Office of the
Public Guardian

Annual Report and Accounts 2011–12

Protecting your choices

April 2011 – March 2012

Office of the Public Guardian Annual Report and Accounts

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Foreword

This annual report presents the Office of the Public Guardian's (OPG) performance during 2011/12 which was achieved against a backdrop of increasing volumes of work across all areas of the business. Since my appointment as Chief Executive and Public Guardian on 1 April 2012, I have been working closely with colleagues and partners to understand where the OPG is as an organisation and identify key priorities moving forward. It is an incredibly exciting time to join the OPG especially in light of the achievements of the organisation during the past year and the significant future ambitions in the transformation programme, especially in relation to digitalisation of services. There is much work to be done and I am very much looking forward to building on the achievements of my predecessor, Martin John.

We have seen improvement in LPA application processing times and have put a number of measures in place to continuously improve business processes. We have introduced a quality assurance programme to provide objective information to help the team understand and address process weaknesses and ensured more staff are equipped to cover different areas of work, making us more flexible and better able to respond to customers' needs.

On the deputyship side, the numbers of cases requiring supervision has continued to increase and we have been investigating how we can help and support deputies in their role such as establishing a first-contact system for newly appointed deputies and making improvements to the deputy report form.

Our investigations and compliance team play a vital role in supporting vulnerable adults. This function continued to grow in 2011/12. We received 3,653 referrals in 2011/12 compared to 2,566 referrals in 2010/11, a 42% increase. We have also been working on how we can further enhance customer experience in this area. For example, merging the supervision and investigations functions has resulted in a consistent approach to handling concerns and a simpler route to provide deputies with greater support if this is required.

During 2011/12, we also successfully completed the process of relocating the majority of London based staff to the Midlands and all displaced staff have now found alternative employment, followed their post to Birmingham or chosen to leave on voluntary terms.

I am very much looking forward to continuing to transform the organisation by further improving customer experience and continuing the partnership with the Government Digital Service to move our services online. This approach will bring huge benefits for customers as the LPA application process will be simpler and there will be different channels available to access our services.

It is important to acknowledge that none of these achievements would have been possible without our extremely hardworking and committed staff that have all made a valuable contribution to delivery of our core business objectives. I look forward to working much more closely with them over the forthcoming year and making significant advances in improving everything we do so we can provide a first-class customer service.

Alan Eccles
Chief Executive and Public Guardian

5 July 2012

Introduction

The Role of the Public Guardian

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

The Public Guardian is supported by the Office of the Public Guardian (OPG) in the delivery of his statutory functions under the MCA. The Public Guardian's responsibilities extend throughout England and Wales (separate arrangements exist for Scotland and for Northern Ireland).

What does the OPG do?

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

The OPG's core functions are to:

- register Lasting Powers of Attorney (LPAs) and Enduring Powers of Attorney (EPAs);
- supervise Deputies appointed by the Court of Protection;
- maintain the registers of Deputies, LPAs and EPAs and respond to requests to search the registers; and
- investigate complaints, or allegations of abuse, made against Deputies or Attorneys acting under registered powers.

The aims of the OPG as an executive agency of the MoJ, alongside HM Courts and Tribunals Service and the National Offender Management Service (NOMS), are in line with those of the MoJ's Transforming Justice agenda:

- increasing responsibility and the power of the citizen;
- changing how we provide services to the public; and
- working differently, saving money and focusing on the front line.

The Government Ministers responsible for OPG are:

- The Right Honourable Kenneth Clarke QC MP, Lord Chancellor and Secretary of State for Justice; and
- Jonathan Djanogly MP, Parliamentary Under-Secretary of State at the MoJ.

Our service users

The OPG serves several types of customers and stakeholders, including:

- Donors – People who have made an LPA or EPA to protect their welfare or finances should they lose capacity in the future;
- Attorneys – People who have been appointed by donors to manage their welfare or finances should they lose capacity in the future
- Clients – People who have lost capacity and whose welfare or financial affairs are subject to proceedings before the Court of Protection;
- Deputies – Lay or professional individuals or authorities (such as councils or solicitors) who have been appointed by the court to manage the welfare or finances of a client; and
- Other stakeholders – For instance relatives of a client or donor, health professionals, charities such as Age UK and Headway, the financial sector, local authorities; and the legal profession.

To find our performance indicators and results, see pages 70–76.

Our Vision, Mission and Values

Our Vision

To encourage everyone to prepare for a possible lack of mental capacity and to empower and safeguard those who lack mental capacity now.

Our Mission

- To deliver excellent services to attorneys and deputies, and those they represent in order that actions are taken or decisions made, optimally and quickly.
- To seek constantly to develop innovative ways of improving the way that we deliver services to all of our customers.
- To create a customer-focused, proficient and motivated workforce with the skills to carry out their roles effectively.
- To improve our mechanisms for building knowledge of our customers and their needs, and developing robust mechanisms for using that knowledge proactively to deliver better customer outcomes.
- To develop effective relationships with partner organisations in order to support the delivery of OPG services and increase the impact of the MCA.

Our Values

- **Accessible** – We make our services available to all who need them providing an adaptable delivery of support, advice and choice.
- **Straightforward** – We conduct our business in an open and honest way, respecting and protecting confidentiality.
- **Professional** – We treat our customers and staff with respect, working in partnership effectively and demonstrating personal and organisational excellence.
- **Progressive** – We are flexible and evolve by learning from experience to continually improve the service to our customers and the working environment for our staff.
- **People Orientated** – We foster a learning environment to encourage our staff to develop and to further their skills for the benefit of the business and to meet their personal goals.
- **Diverse** – We acknowledge the diverse society that we serve and we respect and value this diversity in all that we do.

Service Delivery

The volume of applications to register Lasting Powers of Attorney (LPAs) continued to rise, whilst Enduring Powers of Attorney (EPAs) continued to steadily decline, maintaining the trend of recent years.

	10/11	11/12	% Difference
EPA	19,000	18,000	-5%
LPA	171,000	200,000	+17%
Total	190,000	218,000	+15%

(figures rounded to the nearest 1,000)

Similarly, our total registered LPA/EPA documents have increased in year, from 180,000 to 199,000 in 2011/12:

Registered	10/11	11/12	% Difference
EPA	18,000	16,000	-11%
LPA	162,000	183,000	+13%
Total	180,000	199,000	+11%

(figures rounded to the nearest 1,000)

To address the increased demand, we continued to operate two shifts, with our Birmingham office staffed from 07:00 until 22:00. The relocation of OPG business to the Axis Building in Birmingham during the year led to the need to recruit new staff. The timely recruitment of these staff posed a significant challenge, but over the course of the year, resource levels increased and are now at full complement. The period January to March 2012 saw the greatest improvements in performance; fully completed applications were registered within an average of 44 days compared to 64 days throughout the rest of the year. It is envisaged this performance will continue into 2012/13.

Alongside improvements in the timeliness of our registration of LPAs and EPAs, in November we piloted a quality assurance programme to provide feedback to the team to help them address process weaknesses. Early signs are encouraging and highlight the effectiveness of new training and a continuous improvement ethos in delivering a better service to our customers. The Skills Register, Technical Guidelines and Processing Checklist were all introduced and contributed to a 40% improvement in re-work.

Extensive workload planning and a review of applications received helped us plan for peak periods, such as when the OPG feature in the national media. When such events happen, the number of customers downloading LPA application packs from the directgov.uk website can rise from an average of 300 per day to over 2,000.

Customer Contact Centre (CCC)

With workloads increasing, our Customer Contact Centre (CCC) in Nottingham continued to see an increase in the number of calls received. The majority of callers were seeking advice about, or asking after the progress of LPA applications. In January, OPG received the highest ever recorded number of calls in any one month at 23,395, whilst in March we received 1,808 calls in one day, the highest ever received in one day. By the end of the year, the CCC had received 238,409 calls. In 2010/11 the CCC received 230,707 calls. The percentage answered within 60 seconds was 70%; 96% of all calls were answered, with callers waiting on average just 42 seconds.

Allocations

Throughout the year the number of Deputyship Orders made by the Court of Protection fluctuated, as in 2010/11. Our target – to notify 95% of new Deputies of their supervision level within 20 working days of the OPG receiving the Court Order – was met in every month apart from May and June (89.5% and 91.2% respectively) against the challenging backdrop of the relocation from London to Birmingham. This reporting year has also seen changes to the way the Court serve the orders on OPG, which has resulted in further efficiencies in the process.

Supervision of Deputies

The number of cases requiring supervision by the Public Guardian has continued to grow. At the start of the year, a ‘first contact’ approach was trialled. Newly appointed non-professional Court of Protection Deputies were contacted by telephone within the first few weeks of them being granted a Deputyship order, to explain the importance of gathering vital information relating to the person (Client) they act for, and to ask about how best OPG can support and guide them. This exchange then formed the basis of individual, customer-focused action plans. Early indications show this revised process has been welcomed by our Deputies and will be incorporated as a standard approach moving forward. OPG also identified that Deputies were seeking support about particular subjects; as a result new factsheets for Deputies were introduced to provide more information.

An OPG-led conference for Deputies took place in the East Midlands following feedback from our Deputies that a live, interactive support and guidance session would be welcomed. Further events have been planned following the very positive feedback and success of this first event. In year, a new Deputy Report form went live after being redesigned and improved by members of the Supervision team, alongside Deputy feedback and stakeholder input.

At year end, the Supervision team undertook 16,908 reviews to slightly exceed the 40% review target set out in OPG’s 2011/12 Business Plan.

Testing our resilience

We introduced a flexible operating model to ensure more staff are equipped to cover different areas of work, making us more flexible and better able to respond to customers’ needs. We reduced our reliance on temporary staff and staff turnover decreased as a result of careful balancing of roles and efforts to support staff engagement.

We supported our managers by providing leadership training and ongoing development for all managerial grades. This has been, and will continue to be, crucial to us understanding and building the positive and customer-focused culture we want to see across OPG.

Conscious of the growing risk to the stability of our IT (Information Technology) posed by increasing volumes of work, we have continued detailed business continuity planning, focusing on maintaining support for our customers. This work will continue to be a priority as the Digital Transformation Programme develops a new, more robust IT system.

Change

OPG Transformation

As previously reported, we started a 4 year transformation programme in 2011 to deliver a high level of customer service at a time of rising workloads, through a stable IT system which can offer customers a range of options for the delivery of OPG services.

To deliver on elements of the programme, especially around the IT and digital delivery, we began to work in partnership with the Government Digital Service (GDS) to look at how we can deliver OPG services in a digital environment and the result has been a recasting of the programme as the OPG Digital Transformation Programme.

This is not just about making our services available online for customers. We will also ensure that all of the OPG seeks to work digitally. This means that we will review all our internal processes and also make these digital where appropriate.

This will lead to improved registration times for LPAs, the introduction of online services for Deputies (such as annual report filing) and will ensure that the OPG has a case management system that can deal with increasing workloads. For customers, it will mean that in the initial phase, they will be able to complete the LPA form and the registration form online, while only having to enter their data once. This will reduce considerably the amount of form filling and duplication of data entry that is currently required.

Relocation and recruitment

During 2011/12, a key part of our transformation was the continued relocation of the majority of the OPG business functions from London to our new Axis office in Birmingham, which was completed in February 2012. This included some re-fitting of the Hagley Road finance office in Birmingham for Corporate Service functions. This was a collaborative effort and the MoJ Estates Transformation Programme and Information Communication Technology (ICT) team provided invaluable support.

As part of the relocation process in December 2011, we transferred a small number of core London posts from Archway Tower and co-located them with MoJ Headquarters in Petty France in London. This heralded our exit from Archway Tower, taking advantage of a lease break in March 2012. On 26 January 2012 our Minister, Jonathan Djanogly joined us to formally launch the new office in Birmingham where he and a number of our stakeholders were able to join us in celebrating the success of the project.

The recruitment activity associated with our relocation reached its conclusion and in February this year the final tranche of new OPG staff joined the organisation. Initially, the scope of recruitment activity was restricted to 216 vacant posts being transferred. This was increased in order to cater for increasing volumes and 308 staff were eventually recruited.

As a consequence of the recruitment campaign roles were offered to approximately 60 MoJ and other government department staff whose previous posts had been identified as surplus.

Of the 127 London staff whose posts were potentially displaced as a result of the relocation, all have now either been redeployed elsewhere in MoJ or another government department, chosen to depart on voluntary terms, or have followed their post to Birmingham.

Staff engagement

Despite going through considerable change during 2011, and recruiting large numbers of new staff, the 2011 MoJ staff engagement survey results confirmed that OPG staff had a clear understanding of their role and how it aligned with the objectives of the organisation.

It is pleasing to note that during this period of change our overall employee engagement results had risen from 53% to 58% and that staff were significantly more positive about OPG's leadership capability and management of change than in previous years.

Our 2011 Staff Engagement Survey (SES) results showed:

- 86% felt they had the skills they needed to do their job well
- 88% had a clear understanding of the OPG's purpose
- 86% understood how their work contributed to the OPG's objectives

IT systems

During 2011/12, activity was focused on the need to move all of the OPG's systems from London to Birmingham in support of the wider OPG relocation. This included the finance systems (Meris Sage, eConnect, eCollect and Albacs), Meris MCA which supports OPG to process and register LPAs and EPAs, and Casrec/CaseWork Support which are used to support the OPG's work relating to Court-appointed deputies. This was undertaken over a period of 6–10 months and was completed successfully with minimal disruption to normal business operations due to the cooperative working between OPG, MoJ ICT and its suppliers.

