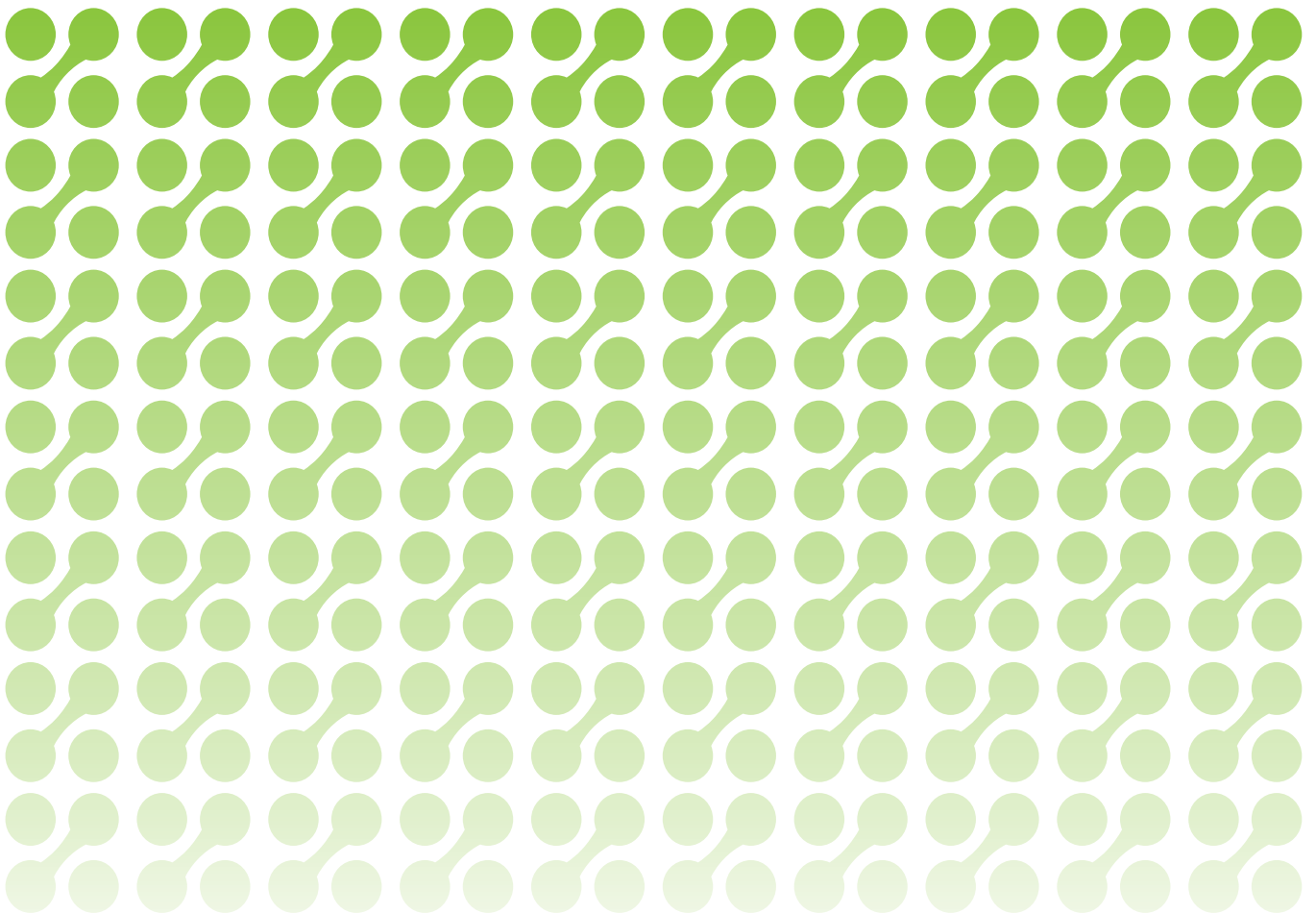




Office of the  
Public Guardian

# Office of the Public Guardian Annual Report & Accounts

2014–2015



# Office of the Public Guardian Annual Report & Accounts

## 2014–2015

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

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

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

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# Foreword



The past year has been one of continued transformation for OPG. We have made significant progress towards making sure we have the right skills, people and systems in place to deliver our goal of offering all our users an easily accessible, efficient and economical service.

New digital services are making it easier for users to access our services. Our digital Lasting Power of Attorney (LPA) service was the first government digital exemplar to go live, in May 2014, allowing users to complete an LPA at a time and place convenient to them with inbuilt support at every step of the process.

