score for leadership and managing change to be in the top quartile for the Civil Service for organisations of equivalent size and nature by the October 2019 Civil Service People Survey	48%	Met
13 Provide development and promotion opportunities for at least 275 colleagues to and within the executive caseworker grades	399	Met
14 Increase the numbers of women in the middle and senior management grades (higher executive officer, senior executive officer (SEO), SEO+ and Grade 7) by 30 (from the baseline figure at 31 March 2019) by the end of quarter 4	45	Met
15 Increase the numbers of black, Asian and minority ethnic staff in the lower management grades (executive officer and higher executive officer), where the evidence suggests the current pipeline needs to be strengthened, by 20	8	Not met

KPI 3 – For a period of 2019/20 we trialled a KPI 3 which measured the efficiency of casework and which could be evaluated and used in the development of a new efficiency target and was therefore not reported on.

KPI 4 – KPIs 4a and 4b were originally intended to be merged into one KPI as they measure the speed of service for the more straightforward areas of casework (preliminary queries and register updates). However, a decision was made to monitor progress separately.

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