For 2012/13, work is underway to pursue a potential upgrade to Meris MCA, Meris Sage and the application scanning service with a view to providing improved system resilience and performance, which will help OPG meet its service delivery commitments.

Fee changes

In order to ensure we are able to continue to meet the full costs of our business from fee revenue, we had to make some difficult decisions in 2011/12 on how our funding model should look going forward.

Following a public consultation and Statutory Instrument laid in Parliament, a number of amendments to OPG Fees came into effect in October 2011.

The main changes were:

- Raising the LPA/EPA Application to Register fee from £120 to £130.
- Implementing a new lower Repeat Application Fee of £65 instead of the full fee which would otherwise be payable when an LPA is resubmitted to the OPG within three months of the initial invalid Application being returned to the Applicant.
- Discontinuing the production of LPA office copies by the OPG, other than in exceptional circumstances, and for a £35 fee.
- Raising the maximum threshold of capital for those cases qualifying for Type 3 supervision from £16,000 to £21,000 over a period of four years.
- Replacing the old Fee Remissions framework with a new policy of 50% for those who have a gross annual income of up to £12,000.

We also made significant changes to our Supervision fees as the four tiered system was no longer cost effective, leading to the Client being financially penalised (through escalation to the highest tier) if an investigation into the Deputy was required.

We looked to adopt the same rationale as Lasting and Enduring Powers of Attorney which incur a single fee, payable by all, but with an included element that goes towards the cost of any investigation and court action if required.

We achieved this by replacing Type 1 (£800), 2A (£350) and 2 (£175) fees with a General Fee of £320 and introduced a new fee of £35 for cases in Type 3 (that due to the level of assets held, require a lower level of supervision).

Closure of Public Guardian Board

Since the MCA was implemented in 2007, the Public Guardian Board (PGB) has played a vital role in overseeing and guiding the work of the OPG. Their recommendations have led to a series of improvements across the OPG as well as an increased awareness of the Act in the wider mental capacity sector.

The OPG's digital transformation project has been led by some of these recommendations and the PGB has continuously supported the OPG's drive to replace its current ageing IT system with a modern, fit for purpose solution that will enable the agency to drive through real improvements to the customer experience. The OPG's recent launch of its Stakeholder Relationship Management strategy is also a direct response to recommendations from the Board regarding how it engages with stakeholders working across the mental capacity landscape. The Board's own direct engagement with stakeholders has been a valuable opportunity for the OPG to learn from their experience and the PGB has acted as a key conduit to ensure that the voices of the customer are heard.

We would like to thank each of the members of the Board for their dedication, expertise and knowledge of the sector which have helped shape the organisation. Many of the improvements that have been made within the agency and the direction of travel for the future are as a result of the Board's recommendations and they have been instrumental in driving the agenda forward. The benefits to both the organisation and to our service users will undoubtedly be felt long into the future.

Monitoring the OPG

Statement from Rosie Varley, Chair of the Public Guardian Board

The PGB was established under the MCA 2005 to monitor the performance of the OPG, and to provide an independent source of advice to the Lord Chancellor about the implementation of the MCA. It came into operation in 2007, the same time as the OPG, and since then has worked closely with the Office, its Executive, key stakeholders, and with the statutory, third sector, and professional organisations that together comprise the mental capacity landscape. The Board has produced three formal reports to the Lord Chancellor, and has been pleased to see most of its recommendations implemented over the years. It has also held regular public meetings in England and Wales. These have been very well attended and have provided a useful forum in which Board members have entered into a dialogue with the wide range of people, who use or deliver the OPG's services, and on whom its success and performance depends. These public events, together with a programme of individual meetings and attendance at OPG stakeholder meetings, have enabled the Board to understand and interpret the performance data regularly reported to it at its quarterly Board meetings.

The Public Bodies Act 2011 included provisions to close the PGB, and, following consultation, in December the government confirmed that it would bring forward an order to implement this decision. This did not come as a surprise to the Board; on the contrary we had ourselves come to the view that, in the current economic climate, a case could no longer be made for a purely advisory body. Our advice was that the reform of public bodies provided an opportunity to establish clearer, more streamlined, and more rigorous governance arrangements for the OPG. The Board will continue to operate fully and to discharge its statutory responsibilities until it closes and a new governance framework is introduced, now expected to be in July 2012. Our closing advice will be handed to the Lord Chancellor in June, coinciding with a closing meeting with stakeholders, attended by Jonathan Djanogly, the Minister responsible for the OPG, and by Alan Eccles, the new Public Guardian. In this way we will complete our work by drawing on our findings and the judgements we have made since 2007 and feeding these into the debates that are taking place about the future. We are deeply conscious that we depart at a pivotal point for the OPG as it comes under new executive leadership, completes the transfer of its operations to Birmingham, and embarks on an ambitious programme of digital transformation. The services provided by OPG are vitally important in promoting the right of every citizen to exercise choice over their lives, and in providing safeguards to those who lack capacity. We welcome the drive to make the OPG a modern, customer orientated organisation and we wish it well in the future.

Over the period covered in this report the Board has observed an organisation under pressure from mounting demand, constrained by out of date infrastructure, particularly in IT, and by the disruption of major office relocation. We have admired the commitment and hard work of staff in these difficult circumstances, and we commend them for maintaining the level of service that is documented in this document. Inevitably the focus on transformation has made it more difficult to maintain everyday business, and this has meant that the OPG has failed to meet some of the targets it set itself, notably in the times taken to register LPAs and to initiate an investigation, and these failures have been reflected in high volumes of complaints. However, we note that although annual targets were missed, performance since January has markedly improved, and the most recent figures for March are encouraging. It appears that now the new Birmingham office is fully operational its benefits are being realised. We hope this will continue.

In our previous reports the PGB has commented on the OPG's restrictive business model, and on its seriously out of date IT system, which together have made it impossible to expand operations in tandem with rising demand, and limited its ability to respond to unplanned peaks in applications. The Office has faced a continual dilemma – on the one hand it is mindful of its duty to promote the uptake of LPAs, on the other it is conscious of its inability to cope with increasing volumes. Against this background the Board is hugely encouraged by the Digital Transformation Programme, a major and fundamental initiative launched in 2011, which has the potential to make the OPG's services available electronically in a much simpler format. If delivered successfully this initiative will make LPAs accessible to a wide range of people on line, cut bureaucracy and costs, and allow the OPG to refocus its resources on its vital role in safeguarding vulnerable people rather than on processing documents. We note that the application fee was increased in 2011 in order to fund the necessary investment in IT on which this initiative depends. We are always mindful of the need to keep the costs to customers to a minimum, but we regard the recent increase as acceptable in light of the need for investment, and the prospect of delivering hugely improved services at a much smaller cost over a relatively short timescale.

The Public Guardian Board Final Report 2011/12 can be found at: http://www.justice.gov.uk/downloads/publications/corporate-reports/MoJ/pgb-report-2012.pdf

Complaints

Owing to the Transformation programme and the higher than anticipated volumes of work across the organisation, complaints did increase during 2011/12. 14,814 complaints were received compared with 9,227 in 2010/11. The majority of complaints related to delays in the LPA registration process. Although these figures are high, they must be compared in every area of our business. Our LPA/EPA applications alone increased from 190,000 to 218,000, 2010/11 to 2011/12.

Due to the high volumes received, our timely responses were affected at particular points in the year. Overall, the year-end performance was that 73% were responded to within 10 days (against a target of 90%). However, as our LPA/EPA service delivery has improved in the last quarter 2011/12 and continuing into 2012/13, our complaints volumes have reduced and our response rate improved. Measures are now in place to improve our ability to respond more quickly to fluctuating demand and we have invested in training to improve the quality and timeliness of responses to complaints.

Of all our complaints received, 166 (1.12%) were escalated as a level 2 complaint to the Chief Executive in line with the OPG's complaint procedures and only one case was referred to the Parliamentary and Health Service Ombudsman (PHSO). It is pleasing to compare this number to the last published PHSO Annual Report 2010/11, where 7 complaints were reported upon as relating to OPG. Of these 7 complaints 6 were upheld in full and 1 upheld in part. All of these cases have now been fully complied with.

Using complaints as a way to improve our service we have listened and acted upon feedback where we have been able. Our customers questioned our policy regarding refunds where the donor had died before the registration process had begun. In this instance we were able to respond by introducing a policy of refunding the application fee when OPG is notified of the donor's death prior to work commencing to register an LPA.

After our customers let us know about inconsistencies in our correspondence and in our handling of applications, we developed a new, comprehensive training programme for our caseworkers. We also introduced a new Quality Assurance team which has already helped us to identify and address areas for improvement.

As part of our continuous improvement process our newly formed Customer Intelligence Team has started to analyse and research complaints to understand better how we might improve the level of service we provide to our customers. This will help enhance the customer experience and improve the way we deliver our services.

Raising awareness

Throughout the past year, we have continued with our efforts on awareness raising activity in two key areas: communications and stakeholder engagement. This is particularly important as demand for our services continues to grow. The Alzheimer's Society predicts that there will be over a million people with dementia by 2025 and that the proportion of people with dementia doubles for every 5 year age group.

The OPG is a key player in ensuring that people plan for a time in their future if they are no longer able to make decisions for themselves. We continue to raise awareness across the mental capacity landscape and have developed a deeper understanding of our stakeholders, and identified future potential stakeholders and customers that fall into earlier age ranges and demographics. We have achieved this through the success of our Strategic and Operational Stakeholder groups and through our increased participation at events within the MCA landscape and our frequent contributions to magazines and journals. This work will be built on in 2012/13.

Communications

Our communication activity continues to be aimed at promoting the need for people to plan for a time in the future when they may no longer be able to make decisions for themselves. OPG services, especially LPAs, continue to attract regular media coverage, endorsing the benefits of taking out LPAs. Our newsletter for Deputies, 'Intouch', has been re-launched and now includes regular features designed to support Deputies in their role (such as a Court of Protection Visitor column). We have begun identifying how we can further work in closer partnership with stakeholders to raise awareness of our services. We have also established new ways of communicating with our key stakeholders with a new online form provided by GDS and have co-ordinated all key stakeholder email communications to a centrally managed email account.

Stakeholder engagement – relationship management

We continued to build on the success of our model of stakeholder engagement throughout 2011/12. We value the support and commitment of key organisations and individuals in achieving our objectives to increase the number of people applying for and registering LPAs and to support Deputies effectively in their role. The Strategic and Operational Policy Stakeholder Groups continued to meet to assist us in meeting these objectives. These groups have been particularly helpful in supporting us to raise awareness and recognition of the MCA and providing valuable feedback on our proposed new fee structure contributing to its successful implementation.

We have also continued working with financial institutions so they can appropriately support customers acting as Attorneys or Deputies. A small working group has drafted a document outlining the various kinds of third party authorisations. Financial institutions will then be able to use this document to adapt their training and internal processes. This will be published early in 2012/13. We would like to thank Age UK, the Alzheimer's Society, British Bankers' Association, Building Societies Association, Law Society and Solicitors for the Elderly for being part of the working group that has driven this project forward.

Next year will see the launch of the OPG's Relationship Management Team; with a reorganisation of resources the team has expanded in size and a new engagement strategy has been developed. This will enable us to deliver a more detailed level of engagement to stakeholders in the coming year.

Protecting the vulnerable

The Compliance Unit deals with complex cases and, in particular, investigations into concerns about Deputies and Attorneys, which continued to grow in 2011/12. We received 3,653 referrals in 2011/12 compared to 2,566 referrals in 2010/11, a 42% increase.

During the year, 451 investigation and supervision cases were concluded. The merger of the type 1 supervision and investigation teams has enabled us to provide a more consistent response and focus to handling and progressing concerns and a simpler route for escalating Deputyship cases internally, as well as ensuring that the visits function remains focused on front-line activity. The majority of investigations undertaken were into an individual acting under a single deputyship order or power of attorney. However, this year, the unit also carried out 32 investigations into professional and public authority deputies and attorneys, involving over 1,000 cases.

A proportion of referrals received fall outside the Public Guardian's jurisdiction or are redirected to another area of OPG for follow-up. As well as liaising with the relevant bodies to ensure all concerns are followed up, we monitor these to inform future development of policy.

The vast majority of investigations undertaken continued to be into allegations of financial abuse, with a relatively small number of investigations into personal welfare and procedural matters. Of the referrals received by the Unit, 38% were received from concerned relatives or friends, 24% from Local Authorities, 9% from solicitors and 9% received from Attorneys and Deputies (usually to report concerns about a co-Deputy/Attorney or about a third party). Referrals were received in smaller numbers from banks, doctors, advocates, carers and the police (totalling 20%). The OPG does not reveal the identity of whistleblowers unless written permission to do so is given and where it is felt that this would assist with an investigation.

Outcomes from investigations include:

- 94 Public Guardian applications to the Court of Protection to discharge Deputies or to revoke an EPA/LPA
- 5 other types of Court application, for example, to freeze bank accounts or to obtain an Order directing the Deputy/Attorney to account to the Public Guardian
- 74 cases where the investigation found no evidence that the Deputy/Attorney was acting inappropriately
- 34 cases where the supervision level of the Deputy was decreased
- 2 cases where the Public Guardian has written a formal instruction to Deputies/Attorneys to comply with the requirements of their role or face further action.

Visits

During 2010/11, OPG conducted 6,411 visits to Deputies and Attorneys under powers granted under section 49 and section 58 of the MCA. The reason for visits ranged from a supportive visit during the first year of a deputyship to a tool that furthers an investigation into alleged abuse of the protected person or as directed by the Court of Protection.