Other innovative solutions, including a new digital reporting system for deputies, are in the final stages of development and will be introduced in the coming year. Our commitment to developing excellent digital services was set out in our digital strategy, published in September 2014, and we will continue to develop the very best services for users in this important area.

We completed our review of the way we support and supervise deputies and a new approach is now in place. Designed to be proportionate and responsive, it means deputies will get the level of support and supervision most appropriate to them.

Changes to the way our safeguarding teams work mean that we now progress investigations of suspected abuse more quickly in non-complex cases, reducing the stress that can be placed on those who lack capacity as well as deputies and attorneys. We continue our important work to promote the safeguarding agenda with other agencies and this year saw our second safeguarding roundtable, bringing together representatives from across the public sector.

We have also been working to improve the service businesses offer people exercising their powers under a power of attorney or deputyship order. Partnerships work with the Financial Ombudsman Service and Financial Conduct Authority, as well as with individual banks and building societies, is already helping to improve the service offered by the financial sector. We have also worked closely with the Alzheimer's Society to produce new guidance for attorneys, part of the Prime Minister's dementia challenge.

Significantly, these and other important initiatives have been delivered against a backdrop of increasing demand for our services. There are now more than 1.2 million LPAs registered and the number of deputyship orders we supervise has also increased to 53,000.

Firm foundations have begun to be put in place. We are now in a position to focus on the next phase of our transformation, taking further steps towards realising our vision of being recognised for excellence and innovation and for putting our users' needs at the heart of everything we do.

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

**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015

# Strategic report

## Introduction

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

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

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

### What does OPG do?

OPG was established in October 2007 and is an executive agency of the Ministry of Justice (MoJ). Its remit is to support and enable people to plan ahead for both their health and their 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.

OPG's core functions are to:

- register lasting powers of attorney and older enduring powers of attorney (EPA)
- supervise deputies appointed by the Court of Protection
- maintain the registers of deputies, LPAs and EPAs and respond to requests to search the registers
- investigate complaints, or allegations of abuse, made against deputies or attorneys acting under registered powers.

### Our customers and stakeholders

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 (known as 'P') – people who have lost capacity and whose welfare or finance affairs are subject to proceedings before the Court of Protection
- deputies – lay or professional individuals or authorities (such as solicitors or councils) who have been appointed by the court to manage the welfare or finances of a client
- other stakeholders – relatives of a client or donor, local authorities, GPs or other health professionals, charities, and the legal sector.



## Ministry of Justice

OPG is an executive agency of MoJ.

The Government ministers responsible for OPG were:

- The Right Honourable Chris Grayling MP, Lord Chancellor and Secretary of State for Justice
- The Right Honourable Simon Hughes MP, Minister of State for Justice and Civil Liberties.

From May 2015, the Government ministers responsible for OPG are:

- The Right Honourable Michael Gove MP, Lord Chancellor and Secretary of State for Justice
- Caroline Dinenage MP, Parliamentary Under Secretary of State for Family Justice.

As an MoJ executive agency, alongside HM Courts & Tribunals Service (HMCTS), the National Offender Management Service (NOMS) and the Legal Aid Agency (LAA), the aims of the agency are in line with those of MoJ's Transforming Justice agenda; a justice system that is more effective, efficient, economical and responsive to the public.

To find out our performance achievements and results, see pages 79–83.

## Business priorities and objectives 2014/15

Our priority in 2014/15 was to continue with our transformation programme, further improving performance as our workload increased. In our 2014/15 business plan we set out our priorities, objectives and corresponding activities. Our achievement against these objectives is detailed below, along with the date of delivery.

OPG had set two priorities for 2014/15:

- we will offer a high level of service to our customers
- we will continue the delivery of our programme of transformation.

### Priority 1: We will offer a high level of service to our customers

**Objective 1:** To deliver a swift and accurate service to all applicants seeking to register a power of attorney application

	Target Date	
1 – Implement a new process to gauge and track the quality of the products we deliver	Jun-14	Completed – New quality assurance regime established and in place.
2 – Assess the merits of different customer contact methods and implement changes/new ways of working where appropriate	Jun-14	Completed – Caseworkers now use email and telephone as the preferred method to contact customers.
3 – Assess the benefits and implement (if appropriate) different operating hours for the business	Sep-14	Completed – Agreed that it is not presently appropriate to vary opening hours.
4 – Implement a continually updated, online technical guidance database to enable faster case resolution	Sep-14	Completed.

	Target Date	
5 – Develop new models of customer guidance and support to enable caseworkers to produce the LPA that each customer wants	Apr-15	Completed – suite of customer guidance has been published on GOV.UK.
6 – Maintain a programme of continuous improvement to ensure end-to-end casework is fully customer based	Mar-15	Completed – Various elements of the application process have been reviewed and new measures introduced.
7 – Use customer feedback to build on and improve the service offered to customers in relation to the digital LPA tool	Mar-15	Completed.

**Objective 2:** To supervise and support deputies make sure they act in accordance with the MCA

	Target Date	
8 – Fully implement stage 1 of the supervision review, completing transition into teams delivering supervision by deputy type and implementing the new delivery model of supervision	Dec-14	Completed – There are now separate teams supporting the different types of deputies. Work coming out of our review of supervision continues.
9 – Introduce new deputy report forms and a revised reporting strategy	Dec-14	Completed – New deputy forms are complete and the new reporting strategy is being implemented.
10 – Review and refresh the suite of deputy information, guidance and support	Mar-15	Completed – Leaflets and guidance are being given to all new deputies. This has been agreed with the Court of Protection.
11 – Improve the composition, recruitment and management of the deputy panel	Mar-15	Ongoing.

**Objective 3:** To take prompt and effective action where concerns are raised about an attorney or deputy's actions

	Target Date	
12 – Integrate the supervision and investigation of deputies, to improve end-to-end response times	Dec-14	Completed – The new investigation team is in place.
13 – Take forward a review of the Public Guardian's powers, identifying opportunities to improve the response to safeguarding concerns	Mar-15	Completed.

	Target Date	
14 – Improve the national profile of the Public Guardian in safeguarding adults at risk	Mar-15	Completed – The Public Guardian has delivered keynote speeches at various events throughout the year.
15 – Devise and implement a fast track investigation process in non-complex cases	Mar-15	Completed – The fast track process is now in place.

**Objective 4:** To deliver our operational and business change priorities efficiently, economically and effectively, in accordance with statutory requirements and stated principles of governance

	Target Date	
16 – Agree revised fee strategies, including updating policies for granting fee exemption and remission, taking account of potential legislative changes to ensure equity for all customers	Dec-14	Completed.
17 – Monitor and log benefits realised from continuous and digital improvements to evidence value for money to our fee payers	Mar-15	Completed.
18 – Maintain robust mechanisms to identify and manage risks to delivery of stated objectives	Mar-15	Completed.
19 – Support development of business cases ensuring value for money is clearly stated and measurable	Mar-15	Completed.
20 – Develop improved demand forecast models to better support delivery of services to an increased customer base	Mar-15	Completed – An improved forecast model is in use.

## Priority 2: We will continue the delivery of our programme of transformation

**Objective 5:** To continue to improve the way we work and the way we deliver services

	Target Date	
21 – Launch the new back office system in relation to LPAs	Jun-14	Ongoing.
22 – Launch a digital tool for deputies and visitors	Jun-14	Ongoing.
23 – Develop OPG as an exemplar of a fully digital agency – via the production of an agency wide digital strategy	Jun-14	Completed – Strategy published.

	Target Date	
24 – Launch the new back office system in relation to supervision and investigation of deputies	Mar-15	Ongoing.
25 – Work further towards launching a tool to search the electronic register	Dec-14	Completed – Further work now underway to establish what information will be released.
26 – Conclude the fundamental review of supervision and implement the appropriate outcomes	Dec-14	Completed.
27 – To work with MoJ and others to take forward (where appropriate) the recommendations of the House of Lords ad hoc Committee on the Mental Capacity Act 2005	Mar-15	Completed – We have been involved in a programme of events and worked closely with other government departments and other organisations.
28 – Implement the use of Tell Us Once service to streamline customers' interaction with government departments	Mar-15	Partially completed – OPG is in discussion with various departments about data sharing. The principles of Tell Us Once will be pursued.
29 – Continue to embed continuous improvements in all parts of OPG	Mar-15	Completed.

**Objective 6:** To further understand our customers and develop ways of measuring how well we are meeting their needs

	Target Date	
30 – Develop an assisted digital proposition to support deputy online tools and online register searches	Dec-14	Completed.
31 – Develop and launch a fully assisted digital offering to support the digital online LPA tool	Sep-14	Completed.
32 – Establish mechanisms for capturing feedback on assisted digital partners	Sep-14	Completed.
33 – Implement a research commissioning process	Sep-14	Completed.
34 – Introduce quarterly customer satisfaction reports using intelligence across the business	Mar-15	Completed.
35 – Ensure there are mechanisms in place for capturing all customer feedback within OPG and that it is acted on to improve services	Mar-15	Completed – Linked with activity 34 above.