In the third quarter of 2011/12, we increased our capacity to visit our customers by recruiting a further 24 contractor visitors. This allowed us to visit 1,251 more customers than the previous year.

Public Guardian applications to Court

The Compliance Unit is responsible for making applications to Court on behalf of the Public Guardian. Such applications normally arise as a result of an investigation into the conduct of an Attorney or Deputy, or from the Public Guardian's supervision of a Deputy.

This year the Public Guardian made 99 applications to Court. July 2011 saw the introduction of a dedicated caseworker for court applications and hearings who, with support from colleagues, represented the Public Guardian at attended hearings. We have been able to continually improve the quality, creativity and rigour of the applications being made by the Public Guardian. Subsequently, the Public Guardian has achieved successful outcomes in the vast majority of applications to the Court of Protection made this year.

Not all of the Public Guardian's applications resulted in the removal of a deputy or attorney. This year has seen a shift in approach towards seeking agreed outcomes where these work in the best interests of the person lacking capacity. For example, in some cases the Public Guardian has sought directions from the Court which introduce additional scrutiny of the attorney or deputy without removing them from their role, and in other cases, sought agreement between co-attorneys about how they will work together in future, or an undertaking about the level of expenses and any future gifting.

In 7 cases (3 Deputyship cases and 4 Attorneyship cases) in 2011/12, it has been possible to negotiate a Consent Order between the Parties, which has then been submitted to the Court to be considered and approved by the judge. This has often resulted in better outcomes for clients in terms of reducing legal costs and being able to retain family members in charge of their affairs. No party has the stress of having to travel to attend a hearing and of course, the time of the Court is not wasted.

However, at the other end of the spectrum, where assets have been at risk of misappropriation, the Public Guardian has not shied away from making emergency 'without notice' applications under Court of Protection Rule 81. 12 such applications were made in the course of the year. In a number of cases the Deputy/Attorney was suspended, and/or bank accounts frozen, pending the completion of OPG or in some cases, police investigation.

Panel Deputies

During 2009/10 the OPG carried out a review of the Panel of Deputies, which is administered by the Office for the Court to call on to act as Deputy in cases where there is no-one else willing or able to act.

A decision was made to create a new Panel. OPG launched a campaign in the national and specialist press to renew the Panel. 600 applications were received and after a three-staged sift, 65 deputies were appointed. All deputies recruited for the panel signed up to a new Service Level Agreement (SLA). The new Panel became operational in April 2011.

During this year, we have embedded the new Panel and the process into procedures.
A snapshot of the improvements realised are:

- The new Panel is significantly smaller than the previous Panel, resulting in more regular referrals to Panel members.
- An automated selection process is in place which, based on geographical location and specific requirements of the client, presents the "best fit" deputy for the Court to assign.
- An annual self assessment exercise is in place to ensure that any changes to the skills profile of the Panel member is made known to OPG, which in turn updates the automated selection process with any changes.
- Each Panel member will be visited by OPG at least once every three years to provide face to face support to the Deputy and to allow OPG to more closely supervise the conduct of the Panel members.

- An Agreement manager is in place to ensure compliance with the SLA.

352 cases in total were referred to the new Panel from the 1st of April 2011. Of these cases, only 1 case was rejected for a reason not in compliance with the SLA. Ongoing monitoring and close links with investigations has led to one Panel member's membership being terminated and another being suspended whilst investigations are completed.

Public Guardian's practice

Five years on from implementation of the MCA 2005, the OPG is building a body of operational practice that supplements the legislative framework and informs how the Public Guardian works. As well as the developments in the approach to court applications outlined above, we have published Public Guardian Practice Notes covering the Public Guardian's requirements for notification of deaths, the approach to costs in Court of Protection proceedings, and the requirement for a final report in deputyship cases. In support of the Public Guardian's approach to resolving cases where there is conflict between parties, compliance team and supervision staff attended basic mediation skills training in March 2012, run in conjunction with Solicitors for the Elderly.

Management commentary

The OPG is funded by the MoJ, from its Parliamentary Supply, and by income derived from fees and charges from external customers.

In common with other Government agencies future funding has to be approved by our sponsor department, the MoJ, and by Parliament.

Such approval has already been given for 2012/13 and there is no reason to question future funding. The financial statements have therefore been prepared on a going-concern basis for financial reporting and asset valuation purposes.

Financial summary

The OPG had a net surplus of operation of £1.5m, £5.3m better than the previous year (2010/11 Net Operating Cost was £3.8m).
A breakdown of income and expenditure is as follows:

	2011/12	2010/11	Difference	
	£m	£m	£m	%
Total income	-37.3	-30.5	-6.8	22%
Expenditure				
Staff cost	17.7	15.1	2.6	17%
Other operating costs	6.7	6.1	0.6	10%
Non-cash charges	4.6	6.8	-2.2	-32%
Fee exemptions and remissions	6.8	6.3	0.5	8%
Total expenditure	35.8	34.3	1.5	4%
Net operating cost	**-1.5**	**3.8**	**-5.3**	**-139%**

A change in fee policy was implemented mid-year, on 1 Oct 2011. The key features were raising Power of Attorney registration fees to fund investment needed to increase capacity and service levels to meet rapidly growing demand, change supervision fees to remove cross-subsidisation and consolidate the remissions policy to simplify it and to maintain access to those on low incomes.

In this financial year OPG received £37M in gross fee revenue versus £30M last year, and obtained a growth rate of 17% by volume.
A further 5% increase was realised as a result of the fee increase.

Full cost recovery

The financial objective agreed with HM Treasury to achieve full cost recovery, excluding fee exemptions and remissions, is over-achieved at 128%. The over-recovery represents a surplus of income against costs, primarily due to one-off provisions and underspend on staff costs, the organisational restructuring in year and the estates dilapidations both coming in under budget. Additionally there was an under-utilisation of depreciation in year due to non-spend of capital (see Note 6 Fees and Charges).

Looking ahead

The financial outlook for the OPG for 2012/13 is continued growth as demand for our services is expected to increase.

Charity summary

Staff across all three OPG sites have run various events to raise money for local and national charities. These events are planned and executed by staff members collecting over £1,575 in total.

Events have included Cake Sales for Cancer Research UK and Avalon Animal Rescue Centre, a dress-down day for Nottingham Victim Support, a Halloween dress up day for Lupus Awareness Month, and a book sale for Royal National Lifeboat Institution.

Equal opportunities

The OPG is an equal opportunity employer. Our aim is to be fair to everybody, to ensure that no eligible job applicant, or employee, receives less favourable treatment on the grounds of race, colour, nationality, ethnic or national origins; age; gender; sexual orientation; marital status; disability; religion or religious affiliation; or is disadvantaged by conditions or requirements which cannot be shown as justifiable.

Our Equality and Diversity Strategy will continue to embed positive values into the business, ensuring the Equality Act 2010 and the new general equality duty on public sector bodies is fully realised within our work and services. In doing so, we support the MoJ by contributing to the Equality Objectives, the Equality Action Plan, and supporting the wider Civil Service Diversity Strategy.

Employee engagement

The OPG continues to work with staff to ensure continuous improvement in employee engagement with significant progress being made in our approach to staff communications. Last year saw improvements to a number of our internal channels resulting in a new interactive staff newsletter, staff and managers bulletins and Chief Executive visibility events.

The Staff Engagement Survey 2011 revealed that 85% of staff understood the organisation's objectives and purpose in comparison to an 81% response rate across the Civil Service. Results into Action Facilitators (RIAF) lead on division actions and manage actions plans to support this work accordingly. We continue to improve the working culture of the OPG with the new people and culture work stream and our partnership with GDS to complete our digital delivery programme of work by 2015.

This work continues to link into the wider MoJ strategy 'Transforming Justice'.

Learning and development

Between April 2011 and March 2012 the focus for the Learning & Development Team has been on providing induction and technical training to the newest of our staff as a result of relocation to Birmingham and Nottingham. This involved providing training within two weeks of starting in OPG. There has been continued support to Nottingham in multi-skilling staff to provide contingency cover for the customer contact centre.

With the arrival of a large number of new leaders to the organisation there has been a renewed focus on delivery of Leadership training with the result being the majority of leaders having participated in a week long introduction course. The Learning & Development Team have also been involved in the early continuous improvement work undertaken by the business with Business Skills Trainers themselves being trained and coached in relevant methodology.

Creditor payment, policy and performance

The OPG pays all supplier invoices in accordance with the Government payment performance targets. These require us to pay all invoices not in dispute within 30 days or within the agreed contractual terms. They also require us to pay 100 % of invoices, including disputed invoices once the dispute has been settled, on time within these terms. From 1 April 2011 to 31 March 2012, we paid 100%

of invoices within this time span. Payments are only made once they have been properly authorised under the terms of our scheme of financial delegation. No interest was paid under the Late Payment of Commercial Debt (Interest) Act 1998.

The OPG, in keeping with public sector organisations, aims to pay suppliers within 10 days, and in this year we paid 99% of invoices within this time span.

Health and safety

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

In maintaining health and safety, a Health and Safety Committee meets quarterly to discuss relevant matters and to ensure key staff are kept informed of changes in legislation, practices and procedures. Relevant training for staff and managers is provided to ensure compliance. We remain committed to continual improvement in this field, in consultation with staff and trade union representatives who have played a constructive part throughout.

Well-being measures continue with weekly delivery of fruit for staff at all OPG premises during the period and surgical hand gel available throughout all premises and at the entrances to each floor.

Reported staff sickness for 2011/12 was an average of 6.5 days sick leave per employee, compared to 4.29 days in 2010/11.

This year saw the continuation of three separate specialised Health and Safety groups (First Aiders, Desk Assessors, and Fire Wardens). Each group has met four times over the past year, ensuring that each area of expertise is up to date. The first aiders group has successfully completed the task to have access to an Automatic External Defibrillator available at all OPG offices.

Digital transformation programme

The OPG continues to work with GDS to deliver the digital interface for the LPA, and this is currently at prototype stage with the future work on alpha due to start early in the new year. The outline business case has been developed and the draft of the consultation paper is due for imminent circulation.

Development cost of £90k has been expensed and not capitalised. The development does not meet the criteria for capitalisation, in particular the technical feasibility of completing the intangible asset so that it will be available for use or sale; that stage in the solution has not yet been reached. GDS costs of £174k have been advised to the OPG but are not included in the operating costs for the year. Invoices have not been raised for these amounts as they are contained within GDS and are not charged therefore are not payable by OPG. These are regarded as communicated costs for the purposes of these accounts.

Sustainability

As with all government agencies and departments the OPG has a requirement to report on sustainability and related costs in accordance with the *Government Financial Reporting Manual* (*FReM*). However, as the OPG has no buildings where it is directly responsible for the supply of utilities, it has no reporting responsibility under the Carbon Reduction Commitment (CRC).

The OPG is looking to reduce carbon dioxide emissions and its impact on the environment.

The key resources consumed by the OPG are utilities within its buildings, travel to these buildings by staff (other than their normal place of work) and the Court of Protection visitors within their monitoring role for OPG.

Scope

The table below sets out our present occupancy. The OPG has undergone a recent relocation project. The Axis building came on line in June 2011 and there has been a slow decrease in the use of Archway Tower which was handed back to the Landlords in March 2012. OPG occupied floor space increased by approximately 62% for the period June 2011 to March 2012. This increase excludes Petty France as the space occupied is minimal for OPG and the Building will be reported on as whole by MoJ.

Property name	Tenure	MoJ floor area	OPG floor area	Financial information
Pearson Building	MOTO between HMCTS and DWP	1,653	1,350	By way of service charge to HMCTS
Floors 1–4, 54 Hagley Road	Leasehold HMCTS	3,052	784	By way of service charge to HMCTS
The Axis	Leasehold MoJ/OPG	3,744	3,744	By way of service charge via agents on behalf of the British Railway Board.
Archway Tower	Leasehold MoJ/OPG	6,251	3,846	Information received directly from MoJ
Petty France	Leasehold MoJ	Not applicable	Not applicable	Not applicable

Staffing within OPG has also increased from 518 FTE to a plateau of 661 in August and has now ended the year at 586.

Travel is another key cost in terms of carbon usage. OPG has improved greatly its capture of this information from 2010/11. Use of mileage data from Travel & Subsistence claims and train booking records captures significantly more data without the need for further input from staff.

Paper usage has been collated retrospectively for 2009/10. Paper usage has increased since 2009/10. However the increase is less than expected and appears to have peaked in 2010/11. It is unclear what has caused this though a change in process has decreased the number of copies of LPA sent to the donor. Also the OPG is now equipped throughout its office with Multifunction printer/copiers that default to 2 sided copies.

Greening Government Commitments (GGC)

The GGC commenced on 1 April 2011 and replaced the Sustainable Operations on the Government Estate targets. The GGC requires departments to take action to significantly reduce their own impact on the environment by 2015 (compared to a 2009/10 baseline).

The OPG predicted that its emissions would increase in 2011/12 solely due to the increase in its estate and while this has been the case the increase of 21% in emissions is less than expected – a 40% increase was anticipated. It is not entirely clear as to why this may be the case. The Axis Building appears to be more efficient than Archway Tower which it is replacing and the occupancy at Petty France has not as yet been taken into account. However the warmer winter will have impacted directly on heating costs.