**Objective 7:** To make sure our workforce is developed and engaged in a way which allows us to deliver our business more effectively and efficiently

	Target Date	
36 – Develop a recruitment plan that allows us to ensure we can secure the right people at the right time	Jun-14	Completed.
37 – Implement the recommendations from the sick absence working group in order to lower the average sick absence numbers	Jun-14	Completed – Attendance remains an issue for OPG and plans are in place for further work in this area.
38 – Explore and implement ways to make better use of our existing workforce; for example, a managed moves process	Jan-15	Completed.
39 – Digitalise the learning and development tools to support the wider move to digitalisation	Sep-14	Completed – A number of new digital learning tools are in place.
40 – Design a method to measure our leadership capability, baseline and monitor the results	Sep-14	Completed.
41 – Continue to implement succession, capability, talent and vacancy management plans in partnership with the HR Business Partner	Mar-15	Completed – Succession plans are being drawn up and will be implemented in the next business year 2015/16. Vacancies will be managed in line with OPG management committee's new procedures.
42 – Implement a strategy to develop our capability including a leadership development programme	Mar-15	Completed – This strategy is now in place. We will utilise MoJ's self assessment process to baseline existing capability.

**Objective 8:** To work with partner organisations to improve the outcomes for customers

	Target Date	
43 – Deliver the necessary partnerships to ensure those unable to access digital services are not excluded should they wish to use them	Mar-15	Completed – Our assisted digital services for LPAs were delivered successfully in partnership with third sector organisations.
44 – Develop a suite of digital tools by way of guidance and information for partner organisations	Feb-15	Ongoing – An e-learning package has been developed for the financial sector to help frontline staff better understand the functions and responsibilities of attorneys.

	Target Date	
45 – Identify potential new partners that could support OPG in expanding the LPA demographic and ensure our services are available to all who wish to use them	Jun-14	Ongoing – New relationships formed with organisations representing BME groups, social housing providers, and faith groups. Work continues in this important area.
46 – Continue to support the Prime Minister's Dementia Challenge initiative	Dec-14	Completed – OPG successfully chaired a task group that developed and launched Alzheimer's Society guidance on information sharing – aimed at helping the interaction between service providers, people living with dementia, and their carers. OPG continues to support other projects initiated by the Prime Minister's champion group.
47 – Explore the opportunities for the loan or secondment of staff to and from OPG and other organisations beyond MoJ	Dec-14	Completed – Two staff from local authorities were seconded to our compliance team and we are looking for further secondment opportunities with the Association of Directors of Adult Social Services.
48 – Continue the work with the legal sector and others, who support our customers, to promote the use of existing and new digital services	Dec-14	Ongoing. We approached the law firms who registered the highest volumes of powers of attorney to gain their insight into existing digital services. This has contributed to refinements to our online LPA tool. We will build on this work in 2015/16.
49 – Form mutually beneficial and closer relationships with the financial sector in order to provide a better experience for our customers in using their LPA or deputyship order	Mar-15	Ongoing. We have built strong working relationships with the financial sector, from regulatory and trade bodies through to individual banks and building societies. This work has helped improve awareness of OPG's work and improve the service banks and building societies offer attorneys and deputies.

**Objective 9:** To work to raise awareness and promote public understanding and take up of LPAs

	Target Date	
50 – Take advantage of any suitable media opportunities during the year, such as Money Box Live and features in specialist press	Mar-15	Completed – A number of appearances on broadcast media, along with our engagement with the specialist, regional and national press, has helped raise awareness and understanding of LPAs and the need to plan ahead.
51 – Publish Ipsos MORI survey findings to highlight the myths and assumptions regarding LPAs and promote planning ahead	Apr-14	Completed.
52 – Run a specific LPA awareness raising campaign	Mar-15	Completed – A month long social media campaign – Choice not Chance – highlighted the need to plan ahead. This aimed to raise awareness of LPAs as well as wills and organ donation.
53 – Work with organisations to raise awareness of and understanding of LPAs, where appropriate, with their users via their websites and other appropriate means	Dec-14	Completed – OPG quality assured content for the new MCA hub website, delivered by the Social Care Institute for Excellence and commissioned by Department of Health.
54 – Attend appropriate conferences/events and seek speaking opportunities to increase understanding and awareness of LPAs	Mar-15	Ongoing. We have attended several conferences to promote awareness and understanding of LPAs and OPG, particularly within the health sector. Learning from our user research we have particularly targeted harder to reach groups and those sectors where we seek to improve customer service.
55 – Use the opportunity offered by the ad hoc House of Lords Select Committee on the Mental Capacity Act 2005 to work with others to raise the awareness of LPAs	Mar-15	Completed – We worked closely with local authorities and the NHS to deliver LPA champion pilots and promote the MCA hub website.
56 – Continue to work in conjunction with organisations such as the British Bankers Association (BBA) and other financial institutions to raise awareness of LPAs and improve customer experience	Mar-15	Completed – We worked with the Financial Ombudsman's Service to promote awareness and understanding of LPAs. We also worked with the Financial Conduct Authority on important customer research. We also have good working relationships with the BBA and Building Societies Association.



## Protecting the vulnerable

### Registering powers of attorney

We have seen further, accelerating growth in LPA applications and a further modest decline in the registration of EPAs.

Received	13/14	14/15	% Growth
LPA	295,000	395,000	+33.9%
EPA	16,000	15,000	-6.2%
TOTAL	311,000	410,000	+31.8%

The most significant acceleration in LPA applications came in the last quarter of 2013/14. Consequently, by the start of the 2014/15 business year there was a backlog in LPA registrations. This peaked at a case clearance time of up to 84 days for a small number of cases.

A recovery plan was put in place and by June 2014 Actual Average Clearance Time (AACT) was back within 10 days of our 40 day AACT. Additional staffing resource was in place by September, bringing us back within target and we have remained within target since. By December 2014 we were achieving our best performance to date and, in one week, achieved an AACT of 27 days. This achievement is particularly significant given application numbers were consistently above forecast throughout the business year.

The increase in applications placed significant pressures on ageing technology and we have operated a seven day working week since December 2014 to ensure applications are processed within target. New scanning and case management systems are being developed to allow us to process further forecast increases in applications.

The return to consistently strong performance has been maintained despite accommodation constraints caused by growth in staff numbers.

### Customer contact centre

The customer contact centre received 271,000 calls in 2014/15, a 23,000 (9%) increase on the previous year. The average wait time was 64 seconds, within 10% of our performance ambition. Staffing numbers have remained static and we have delivered productivity gains through continuous improvement.

New call centre technology has increased the range of activities the call centre can undertake. This also improves our contingency capability, allowing us to transfer telephony operations between two buildings as required.

The contact centre and our application pack team experienced considerable peaks in activity as a result of TV and other media activity about LPAs. This created major challenges and some temporary backlogs in dispatch of application packs. These were brought back in target within four weeks.



## Supervision of deputies

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

The number of deputyship orders OPG supervises has increased from just under 50,000 in April 2014 to over 53,000 at the end of the 2014/15 business year, an increase of about 6%. This follows a 9% increase in 2013/14.

Despite the challenges posed by these increases, we were able to meet or exceed nearly all of our key performance indicators, improving customer service and in turn the protection of the person who may lack capacity.

The only exception to this was the average time taken to obtain a deputy's annual report, which at year end stood at 42 days after the date the report was due, slightly outside our target of 40 days. This was effected by concentrated action to reduce the number of deputies who had failed to report for more than a year, which meant a large number of old outstanding reports were received out of target. In June 2013, the number of old outstanding reports stood at 1,586, by the end of March 2015 these had reduced to 61.

We aimed to conclude our first contacts with new lay and professional deputies within 35 days, to ensure they are supported at an early stage in their appointment. This involves an introductory settling-in call with new lay or professional deputies within 35 days. We exceeded our current target of achieving this in 75% of cases, achieving 96%. We further improved first year support given to deputies by introducing a catch up call after six months. This helped ensure that the deputy remained clear about their role and is aware of their responsibility to report.

We are starting to see benefits from this first contact as more deputy reports are now completed on time. Completion times in February and March 2015 were 38 and 36 days respectively. The average time taken to review the annual report was 13 days, against a target of 15 working days. This allows us to address any concerns promptly.

The programme to review 40% of professional and local authority deputyships was achieved, with 1,069 being reviewed. This was done by a combination of assurance visits, desk-based case reviews and a full review of the annual deputyship report. This gives the Public Guardian assurance that a deputy is acting in accordance with their court order.

## Supervision review update

We reported the findings of our fundamental review of supervision in December 2014. This identified a number of ways of improving the way we supervise deputies and making sure the support and supervision we give is both proportionate and responsive.

The report was made to Parliament and can be viewed at:

**[www.gov.uk/government/publications/review-of-deputy-supervision-public-guardians-report-to-parliament](http://www.gov.uk/government/publications/review-of-deputy-supervision-public-guardians-report-to-parliament)**

Many of the new approaches recommended in the report are already in place. For example, we now treat each case as unique, assessing risk and supporting as required rather than following set procedures governed by case type. We also take an end-to-end approach to each case,

building a relationship with the deputy, resolving issues as they arise and intervening in a proportionate way.