Forward plans

Now that the OPG has seen its estate stabilise it will look to improve its sustainability figures. The removal of Archway Tower from the estate will realise significant savings. The OPG will continue to look to improve its data collection in particular around waste collection and percentage use of the buildings and exact splits of the service charges.

OPG as part of its ongoing Transformation Programme is looking to move to a digital by default process and would expect to see this deliver further savings and decrease the need for further expansion of staff and estate to manage increasing workloads.

About our data

The key limitation on our data is its comparison with financial information. There is a clear cost / utilities comparison in Archway Tower. Costs for the rest of the estate is by way of services charges and the scale of detail that OPG would require for a true comparison is not available at present.

Where we have been able to identify expenditure outside Archway the comparison is reasonable, e.g. £29,000 is shown in the accounts, while we would have expected £30,000 based on unit costs derived for Archway data (which is in close correlation with MoJ Procurement) and our estimated consumption. It should be noted that the data collected is consistent within itself, and as such the variations shown can with some certainty be assumed to be genuine changes in consumption.

Detailed performance data year by year

Carbon dioxide emissions		2009/10	2010/11	2011/12
Non-financial indicators (tCO_2)	Gross emissions for scopes 1 and 2	940	856	1,034
	Gross emissions scope 3 business travel	45	65	73
	Total emissions	985	921	1,117
	CRC registration and license expenditure	N/A	N/A	N/A
Financial indicators (£k)	Expenditure on accredited offsets (e.g. GCOF)	N/A	N/A	N/A
	Expenditure on official business travel	N/A	N/A	£426,000

Performance commentary

Reported carbon dioxide emissions from our buildings are rising against the 2009/10 baseline. This is due to a relocation programme and Archway Tower not being handed back to the landlord until March 2012.

Due to the relocation programme there was significant recruitment and training activity, this led to increased travelling costs between sites. However, now that this expansion is complete there would be an expectation to see that fall over the next 12 months.

There is every expectation to meet the overall targets set out below, though it should be noted that domestic flights are de minimus.

Targets

From 1 April 2011 new Greening Government Commitments require us to reduce greenhouse gas emissions for the whole estate by 2015 from a 09/10 baseline. Also to cut domestic business-related transport and business travel flights by 20%.

Description of terms, scope and data quality

We report energy use in buildings in all our buildings apart from Petty France which is reported in its entirety by MoJ information. Travel data includes travel by all our staff regardless of their location. Over 90% of our reported carbon dioxide emissions are from electricity and gas use in buildings. The majority of readings are direct meter readings; our usage is then estimated on occupancy. Financial information is by way of service charges or recharges by other parts of MoJ any comparisons should be treated cautiously.

Managing energy use from buildings			2009/10	2010/11	2011/12
Non-financial indicators	Energy consumption (kWh)	Electricity: non-renewable	1,456,605	1,296,104	1,644,999
		Electricity: renewable	-	-	-
		Gas	803,240	819,136	932,960
		Other (Oil)	-	-	-
		Total kWh	2,259,845	2,115,240	2,577,959
Financial indicators (£)	Total energy expenditure		N/A	N/A	£214,000

Performance commentary

Energy consumed from our buildings has increased against the 2009/10 baseline. However the increase is approximately 14% and our estate was 62% larger for ten months of the year. An increase was predicted for this year but the increase is smaller than expected. In part this is due the occupancy in the buildings fluctuating significantly in three of our sites. The increase in gas consumption was even less than expected. Gas is used entirely for heating; the much more clement winter will have impacted its requirement this year.

Description of terms, scope and data quality

The data is taken directly from the building meters and is split according to floor area used.
No figures have been obtained as yet for Petty France. However, occupancy is small and would make minimal difference. Expenditure is based on kWh times the unit cost as OPG is not directly billed for any utilities.

Managing water use			2009/10	2010/11	2011/12
Non-financial indicators	Water consumption (m^3)	Supplied	4,820	4,384	4,467
		Abstracted	N/A	N/A	N/A
Financial indicators (£)	Invoiced water supply costs		N/A	N/A	£8,000

Performance commentary

Water usage has increased. As staffing has also increased and fluctuated between 500 and 650 throughout the year, performance is difficult to gauge.

Archway Tower did have high water use and we would expect to see consumption per person to come within good practice benchmark next year.

Targets

From 1 April 2011 new targets (GGC) require us to reduce water consumption from a 2009/10 baseline, and report on office water use against best practice benchmarks.

a. ≥6m^3 water consumption per FTE poor practice

b. 4m^3 to 6m^3 per FTE good practice

c. ≤4m^3 per FTE best practice

d. % offices meeting best/good/poor practice benchmark.

Description of terms, scope and data quality

Water use is almost exclusively from washrooms and drinking. The figures are from building meters split by floor space occupied. Costs are based on a unit cost derived from Archway data.

Managing office waste			2009/10	2010/11	2011/12
Non-financial indicators (t)	Total waste		72,650	87,673	125,824
	Non-hazardous waste	Landfill	34,134	30,563	32,158
		Reused/recycled	38,516	57,110	93,666
Financial indicators (£)	Total disposal cost		N/A	N/A	N/A

Performance commentary (including targets)

Waste has increased significantly with the decommissioning of Archway in part responsible with waste increasing in October from 2,500kg to10,000kg waste and continued at this level until March. Beyond that waste is a function of staffing and workload both of which have increased. The waste produced equates to less that 1kg per person per day.

Targets

From 1 April 2011 new targets (GGC) require us reduce the amount of waste we generate by 25% from a 2009/10 baseline, cut paper use by 10% in 2011/12 and ensure that redundant ICT equipment is re-used (within government, the public sector or wider society) or responsibly recycled.

Description of terms, scope and data quality

Data capture of waste is an area for improvement in the year 2012/13. Financial information is by way of various charges and OPG has been unable to separate out disposal costs from these charges.

Remuneration report

Remuneration policy

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

The salaries for the members of the Executive Board are determined by the Permanent Secretary of the MoJ, in accordance with the rules set out in Chapter 7.1 Annex A of the Civil Service Management Code.

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

- 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 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.

Salary

'Salary' includes:

- Gross salary;
- Performance pay or bonuses;
- Overtime;
- Reserved rights to London weighting or London allowances;
- Recruitment and retention allowances;
- Private office allowances; and
- Any other allowance to the extent that it is subject to UK taxation.

This report is based on payments made by the department on behalf of OPG and thus recorded in these accounts. The tables in this remuneration report have been subject to audit.

Benefits in kind

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

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

Non-executive Directors were appointed on a four year fixed contract.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the members of the Agency Board.

Remuneration

Members	2011/12 Salary £'000	2011/12 Bonus payments £'000	2011/12 Benefits in kind (to nearest £100)	2010/11 Salary £'000	2010/11 Bonus payments £'000	2010/11 Benefits in kind (to nearest £100)
Martin John Chief Executive and Public Guardian	75–80	-	-	75–80	5–10	-
Stephen Taylor Head of Corporate Services	65–70	0–5	-	65–70	0–5	-
Angela Johnson Head of Practice and Compliance	55–60	0–5	-	55–60	-	-
Jo Weaver Head of Operations	50–55	0–5	-	50–55	0–5	-
Steve Wade Head of Strategy and Business Developments	50–55	0–5	-	50–55	-	-
Sandra Hodgson Head of Change and Development (To 21st November 2010)	-	-	-	30–35 (45–50 full year equivalent)	0–5	-
Sarah Wood	0–5	-	-	5–10	-	-
Deep Sagar	0–5*	-	-	0–5*	-	-
Rosie Varley	10–15*	-	-	15–20*	-	-
Maurice Rumbold	5–10*	-	-	5–10*	-	-
Lionel Joyce	5–10*	-	-	5–10*	-	-
Suzanne McCarthy	0–5*	-	-	0–5*	-	-
Sue Whittaker	0–5*	-	-	5–10*	-	-
Band of Highest Paid Director Total Remuneration (£'000)	75–80			85–90		
OPG Median Total Remuneration (£)	**18,534**			**20,869**		
Ratio	4.2			4.2		

* In order to increase the independence of the Public Guardian Board and its Secretariat, and to provide another route through which the Board could access the senior management team in the MoJ, the Secretariat function moved from OPG to the (then) Access to Justice Sponsorship and Performance Unit for the financial year 2010/11. The support function for the Board now sits with the sponsorship team in MoJ's Corporate Performance Group.

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

The banded total remuneration of the highest paid director of OPG in 2011/12 was £75–80k (2010/11; £85–90k). This was 4.2 times (2010/11; 4.2 times) the median remuneration of the workforce, which was £18,534 (2010/11: £20,869)

In 2011/12, 1 (2010/11: nil) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £80–£85k (2010/11: n/a). Total remuneration includes salary, non-consolidated performance related pay, benefits-in- kind as well as severance payments. (Figures for the whole organisation in respect of severance payments are disclosed at note 3.4.) It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The information shown in the table of remuneration is subject to audit.

Pension benefits

Members	Accrued pension at age 60 as at 31/3/12 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/12	CETV at 31/3/11*	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Martin John Chief Executive and Public Guardian	15–20 plus lump sum of 55–60	0–2.5 plus lump sum of 0–2.5	260	240	(1)	-
Stephen Taylor Head of Corporate Services	5–10 plus lump sum of 25–30	0–2.5 plus lump sum of 0–2.5	118	103	6	-
Angela Johnson Head of Practice and Compliance	20–25 plus lump sum of -	0–2.5 plus lump sum of -	351	322	-	-
Jo Weaver Head of Operations	10–15 plus lump sum of 40–45	0–2.5 plus lump sum of 0–2.5	180	163	2	-
Steve Wade Head of Strategy and Business Development	5–10 plus lump sum of 15–20	0–2.5 plus lump sum of 0–2.5	87	75	5	-

* The actuarial factors used to calculate CETVs were changed in 2011/12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

There is no pension arrangement made for the non-executive directors. The information shown in the table of pension benefits is subject to audit.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). 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 and nuvos are increased annually in line with changes in the Consumer Price Index (CPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. 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' pension is payable on retirement. For premium, the benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits 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, immediately after the scheme year end, the accrued pension is updated in line with CPI. In all cases members may opt to give up (commute) pension for 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 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three 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 0.8% 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 and 65 for members of nuvos.

Further details about Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by the 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 payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when a 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 individual has transferred into 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 calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 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.

Alan Eccles
Chief Executive and Public Guardian

5 July 2012

Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000 HM Treasury has directed the agency to prepare a statement of accounts for each financial year in the form and on the basis set out in their Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the agency's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

The Principal Accounting Officer for the MoJ has designated the Chief Executive of the OPG as the Accounting Officer for the agency, with responsibility for preparing the agency's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to comply with the *2011/12 Government Financial Reporting Manual* (FReM) issued by HM Treasury that follows International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector, and in particular to:

- observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going-concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the agency's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in *Managing Public Money.*

Governance Statement

This Statement sets out the basis on which the Office of the Public Guardian (OPG) has been established; the way in which it is governed and managed; and how it is accountable for what it does and its risk and control framework.

An overview of the Governance Framework is shown at Figure 1 and the Governance Assurance Structure appears at Figure 2.

Governance Framework

In so far as it is relevant and proportionate, the OPG is compliant with HM Treasury's *Corporate Governance in Central Government: Code of Good Practice 2011* as it relates to an executive agency of the Ministry of Justice (MoJ). Whilst the focus of the code is on ministerial departments, where applicable the OPG applies its principles that it considers are commensurate with its size, status and legal framework.

The OPG does not have separate committees for nominations and governance. A Workforce Change committee is chaired by the Head of Practice and Compliance in keeping with MoJ guidance; the balance of issues are managed by the Executive Board.

There is a two board structure of the Executive Board and sub boards; non-executive members do not sit on the Executive Board. Non-executives sit on the sub boards, with the exception of the IT Delivery Board. The terms of reference for the Public Guardian Board and the Executive Board, and the Framework Document will be re-written when the operating framework for the new Unitary Board takes effect in July.

The OPG Framework Document (revised) laid before Parliament on 1 April 2009, sets out the financial and organisational framework within which the OPG operates as an executive agency of the MoJ and the responsibilities of those involved.

The Secretary of State for Justice and Lord Chancellor is the Minister accountable to Parliament for the activities and performance of the OPG. The Chief Executive is appointed to manage the OPG and responsibility for the exercise of its functions as set out in the Framework Document and for its day-to-day performance is delegated to the Chief Executive.

The Permanent Secretary for the MoJ is the Department's Principal Accounting Officer and is the principal adviser to the Secretary of State on matters affecting the MoJ as a whole, including allocation of resources to the OPG, expenditure and finance.

The Permanent Secretary designated the Chief Executive as OPG's Accounting Officer for the Agency's administrative expenditure by letter, in a form approved by HM Treasury, which defined the Chief Executive's responsibilities and the relationship between the role of Agency Accounting Officer and the role of Principal Accounting Officer.