We have also improved our engagement with stakeholders such as the Association of Directors of Adult Social Services (ADASS), Association of Professional Authority Deputies (APAD), Senior Court Costs Office and Solicitors for the Elderly, using their feedback to inform future improvements. New staff also benefit from increased training and support. Eight e-learning modules were delivered this year, allowing staff to learn online at their own pace.

Early feedback shows changes in our approach to supervision are welcomed by deputies. We are confident that it continues to improve deputies' understanding of their roles and as well as the help and support they give those who may lack capacity. Contact with deputies will be further enhanced when new digital channels are fully implemented in 2015/16.

We will continue to implement the changes to supervision outlined in our report to Parliament throughout 2015/16.

### Investigations and safeguarding

OPG received a total of 1,970 new safeguarding referrals during 2014/15, down from 2,200 in 2013/14. Safeguarding referrals came from a number of sources, including relatives, local authorities, care homes and financial institutions.

Where cases were not suitable for investigation, advice was offered or they were signposted to the appropriate agency such as the local authority or police. Following risk assessment, 743 cases were progressed to full investigation, an increase of 18% from last year. 695 cases were concluded in year. Despite the increased volumes, investigations were concluded in 67 days on average, bettering last year's performance and exceeding our aim of 75 days.

One of our key objectives is to take prompt and effective action where concerns are raised about the actions of attorneys or deputies. A pilot fast track procedure called 'aspect investigations' aimed to progress investigations of suspected abuse more quickly in non-complex cases. Out of 50 cases in the pilot, 25 were concluded in an average of 42 working days, well within the target of 75 days for full investigations. Seven of the 25 concluded cases needed further enquiries beyond the original scope. Resolving cases quickly reduces the impact upon attorneys and deputies and reduces stress on the person who may lack capacity. This new approach has now been incorporated into normal business.

In December 2014, we held our second safeguarding roundtable at the House of Lords, continuing to build strong working relationships with partner organisations from across the public sector. A number of initiatives came out of the roundtable including internal awareness workshops, Care Act training and OPG's first internal safeguarding forum held in March 2015. This brought together representatives from across all areas our work and will help ensure a joined up and consistent response to safeguarding.

We continue to work very closely with our external security bond providers, the Court of Protection, local authorities and the police, to secure the best outcomes for our users. OPG was pleased to host two social work secondees, who helped us build capability and understanding of safeguarding work. Their input and views will inform further review work in 2015/16.

A key objective carried forward from previous years was to develop the approach to resolving issues with deputies and attorneys, without the need for recourse to the Court of Protection, by building an in-house mediation capacity. A pilot scheme ran between December 2013 and March 2015. 56 cases were identified where mediation would benefit parties. Mediation was eventually successful in nine of these cases, and in each of these a satisfactory formal agreement was reached. This avoided the need for OPG to undertake further investigations or make a referral to the Court of Protection, so there was benefit to all parties. An evaluation of the pilot scheme will be presented to OPG's board early in the new business year.

## Legal

### Court applications

OPG drafts and submits applications and represents the Public Guardian at hearings at the Court of Protection. In 2014/15, 254 applications were drafted and submitted to the Court of Protection. This is an increase of 10.9% on the previous year. The applications included revocation of deputyship orders or instruments, freezing accounts and directing an attorney or deputy to produce accounts.

The Public Guardian was represented in 46 hearings and 17 important judgements have been published at [www.bailii.org/ew/cases/EWCOP/](http://www.bailii.org/ew/cases/EWCOP/). These are:

- ID The Public Guardian and BW & MD [2015] EWCOP 19
- The Public Guardian and MP [2015] EWCOP 21
- The Public Guardian and BB, RB, WY [2015] EWCOP 7
- The Public Guardian and BW [2015] EWCOP 9
- The Public Guardian and GB, SG & London Borough of Bromley [2015] EWCOP 6
- The Public Guardian and IT, PT, MT [2015] EWCOP 10
- The Public Guardian and JM & Associated Newspapers Limited [2014] EWCOP 7
- The Public Guardian and JW [2014] EWCOP B24
- The Public Guardian and MD, WD and the London Borough of Brent [2014] EWCOP12
- The Public Guardian and DH [2014] EWCOP 15
- The Public Guardian and AW and DH [2014] EWCOP 28
- The Public Guardian and AS and Essex County Council [2014] EWCOP 36
- The Public Guardian and AC and JC [2014] EWCOP 41
- The Public Guardian and Marvin [2014] EWCOP 47
- The Public Guardian and Miles and Others [2014] EWCOP 40
- The Public Guardian and CT and EY [2014] EWCOP 51
- The Public Guardian and VT [2014] EWCOP 52

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

Since August 2014, we have submitted 560 severance applications to the Court of Protection where LPAs contained ineffective provisions that prevented the Public Guardian from registering the instrument.

### Visitors and panel deputies

Court of Protection visitors completed 10,650 visits during the year, supporting the Public Guardian's supervision and investigations activity. Process improvements led to faster commissioning of investigation visits. From January 2015, 99.4% have been issued to the visitor within 24 hours of being commissioned by a case manager or investigator. This helped us prioritise cases where abuse was suspected.

Conferences were held for both special and general visitors in Birmingham, London and Manchester. These ensured that visitors were kept up to date on matters affecting their role, and that we used their feedback to improve the service. During the year, we recruited five new general visitors and four special visitors.

OPG's new assurance visits were launched through nine training events for visitors. These assurance visits for professional and local authority deputies will help ensure they get the right level of support and supervision and that they are meeting the required standard. The visits that have been carried out so far have proved very successful. This year, they will be complemented by the introduction of new standards for deputies. The standards provide a comprehensive checklist for deputies, setting out best practice in the management of their clients' affairs.

A new visitors' performance feedback process was trialled in 2014/15. This involved those visitors employed directly by OPG giving in-depth, constructive feedback on reports filed by general visitors who work on a contract basis. This will further improve the standard of visitor reports. This process will be rolled out in the 2015/16 business year and will become part of the appraisal process for visitors.

OPG administers the panel of deputies the Court of Protection draws on in cases where no-one else is able or willing to act as deputy. In 2014/15, 532 panel deputy referrals were made, and 17 assurance visits were made to panel deputies. Three or four visits were also made to clients of each panel deputy who received an assurance visit.

The panel deputy diversification project sought to broaden the expertise and experience of the panel. OPG engaged closely with third sector stakeholders, identifying the barriers to charities undertaking deputyship work. This work will continue in 2015/16.

A refresh of the panel began in February 2015, attracting over 450 applicants. The new panel of around 70 deputies, spread throughout England and Wales, will be in place early in the new business year. The new panel will offer a wide range of skills and experience so that the appropriate deputy can be matched to each client who needs one.

## Change

### Digital

OPG is committed to the government's digital agenda and has been at the forefront of using digital solutions to meet its users' needs. The LPA digital service was the first government digital exemplar to go live. It allows users to complete LPAs at a time and place convenient to them and has inbuilt help at every step.

The service is attracting positive feedback from users, with user satisfaction running at around 90%. Currently around 20% of LPA registrations are coming through the digital service, with little or no direct marketing. We will build on this over the coming year.

We have also been working hard to replace our case management systems. The single replacement system – Sirius – is in the final stages of testing and will be launched shortly. Work continues on the system for supervision and investigations. While delivery of the new system has not been as quick as originally hoped, once live it will help improve efficiency and result in savings on licensing, support and change costs.

An alpha (prototype) version of a new digital service for deputies was launched in December 2014, and has recently passed an assessment to go into the next phase of testing. We will launch the live service in 2015/16. We maintain our aim to develop digital access to OPG's public registers. We aim to deliver this digital service at the earliest opportunity.

In September 2014 we published our first digital strategy. This is an important part of our commitment to be an exemplar of a fully digital agency.

### Partnerships, policy and research

We are committed to putting users' needs at the heart of what we do. To do this, we must have a full understanding those needs as well as what encourages people to plan ahead and what currently stops many people taking out an LPA.

The customer research team's annual survey of customers shows an overall satisfaction rate of 75% for LPAs and 62% for deputyships. However, the deputyship result relates to the period before changes were made to improve the way we support and supervise deputies.

Work has started on how we best use feedback to drive change within OPG. We will also look at how we best commission research to inform our future direction.

Our work with partner organisations has led to wider awareness of OPG and the work it does. In particular, the Public Guardian has given keynote speeches at number of stakeholder events. These include the Royal College of Policing and the Building Societies Association. Our second annual safeguarding roundtable brought together representatives from across central and local government, as well as the wider public sector, to help drive the combined safeguarding agenda.

Assisted digital provision has been in place throughout the year, giving support to those who wanted to apply for an LPA online but who needed help completing the process. We are currently evaluating how to take forward the long term provision of this service. We are extremely grateful to our third sector partners who currently help us provide this important service.