Figure 1: OPG Governance Framework

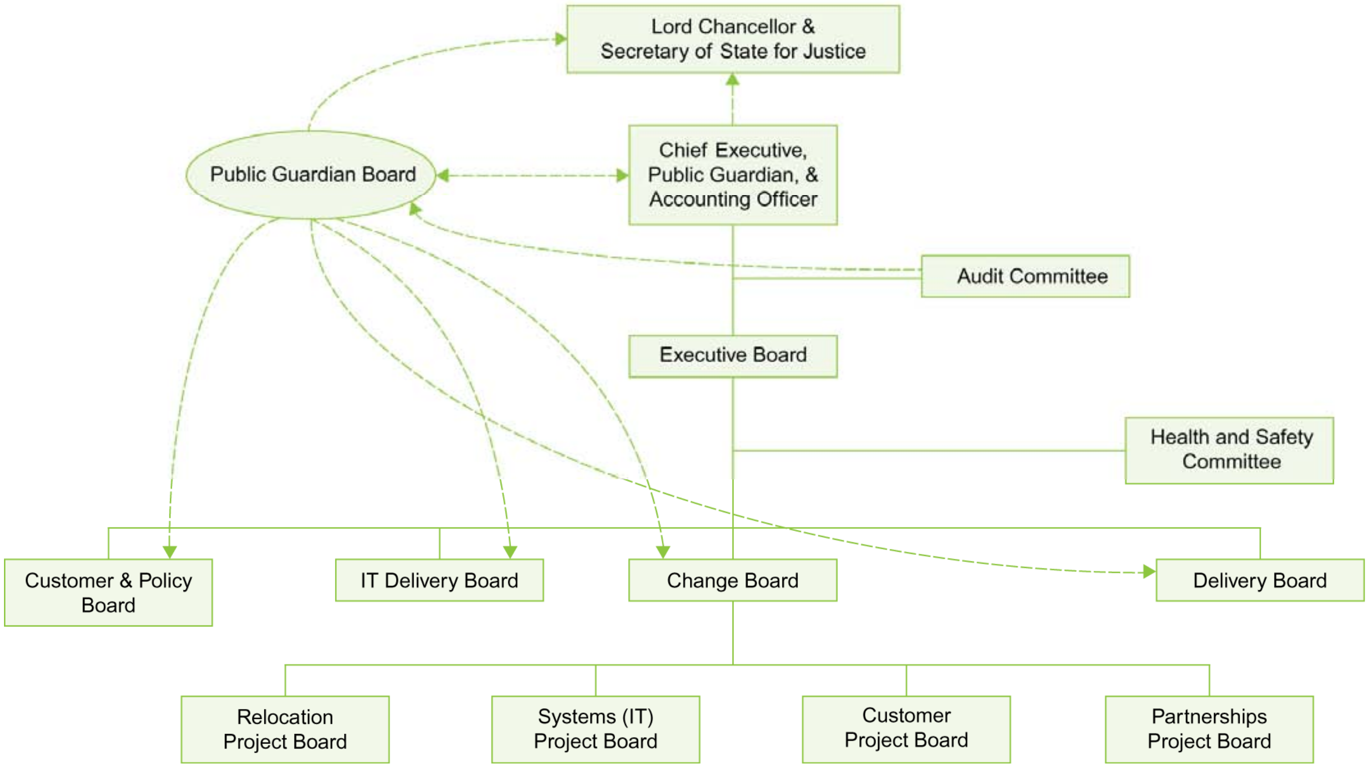

Figure 2: OPG Governance Assurance Structure

The Chief Executive

The Chief Executive and Accounting Officer is responsible for the leadership and management of the OPG. He is directly accountable to the Permanent Secretary who is in turn accountable to the Secretary of State for the effective, efficient and economic operation of the OPG. He is also responsible for the proper and economical use of resources and expenditure of money voted by Parliament and for ensuring that correct procedures are followed for securing the propriety and regularity of public funds.

On 31 March 2012, Martin John left his post as the Chief Executive of OPG. Martin was replaced by Alan Eccles, who took up the post of Chief Executive on 1 April 2012. In order to approve this Governance Statement for the period from 1 April 2011 to 31 March 2012, Alan has:

- Met with the out-going Chief Executive to discuss OPG's governance, operational model and any issues which emerged during the course of 2011/12
- Met with the non-executive directors of OPG and the senior management team to discuss the 2011/12 operational period
- Met with the Head of Internal audit to discuss the 2011/12 operational period
- Met with the NAO to discuss the 2011/12 financial period
- Reviewed key documents relevant to the period

No issues or events have come to light which contradict this Annual Governance Statement and therefore the current Chief Executive and Accounting Officer has assured himself that appropriate governance, risk management and internal control processes were in place during the year in order for OPG to deliver its services appropriately, regularly and in a well controlled environment.

The OPG governance structure consists of an Executive Board that met 11 times throughout the year supported by four sub-boards: Delivery, Customer and Policy, IT, and Change. The Executive Board and its sub-boards have accountability for strategy, management overview, and operational control of the OPG in supporting the Chief Executive. Please refer to Figure 1 for a structural chart of OPG, the Executive Board and its sub-boards.

In addition, a statutory Public Guardian Board (PGB) exists which has seven non-executive directors independent of the OPG. The Board's duty is set out in the Mental Capacity Act 2005 and, in summary, its remit is to scrutinise and review the way in which the Chief Executive discharges his statutory functions as the Public Guardian and to make recommendations to the Lord Chancellor as it thinks appropriate.

The PGB also supports and provides guidance to Chief Executive and Public Guardian.

The Public Bodies Act 2011 included provisions to close the PGB and following consultation, in December the Government confirmed that it would bring forward an order to implement this decision. The Board will continue to operate fully and to discharge its statutory responsibilities until it closes and a new Governance framework is introduced, now expected to be in July 2012.

Executive Board

The Chief Executive agrees OPG's strategic direction, and the Executive Board provides him with specific advice, support and challenge on:

- organisational purpose, vision and values;
- robustness of input and impact indicators and other business performance measures;
- business plans and year-on-year business priorities and performance and key risks;
- accountability to stakeholders; and
- effectiveness of internal control arrangements.

The Executive Board comprised five executive staff members, all permanent civil servants throughout the period to 31 March 2012 as follows:

- **Martin John** – Chief Executive and Public Guardian
- **Stephen Taylor** – Head of Corporate Services
- **Jo Weaver** – Head of Operations
- **Angela Johnson** – Head of Practice and Compliance
- **Steve Wade** – Head of Strategy and Business Development

Sub-boards

As at the year-end, the sub-boards include the following chairpersons and non-executive members from the PGB:

Delivery Board
Ensures delivery of operational performance, including review of operational input and impact indicators. Drives improvement to operational performance.

Chair: Angela Johnson

Non-Exec: Maurice Rumbold

The Delivery Board met monthly during 2011/12.

Customer and Policy Board
Focus is on responding to customer needs and forum to manage MCA policy issues.

Chair: Steve Wade

Non-Exec: Suzanne McCarthy

The Customer and Policy Board met 4 times during 2011/12.

Change Board (superseded by Transformation Programme Board)
Deliver of OPG's Transformation Programme.

Chair: Martin John

Non-Exec: Sarah Wood

The Change Board met 8 times in 2011/12 and the Transformation Programme Board met twice.

IT Delivery Board
A channel for communication and forum for discussion of OPG ICT operational requirements and to co-ordinate the delivery of ICT change requirements to meet business needs.

Chair: Jo Weaver

Attended by: MoJ ICT and Supplier representatives

The IT Delivery Board met 4 times in 2011/12.

The Executive Board performance

The effectiveness of the Executive Board is scrutinised quarterly by PGB. An agenda item at the PGB meetings is the performance of OPG, attended by the Executive Board members.

Over the period, the PGB has observed an organisation under pressure from mounting demand, constrained by out of date infrastructure particularly in IT, and by the disruption of major office relocation. The focus on transformation has made it more difficult to maintain everyday business and this has meant that the OPG has failed to meet some of the targets it set itself. However, although annual targets were missed, performance since January has markedly improved.

Highlights of the Executive Board

Updates on OPG Transformation Programme. During 2011/12 these included:

- Completion of relocation to the Midlands
- Reforming of the transformation programme to a Digital Transformation Programme in partnership with the Government Digital Service and Government Procurement Service.

The Executive Board has a rolling agenda. Standing agenda items are:

- Monthly operational and financial performance reporting
- Corporate Risk Management
- Business planning
- Business continuity planning that included a complete revision of plans to fit organisational locations and ICT changes.

Audit Committee

The OPG Audit Committee provides support to the Accounting Officer and Chief Executive in the discharge of his responsibilities for governance, risk management, control and assurance. It is an advisory body and has no executive powers.

The members of the agency's Audit Committee during the period were:

- **Sarah Wood** – Chairman (Non-Executive Director)
- **Deep Sagar** – (Non-Executive Director)
- **Kate Ivers** – (Independent member)

The Audit Committee met quarterly in 2011/12, which included overseeing the production of the Annual Report and Accounts for 2010/11. It has continuously discussed the system of internal control, stressed its importance and ensured that issues arising are followed through and appropriate action taken. The Committee received and reviewed reports from MoJ Internal Audit and Assurance and, as appropriate, the National Audit Office (NAO). The Committee's terms of reference and membership are in accordance with the HM Treasury publication 'The Audit Committee Handbook'.

The Chair of the Audit Committee presents an Annual Report to the Accounting Officer and Chief Executive together with an assessment of the Committee's effectiveness.

The Head of Internal Audit has produced an annual report summarising the results of audit activity. The auditors have identified weaknesses in a number of systems.

"Although some of these, for example, in financial controls, have been weak for some years, the new Chief Executive appears committed to ensuring that the action plans agreed following our audits this year are fully implemented.

It is in the context of the significant amount of change taking place in the OPG, our focus on key risks and on those areas that were considered by both management and internal audit to be vulnerable, that I am only able to give a limited assurance on the adequacy of the OPG's risk, control and governance arrangements."

Risk and control framework

The OPG has a well established approach to the management of risk at all levels across the organisation. Risk management is used across OPG as an enabling tool to encourage innovation and efficiency. The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The OPG's risk appetite is that it considers itself:

- A forward-facing and innovative organisation, more willing to take and manage risk in the areas of:
  - delivering improved service to clients;
  - modernising and transforming the OPG to benefit the customer;
  - increasing awareness of its services to provide a positive image and reputational effect; and
  - striking a balance between empowering and safeguarding when encouraging clients to make decisions for themselves.
- A risk adverse organisation, less willing to take and manage risk in the areas of:
  - exercising effectively the Public Guardian's statutory functions and powers;

- when providing a risk-based supervision regime for deputies and ensuring that safeguards are applied for vulnerable adults in identifying, preventing and stopping abuse where possible; and
- in its internal governance and management control systems.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the OPG's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

Annually, before the start of a financial year, a Risk Workshop is held with the Executive Board, PGB representatives, internal and external auditors and senior managers from OPG to discuss and identify corporate risks for the coming year to the achievement of OPG Business Plan objectives and operational services to the public.

Corporate risks identified and managed for 2011/12 were:

- Ensure confidentiality of client information. **Action taken to control this risk included**: Senior Information Risk Owner (SIRO) leading and coordinating activities across the organisation for managing information appropriately and embedding information assurance principles and establishing an effective reporting tool.

- Information Communication technology supporting business requirements. **Action taken to control this risk included**: IT Delivery Board controlling system changes, monitoring progress and challenging suppliers. Continuous review and exploring options for maintaining applications whilst future-proofing the development of the strategic solution as part of the Transformation Agenda.

- Maintain business as usual during the transformation programme. **Action taken to control this risk included**: revision of the Business Continuity Plan and Incident Management Plans. Maintaining dual running built in to relocation together with staff rotation. Learning and Development plans and materials refreshed regularly.

- Balancing capacity and capability between transformation and business as usual. **Action taken to control this risk included**: continuous workforce planning and assessment of demand and workload together with robust co-ordination of transformation delivery and operational requirements.

- Staff have relevant level knowledge and skills to do their job. **Action taken to control this risk included**: business skills coaches trained and used to support and deliver training. Leadership training incorporated in to induction and mentoring of new staff by experienced staff.

- Sharing of business critical information to aid decision making. **Action taken to control this risk included**: workload and income forecasting improved. Ongoing data cleansing of applications. Balanced Score Card is assessable to all staff.

- Implementing a stakeholder strategy to improve delivery of services. **Action taken to control this risk included**: Strategic and Operational policy stakeholders groups formed with clear meetings and work programmes established.

- Meet demand volumes of transactions. **Action taken to control this risk included**: weekly monitoring of demand and resourcing in place, supported with workforce capture and recruitment.

One new corporate risk was added in-year to manage the closure of the OPG website and transfer to DirectGov as the business lost sight of demand on downloading LPA application packs and customer concerns of poor accessibility of information. Joint working with MoJ and DirectGov resolved and mitigated this risk to an acceptable level.

During the year risks below corporate level are managed at directorate level and are recorded in directorate risk registers. Programme and project risks are managed separately and risk registers compiled.

Directorate, programme and project risk registers are subject to regular review by each Executive and Programme/Project Boards and if required significant risks are escalated to the Corporate Risk Register.

At 'operational' level, risks are managed on a day-to-day basis, through activities that may not always be labelled as 'risk management'. Executives receive assurance that operational risks are being effectively managed on their behalf through completion of monthly compliance statements by managers. These statements in turn inform the content of each Executive quarterly compliance certificates to the Chief Executive. More specifically Executive Board members and senior managers complete a statement confirming compliance with prescribed internal controls throughout the period, including the reporting of exceptions and remedial actions and linked to significant risks. New risks for 2012/13 were indentified:

- Failure to provide Deputies with adequate guidance and support in respect of the Supervision, Visiting and Casework functions.
- Inability to effectively manage the disengagement between Customer and Stakeholder expectations of the services we provide
- Lack of effective Customer Service obstructs the OPG from achieving its targets

The OPG received no ministerial directions during 2011/12.

Anti-fraud

The OPG has a fraud response plan that underpins the MoJ Fraud Policy. The agency is currently training a senior manager to be a Fraud Investigator, who is a member of the Institute of Counter Fraud Specialists and MoJ Counter Fraud Co-ordination Group, and is able to draw more widely across the Department if necessary. Fraud investigations are carried out by the OPG Fraud Investigator, as appropriate, with MoJ Internal Audit and Assurance. Fraud awareness seminars are provided to all new staff on induction and via a rolling programme to existing staff.

Information assurance

An OPG-appointed Information Assurance Executive Lead (IAEL) performs the role of Senior Information Risk Owner supported by a designated Information Manager. The OPG approach is consistent with good practice and Government policy and has an Information Security Policy, asset register; information risk register and is developing a post-incident response plan in line with an overhaul of its information loss reporting process. Current controls include:

- a management control system with controls specifically covering security of information procedures and responsibilities;
- all staff during the year receiving mandatory training in the security of information;
- managers with specific security of information responsibilities attaining a Certificate in Information Security Management Principles;
- an intranet, available to all staff, providing an Information Assurance and Security section, which provides additional guidance on how to apply protective marking, and a guide on how protective marking works;
- information risk assessments completed in respect of all its key IT systems;
- a clear desk policy; and
- all staff completed the Information Assurance e-learning as at 31 March 2012.

Information security

The overall severity of security incidents recorded in 2011/12 is relatively low against the criteria set out on the OPG security breach severity matrix, with no single incident scoring higher than 6 out of a possible 25. The bulk of breaches occurring during this period relate to incorrectly mailed correspondence and this will be closely monitored over the next financial year.

The information breach reporting process is currently being reviewed and replaced as part of a shift towards the implementation of more robust breach prevention measures. This will refocus the levels of assurance afforded to various data (correspondence) types commensurate with the potential harm each loss may cause, rather than the application of a severity score given to individual incidents as part of remedial action taken.

The new information breach reporting process is expected to be in place by the end of the second quarter 2012.

Alan Eccles
Chief Executive and Public Guardian

5 July 2012

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

I certify that I have audited the financial statements of the Office of the Public Guardian for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and Auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31 March 2012, and of the net operating surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the

Government Resources and Accounts Act 2000 and HM Treasury directions issued there under.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the annual report sections headed Change and Management Commentary 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
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or 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.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

9 July 2012

Financial Statements

Statement of Comprehensive Net Expenditure	Note	2011/12 £'000	2010/11 £'000
Programme costs			
Request for Resources 1			
Staff costs	3	17,685	15,076
Expenditure	4/5	11,304	12,883
Income	2	(30,515)	(24,189)
Net Operating cost		**(1,526)**	**3,770**

HM Treasury has designated OPG's activities as falling wholly within Programme Costs.

Other Comprehensive Net Expenditure	Note	2011/12 £'000	2010/11 £'000
Net (gain) on revaluation of property, plant and equipment	8	-	(174)
Net (gain) on revaluation of intangibles	8a	(5)	(85)
Total Comprehensive Net Expenditure for the period ended 31 March 2012		**(1,531)**	**3,511**

Statement of Financial Position as at 31 March 2012	Note	31 March 2012		31 March 2011	
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	8		1,328		820
Intangible assets	8a		1,173		1,736
Total non-current assets			2,501		2,556
Current assets					
Trade and other receivables	9	5,555		12,712	
Cash and cash equivalents	10	2,218		387	
Total current assets			7,773		13,099
Total assets			10,274		15,655
Current liabilities					
Trade and other payables	11	(1,971)		(3,816)	
Provisions	12	(254)		(71)	
Total current liabilities			(2,225)		(3,887)
Non-current assets/less net current assets			8,049		11,768
Non-current liabilities					
Provisions	12		(111)		(4,321)
Total non-current liabilities			(111)		(4,321)
Assets less liabilities			7,938		7,447
Taxpayers' equity					
General fund			7,583		7,052
Revaluation reserve			355		395
Total taxpayers' equity			7,938		7,447

Alan Eccles
Chief Executive and Public Guardian

5 July 2012

OPG – Statement of Cash Flows for the period ended 31 March 2012	Note	2011/12 £'000	2010/11 £'000
Cash flows from operating activities			
Surplus/(deficit) for the year		1,526	(3,770)
Other non-cash income	2	(323)	(317)
Other non-cash charges	5	4,518	6,630
Other non-cash operating costs	4	1,556	1,728
		7,277	4,271
(Increase)/decrease in trade and other receivables	9	7,098	(6,339)
Increase/(decrease) in trade and other payables	11	(1,374)	1,310
Utilisation of provisions settled by OPG	12	(141)	(108)
Net cash in/(out)flows from operating activities		**12,860**	**(866)**
Cash flows from investing activities			
Non-current asset payables written back		68	-
Purchase of property, plant and equipment		(457)	(43)
Purchase of intangible asset		(331)	(133)
Net cash outflow from investing activities		**(720)**	**(176)**
Cash flows from financing activities		**-**	**-**
Surrender of cash to MoJ		(10,309)	-
Net financing		**(10,309)**	**-**
Net increase/(decrease) in cash		**1,831**	**(1,042)**
Cash and cash equivalent at the beginning of the period	**10**	**387**	**1,429**
Cash and cash equivalent at the end of the period	**10**	**2,218**	**387**

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2012	Note	General Fund £'000	Revaluation Reserve £'000
Balance at 31 March 2011		**7,052**	**395**
Net gain/(loss) on revaluation of:			
Revaluation of intangible assets		-	5
Realised element of Revaluation reserve transfer		45	(45)
Non-cash charges			
Auditor's remuneration	5	57	-
Retention of OPG income by MoJ	2	(323)	-
Costs settled by MoJ	4	1,556	-
Notional element of Departmental recharge	5	6,319	-
Utilisation of provisions settled with cash from MoJ	12	617	-
Removal of balances relating to Court of Protection		(322)	-
Surrender of cash to MoJ		(10,309)	-
Assets transferred from MoJ		1,365	-
Net surplus for the year		**1,526**	**-**
Balance at 31 March 2012		**7,583**	**355**

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2011	Note	General Fund	Revaluation Reserve
		£'000	£'000
Balance at 31 March 2010		**5,686**	**528**
Net gain/(loss) on revaluation of:			
Property, plant, equipment upward (downward) revaluation during the year		-	174
Intangible assets upward (downward) revaluation during the year		-	85
Property, plant, equipment (backlog depreciation)		-	(176)
Intangibles (backlog depreciation)		-	(61)
Realised element of Revaluation reserve transfer		155	(155)
Non-cash charges			
Auditor's remuneration	5	47	-
Retention of OPG income by MoJ	2	(317)	-
Costs settled by MoJ	4	1,722	-
Notional element of Departmental recharge	5	3,529	-
Net (deficit) for the year		(3,770)	-
Balance at 31 March 2011		**7,052**	**395**

Notes to the Accounts

For the period ended 31 March 2012

1. Statement of Accounting Policies

1.1 Basis of preparation

These accounts have been prepared in accordance with the 2011/12 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

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

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

The Statement of Comprehensive Net Expenditure is not split between administration and programme net expenditure as OPG net expenditure is classified as 100% programme, based on assessment of the work carried out by the OPG, which is mainly front-line services. This classification has been agreed with HM Treasury.

The OPG has made an assessment of the proposed changes in the FReM for 2012/13 (Accounting for Loans, Public Dividend Capital outside the Departmental boundary, Effective date of EU adopted IFRS for standards applied by the FReM and Discount rate for provisions) and has determined that there would be no material effect on its current or prior period or a future period.

1.2 Going concern

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

Such approval has already been given for 2012/13. These accounts have therefore been prepared on a going-concern basis for financial reporting and asset valuation purposes.

1.3 Accounting convention

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

1.4 Income recognition

Operating income

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided on a full-cost basis to external customers, net of fees remitted (see note 1.5) and net of VAT (see note 2).

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

The fee structure effective for 2011/12 was altered as at 1 October 2011 by The Public Guardian (Fees, etc.) (Amendment) Regulations 2011 which amended and updated The Public Guardian (Fees, etc.) Regulations 2007.

Public Guardian Supervision and Deputyship fees

The Regulations replace the range of fees that were payable by receivers appointed by the court with a single set up fee, payable when a new deputyship is initially assessed for supervision; and a single annual administration fee. Cases are placed into one of four categories of supervision and bring in annual fees according to the level allocated. The majority of cases fall into one supervision category. Income is recognised through supervision fees calculated on pro rata basis if:

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

EPA and LPA registration fees

Income is recognised when the application is made and the registration fee is payable with the application. A separate registration fee is payable for Property and Financial Affairs LPAs and Health and Welfare LPAs when each application is made.

Other income

Other income covers services received by CAFCASS, which was the sub-under lessee of the Agency's rented accommodation at Archway Tower (see note 2).

1.5 Exemption and remission of fees

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

The Office of Public Guardian is responsible for authorising exemption from payment of fees and for approving applications to waive fees on exceptional grounds.

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

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

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

Exemptions and remissions are recognised as a reduction in income on receipt of valid forms received in year. Income is shown net of exemptions and remissions on the Statement of Comprehensive Net Expenditure, and on a more detailed gross basis at note 2.

1.6 Employee benefits

Employee leave accrual and performance bonuses

An accrual is made for untaken employee leave and flexi leave. Performance bonuses are not accrued as the annual appraisal process, which determines performance pay, is not finalised at the time these accounts are prepared. They are therefore recognised in arrears, eg. 2010/11 bonuses are recognised in 2011/12 when they are paid.

Early departure costs

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

Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS), which is described in note 3.2 and the Remuneration Report, cover past and present employees. The defined benefit schemes are unfunded and non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Agency recognises the contributions payable for the financial year.

1.7 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Agency, the asset is classified as a finance lease, is recorded as a non-current asset and a debt is recorded to the lessor of the minimum lease payments, discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Statement of Net Comprehensive Expenditure over the period of the lease, at a constant rate in relation to the balance outstanding.

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

1.8 Non-cash charges

Non-cash charges are included in the Statement of Net Comprehensive Expenditure to reflect the full cost of the Agency's services, in line with the FReM and *Managing Public Money*. These charges include:

MoJ Headquarters support charges

The *MoJ Recharge Methodology Calculations* is the documented basis applied transparently and consistently to apportion overheads including HR and ICT to all MoJ departments and agencies on a non-cash basis.

External auditor's remuneration

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

1.9 Bad debts

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

1.10 Property, plant and equipment

Recognition

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

Capitalisation threshold – Individual assets

OPG's capitalisation threshold for individual assets is £1,000 (including VAT).

Capitalisation threshold – Grouped assets

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

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

Valuation method

For other property assets in continuing use, fair value is interpreted as market value for existing use. This is defined as 'market value on the assumption that property is sold as part of the continuing enterprise in occupation'. The 'value in use' of a non-cash-generating asset is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Non-property assets are included at cost upon purchase and are restated at each reporting date using appropriate indices (Business Monitor MM22) produced by the Office for National Statistics.

Revaluation

When an asset's carrying value increases as a result of a revaluation, any revaluation surplus is credited to the Statement of Other Comprehensive Net Expenditure and accumulated directly in Taxpayer's equity under the heading of Revaluation Reserve. An exception is any gain on revaluation that reverses a revaluation decrease on the same asset previously recognised as an expense. Such gains are first credited within net operating cost in the Statement of Comprehensive Net Expenditure to the extent the gain reverses a loss previously recognised within net operating cost in the Statement of Comprehensive Net Expenditure.

A revaluation decrease is charged against the Revaluation Reserve to the extent that it does not exceed the amount held in the Revaluation Reserve in respect of the same asset. Any residual decrease is then recognised within net operating cost in the Statement of Comprehensive Net Expenditure.

Each year the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from the Revaluation Reserve to the General Fund.

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

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

Estimated useful asset lives are within the following ranges:

- Leasehold improvements – remaining lease period;
- Furniture & Fittings – 10 years;
- Plant & Equipment – 5 to 7 years; and
- Information Technology – 5 to 7 years.

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

Disposal of non-current assets
Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Net Expenditure. When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the General Fund.

1.11 Intangible assets

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

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

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

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

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

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

Intangible assets are amortised using the straight-line method over their expected useful life. The useful lives of internally developed software range from 5 to 7 years. Purchased software licences are amortised over the licence period.

Capitalisation thresholds
OPG's capitalisation threshold for software projects is £1,000 (including VAT).

1.12 Impairment

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

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

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

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

1.13 Value Added Tax (VAT)

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

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

1.14 Provisions

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

1.15 Segmental reporting

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

1.16 Court of Protection

The Court of Protection is a separate entity which has now become part of HMCTS. However, both entities have interacting responsibilities under the Mental Capacity Act 2005 (MCA) and occupied the same premises for which only the OPG was charged. Services provided by one entity to the other were recharged on a non-cash basis, however the Archway Tower joint premises were vacated and handed back on 23 March 2012.

1.17 Contingent liabilities

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

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

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

2.	Income	2011/12	2010/11
2.1	**Operating income**	**£'000**	**£'000**
	OPG fee income		
	Lasting Powers of Attorney	(24,725)	(20,477)
	Enduring Powers of Attorney	(2,369)	(2,312)
	Supervision	(8,468)	(6,325)
	Appointment of Deputy	(1,382)	(1,114)
	Other	-	4
		(36,944)	**(30,224)**
	Exemptions and remissions		
	Lasting Powers of Attorney	3,908	4,159
	Enduring Powers of Attorney	186	292
	Supervision	2,295	1,569
	Appointment of Deputy	363	328
	Other	-	4
		6,752	**6,352**
	Total Operating income	**(30,192)**	**(23,872)**

2.2	Other non-cash income		
	Charges for services provided to CAFCASS	(192)	(211)
	Miscellaneous	(51)	-
	Rental income	(80)	(106)
		(323)	**(317)**
	Total income	**(30,515)**	**(24,189)**

3.	Staff numbers and costs				
		2011/12			2010/11
		£'000			£'000
3.1	Staff costs	Total	Permanently employed staff	Others	Total
	Wages and salaries	15,272	11,524	3,748	12,842
	Social security costs	765	765	-	658
	Other pension costs	1,648	1,648	-	1,576
	Total net costs	**17,685**	**13,937**	**3,748**	**15,076**

3.2 The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the OPG is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2011/12, employers' contributions of £1,648,000 (2010/11: £1,576,000) were payable to the PCSPS at one of four rates in the range 16.7 per cent to 24.3 per cent of pensionable pay, based on salary bands (2010/11: 16.7 per cent to 24.3 per cent). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2011/12, the rates are in the range 16.7 per cent to 24.3 per cent.

The contribution rates are set to meet the cost of the benefits accruing during 2011/12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

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

Number	2011/12			2010/11
	Total	Permanent staff	Other	Total
Directly employed	457	457	-	421
Other	142	-	142	74
Total	**599**	**457**	**142**	**495**

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

Comparative data for previous year is shown in brackets.

OPG year ended 31 March 2012			
Disclosure of compensation information for 2011/12			
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10000	0 (0)	3 (1)	3 (1)
£10000 to £25000	0 (0)	21 (2)	21 (2)
£25000 to £50000	0 (0)	13 (9)	13 (9)
£50000 to £100000	0 (0)	5 (6)	5 (6)
£100000 to £150000	0 (0)	0 (0)	0 (0)
£150000 to £200000	0 (0)	0 (1)	0 (1)
Total number of exit packages	**0 (0)**	**42 (19)**	**42 (19)**
Total resource cost/£	**0 (0)**	**766,000 (939,000)**	**766,000 (939,000)**

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 departure.

Where the department has agreed early retirements, the additional costs are met by the department 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.

4. Other operating costs	OPG	MoJ	2011/12	2010/11
	£'000	£'000	£'000	£'000
Cash losses and ex gratia payments	286	-	286	45
Consumables	142	-	142	173
Maintenance	168	180	348	552
Computer running costs	1,055	-	1,055	407
Travel and subsistence costs	583	-	583	257
Other running costs	72	-	72	959
Capitalisation of expenditure	-	-	-	(16)
Postage	1,134	-	1,134	944
Rates	174	345	519	429
Rental of accommodation	518	820	1,338	1,329
Utilities	29	211	240	260
Visitor services (assessment of client needs)	968	-	968	727
	5,129	**1,556**	**6,685**	**6,066**

The MoJ recharges are shown separately in order to make clear their effect in the Statement of Cash Flows, since they are settled directly by the MoJ and have no cash impact on OPG.

5. Non-cash charges	2011/12	2010/11
	£'000	£'000
MoJ Headquarters support charges		
ICT	1,848	2,179
Facilities Management Group	978	838
Human Resources Division	60	224
Other (including Estates Transformation)*	3,433	288
	6,319	**3,529**
Depreciation – Property, plant & equipment	431	398
Amortisation – Intangible assets	847	926
Downward revaluation of assets below depreciated historic costs	-	172
Assets written off	-	173
External auditor's remuneration	57	47
Increase in provision for doubtful debts	59	-
Loss on disposal of fixed assets	74	42
Provision for liabilities:		
Provided in the year	217	1,343
Provisions written back	(3,486)	-
	4,518	**6,630**
Bad debts written off	101	187
	4,619	**6,817**

* Estates Transformation costs of £2,120k were incurred in the relocation to Birmingham.

6. Fees and charges

The Agency is required, in accordance with *Managing Public Money*, to disclose results for the areas of its activities undertaken throughout the financial year, where fees and charges were made. This information is provided for fees and charges purposes, not for IFRS 8 purposes.

Ministers and HM Treasury agreed a financial objective of 100% full cost recovery for the OPG, excluding fee exemptions and remissions. A public subsidy was provided as planned in line with HM Treasury policy to ensure clients are not denied access to services through inability to pay the requisite fees by way of fee exemptions and remissions.

	2011/12	2010/11
	£'000	£'000
Operating income	(30,192)	
Fees remitted	(6,752)	
Total income	**(36,944)**	
Total expenditure	**28,989**	
Deficit/(surplus)	**(7,955)**	**(4,343)**
Cost recovery (%)	**128%**	**117%**

The financial objective agreed by the HM Treasury to achieve full cost recovery, excluding fee exemptions and remissions, is over-achieved at 128%. The over-recovery represents a surplus of income against costs primarily due to one-off provisions and underspend on staff costs, the organisational restructuring in year and the estates dilapidations both coming in under budget. Additionally there was an under-utilisation of depreciation in year due to non-spend of capital.

7. Analysis by administration and programme

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

8. Property, plant and equipment	Leasehold improvements	Furniture & fittings	Plant & equipment	Information technology	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2011	5,168	431	634	469	272	**6,974**
Reclassification	-	172	15	-	(187)	**-**
Additions	786	12	110	188	-	**1,096**
Disposals	(5,168)	(431)	(80)	(6)	-	**(5,685)**
Adjustment	-	44	5	-	(85)	**(36)**
Revaluation	-	1	-	(1)	-	**-**
At 31 March 2012	**786**	**229**	**684**	**650**	**-**	**2,349**
Depreciation						
At 1 April 2011	(4,916)	(366)	(554)	(318)	-	**(6,154)**
Provided in year	(231)	(60)	(46)	(94)	-	**(431)**
Disposals	5,087	407	78	1	-	**5,573**
Adjustment	-	(9)	(1)	-	-	**(10)**
Revaluation	-	-	-	1	-	**1**
At 31 March 2012	**(60)**	**(28)**	**(523)**	**(410)**	**-**	**(1,021)**
Net book value at 31 March 2012	**726**	**201**	**161**	**240**	**-**	**1,328**
Net book value at 1 April 2011	**252**	**65**	**80**	**151**	**272**	**820**

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

8. Property, plant and equipment	Leasehold improvements	Furniture & fittings	Plant & equipment	Information technology	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2010	4,956	704	733	498	176	**7,067**
Reclassification	-	10	10	1	(21)	**-**
Additions	-	71	4	5	294	**374**
Disposals	-	(61)	(11)	-	-	**(72)**
Adjustment	-	-	-	-	(177)	**(177)**
Revaluation	212	(6)	3	(35)	-	**174**
Impairment	-	(287)	(105)	-	-	**(392)**
At 31 March 2011	**5,168**	**431**	**634**	**469**	**272**	**6,974**
Depreciation						
At 1 April 2010	(4,514)	(526)	(542)	(245)	-	**(5,827)**
Provided in year	(206)	(58)	(39)	(95)	-	**(398)**
Disposals	-	22	8	-	-	**30**
Adjustment	-	2	(3)	(2)	-	**(3)**
Revaluation	(202)	5	(3)	24	-	**(176)**
Impairment	6	189	25	-	-	**220**
At 31 March 2011	**(4,916)**	**(366)**	**(554)**	**(318)**	**-**	**(6,154)**
Net book value at 31 March 2011	**252**	**65**	**80**	**151**	**272**	**820**
Net book value at 1 April 2010	**442**	**178**	**191**	**253**	**176**	**1,240**

8a. Intangible assets	Software licences	Internally generated software	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2011	716	5,003	120	**5,839**
Reclassifications	120	-	(120)	**-**
Additions	55	224	-	**279**
Revaluation	4	29	-	**33**
At 31 March 2012	**895**	**5,256**	**-**	**6,151**
Amortisation				
At 1 April 2011	(444)	(3,659)	-	(4,103)
Provided in year	(167)	(680)	-	(847)
Revaluation	(3)	(25)	-	(28)
At 31 March 2012	**(614)**	**(4,364)**	**-**	**(4,978)**
Net book value at 31 March 2012	**281**	**892**	**-**	**1,173**
Net book value at 1 April 2011	**272**	**1,344**	**120**	**1,736**

All intangible assets disclosed above are owned outright by OPG.

8a. Intangible assets	Software licences	Internally generated software	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2010	704	4,774	-	**5,478**
Reclassification	-	153	(153)	**-**
Additions	-	-	273	**273**
Adjustment	1	2	-	**3**
Revaluation	11	74	-	**85**
At 31 March 2011	**716**	**5,003**	**120**	**5,839**
Amortisation				
At 1 April 2010	(296)	(2,818)	-	**(3,114)**
Provided in year	(141)	(785)	-	**(926)**
Adjustment	(1)	(1)	-	**(2)**
Revaluation	(6)	(55)	-	**(61)**
At 31 March 2011	**(444)**	**(3,659)**	**-**	**(4,103)**
Net book value at 31 March 2011	**272**	**1,344**	**120**	**1,736**
Net book value at 1 April 2010	**408**	**1,956**	**-**	**2,364**

9. Trade receivables and other current assets	31 March 2012	31 March 2011
Amounts falling due within one year	**£'000**	**£'000**
Balances with other central Government bodies		
Amount due from Ministry of Justice	-	7,407
VAT recoverable	36	70
	36	7,477
Balances with bodies external to Government		
Prepayments	128	79
Staff receivables	22	26
Trade receivables	4,952	4,460
Accrued income	417	670
	5,519	5,235
Total receivables	**5,555**	**12,712**

Trade receivables are shown net of a provision for doubtful debts of £156,000 (2010/11: £97,500) and an accrual for remissions of £609,000 (2010/11: £440,000)

10. Cash and cash equivalent	31 March 2012	31 March 2011
	£'000	**£'000**
Balance at 1 April	387	1,429
Net cash inflow/(outflow)	1,831	(1,042)
Balance at 31 March	**2,218**	**387**
The following balances at 31 March are held at:		
Government Banking Service	2,218	387

11. Trade payables and other current liabilities	31 March 2012	31 March 2011
Amounts falling due within one year	**£'000**	**£'000**
Amount due to other central Government bodies		
Amount due to Ministry of Justice	-	1,136
	-	1,136
Balances with bodies external to Government		
Accruals	1,949	2,594
Trade payables	22	86
	1,971	2,680
Total payables	**1,971**	**3,816**

12. Provisions for liabilities and charges	Early retirement	Other	Total
	£'000	£'000	£'000
Balance at 1 April 2011	189	4,203	**4,392**
Provided in the period	-	217	**217**
Provisions not required written back	-	(3,486)	**(3,486)**
Provisions utilised in the period*	(46)	(712)	**(758)**
Balance at 31 March 2012	**143**	**222**	**365**
Analysis of expected timings of cashflow			
Not later than one year	32	222	**254**
Later than one year and not later than five years	93	-	**93**
Later than five years	18	-	**18**
	143	**222**	**365**

*Of the £758k provisions utilised, £617k was paid directly by MoJ.

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

Other
The above provision represents potential liabilities that the Agency, in accordance with IAS 37, considers should be recognised at the balance sheet date, where there is a present obligation that probably requires an outflow of resources. The majority of this balance at 31 March 2011 related to a provision for dilapidations at OPG's former HQ building, Archway Tower. The final liability, which was settled during 2011/12, was significantly below the 31 March 2011 estimate, resulting in a £3.5m credit to the Statement of Comprehensive Net Expenditure.

13. Commitments under operating leases

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

Analysis of expected timings of cashflow	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Land & buildings	Land & buildings	Other	Other
	£'000	£'000	£'000	£'000
Not later than one year	459	800	-	-
Later than one year and not later than five years	1,904	-	-	-
Later than five years	2,099	-	-	-
Total	**4,462**	**800**	**-**	**-**

14. Contingent liabilities

The Agency does not recognise any further liabilities over and above those provided for in the accounts (see note 12).

15. Related party transactions

The Agency is an executive agency of the MoJ. The MoJ is regarded as a related party. During the period the agency had various material transactions with the MoJ. In particular the agency's staff costs (and accounting for advances and recoveries of salaries) are managed by the MoJ. In addition, the MoJ also provides internal audit services to the agency. The MoJ manages the lease arrangements and associated accommodation costs of the OPG's occupancy of its offices to which it has recently relocated in the Midlands. The OPG surrendered £10.3m to MoJ in 2011/12.

The MoJ Recharge Methodology Calculations is the documented basis applied transparently and consistently to apportion overheads including HR and ICT to all MoJ departments and agencies on a notional basis.

The Agency funds the Public Guardian Board (PGB), which has seven members independent of the OPG. There is no significant influence relating to financial or operating decisions. Costs are recorded in the financial statements and are included in the Remuneration Report where appropriate.

The Agency also had transactions with other government departments and entities. Most of these transactions have been with CAFCASS, which was the sub-under lessee of the Agency's rented accommodation at Archway Tower.

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

16. Events after the reporting period

Events after the reporting period are considered up to and including the date of the Comptroller and Auditor General's certificate and report.

17. Financial instruments

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

18. Losses and special payments

Fees remitted

There were 57,905 cases where fees were remitted or exemptions applied. The total value was £6,752,000 (2010/11: 53,196 cases – £6,352,000 as described in Note 2.1).

Cash losses

There were 14 cases involving cash losses totalling £16,000 (2010/11: one case – loss £17,000). The OPG has also recognised a cash loss of £111,000 in respect of a failure in its systems to raise some supervision fees from 2007/08 to 2010/11 (2010/11: there were no such accrued losses).

Special payments

There were 433 special payments totalling £142,000 (2010/11: 313 special payments, totalling £49,000).

Payments exceeding £250,000

There were no losses or special payments exceeding £250,000 (2010/11: there were no payments exceeding £250,000).

Appendices

Five-year financial record	2007/08 (six months) £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
Operating income					
Lasting Powers of Attorney	1,303	7,995	10,865	16,319	20,817
Enduring Powers of Attorney	1,292	2,334	2,203	2,020	2,183
Supervision*	4,282	4,905	5,322	5,525	7,192
Other	8	28	29	8	-
	6,885	**15,262**	**18,419**	**23,872**	**30,192**
Fees remitted					
Lasting Powers of Attorney	63	892	1,813	4,159	3,908
Enduring Powers of Attorney	42	143	222	292	186
Supervision*	202	816	1,119	1,897	2,658
Other	-	2	5	4	-
	307	**1,853**	**3,159**	**6,352**	**6,752**
Total income	7,192	17,115	21,578	30,224	36,944
Total expenditure	7,184	16,935	21,286	25,881	28,989
(Deficit)/surplus	8	180	292	4,343	7,955
Cost recovery	100%	101%	101%	117%	128%

* includes Appointment of Deputy

Fee volumes	2007/08 (six months)	2008/09	2009/10	2010/11	2011/12
LPA fees	9,109	59,244	106,106	171,259	178,790
EPA fees	11,116	20,623	20,053	19,356	18,912
Search fees	332	760	884	1,364	1,408
Appointment of Deputy fees	21,469	10,913	11,587	11,165	12,744
Type 1 supervision fees	484	1,539	1,520	448	476
Type 2A supervision fees	-	-	5,977	6,289	12,715
Type 2 supervision fees	19,419	26,652	25,435	23,196	28,529
Type 3 supervision fees	-	-	-	-	10,804

Remissions volumes	2007/08 (six months)	2008/09	2009/10	2010/11	2011/12
LPA fees	566	6,267	14,447	37,498	32,086
EPA fees	434	1,278	1,829	2,561	1,608
Search fees	2	22	27	16	36
Appointment of Deputy fees	1,541	3,199	2,913	3,351	3,931
Type 1 supervision fees	-	65	204	1,030	139
Type 2A supervision fees	-	-	460	2,257	2,843
Type 2 supervision fees	15	2,947	3,379	6,455	17,243
Type 3 supervision fees	-	-	-	-	19

Payment methods – volumes	2007/08 (six months)	2008/09	2009/10	2010/11	2011/12
Cheque	43,307	108,679	123,292	167,096	178,454
Credit Card	-	392	1,002	3,269	5,211
Direct Debit	1,775	8,536	8,707	7,525	10,447
Total	**45,082**	**117,607**	**133,001**	**177,890**	**194,112**

Impact Indicator 1: Powers of Attorney				
EPAs must be registered when the Donor loses capacity. LPAs, although similar in principle, require the Public Guardian to have a more active role in the notification process. There is a 42-day statutory waiting period for the registration of an LPA, once the OPG sends out notification to the party or parties who did not make the application.				
Impact Indicator Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
Register and return 90% of applications for registration of Attorneyship (LPA/EPA) within 9 weeks of receipt.* *Where an application is incapable of registration (invalid, contains significant errors, or an objection is received) it is excluded.	Data will be collected through the MERIS casework system, drawing on the following inputs in order to deliver the relevant reports. 'Date of receipt' is taken from the post room stamp, i.e. the day of receipt by the OPG. 'Date notices sent' is the date they are sent by caseworkers when they check the application (unless application is invalid). Status of case. 'Date of dispatch' is the dispatch of the registered EPA/LPA as the last part of the process in an application. Imperfect status – relating to either significant or insignificant errors. MERIS tells us how many applications capable of registration were received. For II calculation purposes insignificant *imperfects* are included and *invalids* are excluded, as are objections. MERIS then calculates how many were dispatched, in working days.	A monthly report from MERIS.	We will register 90% of applications within 11 weeks of receipt.	**Indicator not met:** 39.5%* *Based on applications received to the end of February. Year-end information not available at time of publication.

Impact Indicator 2: Supervising Deputies				
We will carry out a full case review of all Deputyship cases subject to supervision within 3 years, and this year we will review a minimum of 40% of cases, target is 16792 cases. A case review will be generated following one or more of the following activities: 1. A visit to the Deputy or incapacitated person. 2. A detailed review of the Deputy's annual report/account. 3. An audit of a panel, professional or local authority Deputy 4. Case management activity in a case subject to close (Type 1) or intermediate (Type 2A) supervision. 5. An investigation into the actions or conduct of a Deputy. 6. Short term intervention on a case subject to lighter touch (Type 2) or minimal (Type 3) supervision. 7. A review of a case with a time limited Order.				
Impact Indicator Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
To review all Deputyship cases and ensure any potential problems are resolved; to provide a deterrent against financial abuse; and to recommend to the Court of Protection any action that may be required. This will ensure that no case is left unsupervised and that each case is reviewed using a systematic rolling programme of contact. A proportionate approach will be taken to make sure that cases which have been assessed as needing a closer regime of supervision will be reviewed more quickly, but that all cases will be looked at as a minimum every three years.	Targets will be set in line with the projected caseload for 2011/12, and monitored monthly. Targets will then be adjusted during the year in line with the actual caseload. For example, if the target number of reviews that month is 100 and 90 have been completed, the calculation will be 90/100 x 100 = 90% in month. If the actual caseload that month is 10,000 the YTD figure calculation will be 90/10,000 x 100 = 9%. The annual achievement figure will be based on the total caseload at 28/02/12 x 40% divided by the total number of reviews completed by 31/3/12. CyberQuery will be used to produce the reports of the number of annual reports, visits and reviews of supervision level recorded on CASREC. This data will be collated using Excel. The data will be cross-referenced to ensure that any cases that have been subject to more than one review in the year are only counted once.	Case data held on internal data management system – CASREC.	We will carry out a full case review of all Deputyship cases subject to supervision within 3 years, and this year we will review a minimum of 40% of cases; target is calculated at 16,792 cases.	**Indicator met:** 101%: 16,908 cases reviewed.

Impact Indicator 3: Investigations

The Public Guardian has an important role in the safeguarding of vulnerable adults. A significant part of this is the investigation of concerns that are raised, either directly with the Public Guardian or via the Court of Protection, about the way in which registered Attorneys or Court-appointed Deputies are exercising their powers in respect of the vulnerable adults for whom they act.

Impact Indicator Purpose	Calculation method	Data source	Measure 11/12	Achieved to 31 March 2012
The swift risk assessment of concerns that are raised about Deputies and Attorneys is central to ensuring that appropriate and timely safeguarding action is taken.	**2 Working Days (Risk Assessment)** • The 2 working day target starts from the date that the concern is received in the OPG. • Day 1 will be the next working day after the concern is received. • For example, if a concern is received in the OPG on 19 April 2011, day 1 will be 20 April and day 2 will be 21 April 2011.	Managers log target dates and completion dates as they arise. The following data is logged: • KPI type; • the date the concern/S49 Order was received in the OPG; and • the date the risk assessment was carried out. Formal reporting is carried out monthly by completion of the monthly KPI stats return and Balanced Scorecard return.	Where concerns are raised about actions of an Attorney or Deputy we will assess risk in 95% within 2 working days.	**Indicator not met:** 74% This reflects time taken to refer cases to the Investigations Unit.
The formal investigation target is crucial in ensuring that where a full investigation is required it is undertaken in a timely fashion to ensure that the vulnerable adult is protected where required.	**3 Months (Completed Investigations)** • The 3 month target starts from the date that the concern, which leads to the commencement of an investigation, is received in the OPG. • Day 1 will be the next day after the concern is received. • e.g. if a concern within the Public Guardian's jurisdiction is received on 21 April 2011 it is dealt with within the 3 month target as long as one of the above conclusions is met by 20 July 2011 (or next working day).		We will conclude 75% of investigations within 3 months.	**Indicator not met:** 54%
	6 months (Completed Investigations) • The 6 month targets start from the date that the concern, which leads to the commencement of an investigation, is received in the OPG. • Day 1 will be the next day after the concern is received. • e.g. if a concern within the Public Guardian's jurisdiction is received on 21 April 2011 it is dealt with within the 6 month target as long as one of the above conclusions is met by 20 October 2011 (or next working day).		We will conclude 95% of investigations within 6 months.	**Indicator not met:** 83%

Customer Service Indicator 1: Deputyship Allocation				
All Deputyship cases require a supervision regime based on a risk assessment. Risk criteria include whether a Deputy is an un-discharged bankrupt; whether the Deputy has any financial interests that conflict with those of the client; the value of the client's estate; and any concerns about the Deputy's handling of the case.				
CSI Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
To ensure the appropriate monitoring of the Deputy in his duties. To ensure Deputies are notified of their responsibilities within a specified timescale, and to ensure that the clients' interests are being protected as soon as possible.	The data will be extracted from CASREC each month using CyberQuery. The difference between the receipt date of the order and the date of contact with the deputy will be calculated in Microsoft Excel. The percentage of Deputies contacted within the target can then be calculated, also using Excel. This will be calculated as: the number of Deputies notified within 20 working days / total number of Deputies notified (or due to be notified) x 100.	Supervision record on CASREC – an internal data management system – when a new Deputy order is received in supervision, and when a letter notifying the Deputy of the supervision type has been produced. Responsibility for recording these dates lies with the Allocations team. These dates can be validated if necessary by retrieving the relevant documents from LiveLink.	Notify 95% of new Deputies of the supervision level assigned to their case within 20 working days of the OPG receiving the Court Order.	**Indicator met:** 98%

Customer Service Indicator 2: Contact Centre				
Calls to OPG Customer Contact Centre to be answered in a timely manner				
CSI Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
Timely and accurate support and guidance to callers on how to apply for a Lasting Power of Attorney; to provide support and guidance to callers on the Enduring Power of Attorney/Lasting Power of Attorney (EPA/LPA) application and registration process; to signpost callers to the Court of Protection where calls relate to an individual who lacks capacity and no EPA or LPA is in place. To deal promptly with calls regarding issues concerning safeguarding vulnerable adults. To give support to callers on general issues relating to supervision of Deputies appointed by the Court of Protection.	The management information will be extracted from Highpath data into Excel spreadsheets on a daily basis.	All telephone calls to the Contact Centre are recorded on the Highpath data management system. Details of the number of calls received, number of calls answered within 60 seconds, number of all calls answered, the average wait times and number of calls abandoned are all recorded. Lead Team Leader in the Contact Centre generates reports from the data collected. Calls are recorded and monitored by the Team Leaders, active listening to the calls and feeding back to individuals is undertaken monthly. Remedial training will be provided as needed.	85% of calls to the OPG's Customer Contact Centre answered within 60 seconds.	**Indicator not met:** 70%

Customer Service Indicator 3: Complaints				
CSI Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
Complaints play an important part in understanding to what extent we are achieving our customers' expectations and delivering upon our vision and objectives. Answering complaints effectively and speedily is fundamental to maintaining our reputational integrity. Applying a feedback system to complaints allows the organisation to learn and develop.	Performance against this indicator will be measured at business area level and an average at Tier 1 and Tier 2 will be calculated. The following is measured: • complaints received in month • complaints due in month • performance against the target in month This is measured on monthly basis. Data is collated on the fifth working day of the month and then submitted for balance scorecard purposes.	Each individual business area will record their data on a spreadsheet. This is collated each month end.	The percentage of complaints resolved, and responded to, within 10 working days.	**Indicator not met:** 73%

Corporate and Financial Indicator: All spends over £25,000 and contracts over £10,000				
Supporting the Government Transparency Agenda.				
CFI Purpose	**Calculation method**	**Data source**	**Spends over £25,000**	**Contracts over £10,000**
Supporting the Government Transparency Agenda by publishing all Spends over £25,000 and all Contracts over £10,000.	Actual Spends and Contracts	Internal spreadsheet	32 Spends over £25,000 Total value £1,309,596.91.	20 Contracts over £10,000 Total value £1,369,257.35

Corporate and Financial Indicator 1: Cost Recovery Percentage				
Achieve 100% cost recovery				
CFI Purpose	**Calculation method**	**Data source**	**Measure 11/12**	**Achieved to 31 March 2012**
The CFI target is set to ensure that OPG clients receive value for money through effective and efficient service delivery. Full cost is defined as: the total cost of providing services to the taxpayer, before social subsidy/fee exemption and remission; financial losses over and above a yearly non-cash premium; and any bad debts or exceptional items.	The model is driven by ratios and staff numbers. For service areas e.g. Finance, Performance and Change, Post Room, etc. a set of ratios is used to allocate their cost to an operational area. The following data is incorporated in the model: • full forecast outturn from monthly Management Accounts; • staff numbers from the monthly staffing returns from Heads of Division; and • HQ recharges.	The cost recovery outturn is calculated using a full cost model to compare the income and expenditure streams of the OPG. The cost estimates used in the model are based upon the full year forecast outturn for the OPG as taken from the Management Accounts each period. This represents the full resource-based cost of the agency including non-cash items and HQ recharges.	Achieve 100% cost recovery.	**Indicator not met:** 128% * indicator not achieved due to over recovery

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