We have been actively involved in the Prime Minister's Dementia Challenge initiative, chairing one of the task and finish groups. The group included representatives from government, business and academia as well as the third sector. It developed important new Alzheimer's Society guidance for attorneys, launched this year. This includes clearly setting out the service attorneys can expect from businesses and services.

We know that attorneys and deputies can feel frustrated by the service they receive from the financial sector. We have worked very closely with the financial sector – from regulatory bodies down to individual banks and building societies – to improve the experience of our customers when using their powers. Important activity in this area includes our influential role in Financial Conduct Authority's Vulnerable Customer Group and the launch of its paper on vulnerable customers and banking in January 2015, along with our work with the Financial Ombudsman Service on their power of attorney campaign.

We have also worked closely with the Ministry of Justice and the Department of Health and others to take forward the recommendations of the House of Lords Select Committee on the MCA. OPG has made an important contribution. This includes a programme of work to make sure our partners are aware of the MCA and OPG's role. Work will continue into the coming business year, as we raise awareness of OPG with a wider group of potential customers.

We said we would review fees in 2014/15 with a view to bringing in any necessary changes from April 2015. We have made some significant progress but work was put on hold due to the general election. We will continue this review in 2015/16 with a view to consulting on our fees and making any changes as soon as practicable.

In the coming year we will also look at how our partnerships, policy and customer research teams work with a view to bringing them together as a single relationship management team.

### Change management

We have used recognised continuous improvement techniques to improve performance across OPG. As we move into the next phase of our transformation, we want to make sure a culture of continuous improvement runs through all we do. For this reason we have merged our continuous improvement and programme management office teams into a single change management office.

## Complaints

We operate a tiered complaints process for users who are unhappy with the service they receive. At the first tier, complaints are considered by the business area responsible. If a user is unhappy with this response, they can ask for their complaint to be escalated to the second tier. The complaint, and the way it was handled, is then reviewed by the Public Guardian and Chief Executive. If a user remains unhappy, they can then ask their MP to refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO) for an independent review.

In the past year we have seen the number of complaints increase, but this is in proportion to the increase in our workload. We received 6,376 complaints in 2014/15, compared to 3,549 complaints in 2013/14 and 11,617 in 2012/13.

Most complaints were about the processing of LPA and EPA applications. These covered three main areas:

- delays in processing applications
- quality of customer service
- issues of policy or legislation outside of OPG's control.

The majority of complaints about delays came during the first half of 2014, when a sharp increase in the number of applications received affected processing times. This issue was resolved by recruitment of new staff and redeployment of existing resource.

There is an apparent increase in complaints about our supervision of deputies in 2014/15. However, this is a result of changes to the way in which we capture and record complaints rather than any deterioration in the service we offer. A significant proportion of supervision complaints were about delays or OPG's fees. Improved communication with deputies should help reduce these complaints in the future.

We aim to respond to complaints within 10 working days. In 2014/15, we responded to 51.2% within this timescale. This was due to increased complaints about processing times in the first part of 2014, before new measures to deal with the above forecast increase in applications were in place. When normal service levels were restored, complaints fell and targets were met. Although the percentage completed within our 10 day goal was significantly lower than our target, the average number of days taken to respond to complaints over the year was 9.65 working days, within our 10 working day target.

Of all complaints received, 4.3% were escalated for a response from the Public Guardian, compared with 6.9% for 2013/14. Five new cases were referred to PHSO for full investigation this year and three investigations that were live at the start of 2014/15 were concluded. Of these, one was not upheld, one had a mediated outcome and one was discontinued. We use feedback from the PHSO to identify where further improvements can be made and we have complied with all PHSO recommendations

Our focus for the year ahead will be making sure we learn lessons from the complaints we receive. A new Complaints Forum will review trends, share best practice and work collaboratively on service improvements. We are determined to act on user feedback and to continuously improve the service we offer.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015



# Accounting Officer's report

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

In common with other government agencies future funding has to be approved by our sponsor department, MoJ and by Parliament. Approval has already been given for 2015/16 and there is no reason to question OPG's future funding. Financial statements have therefore been prepared on a going-concern basis for financial reporting and asset valuation purposes.

## Financial summary

OPG had a net operating surplus of £11.1m in 2014/15, a £0.3m increase on 2013/14.

A breakdown of income and expenditure is as follows:

	2014/15	2013/14	Difference	
	£m	£m	£m	%
<b>Operating income</b>	-57.5	-48.9	-8.6	18%
<b>Fee exemptions and remissions</b>	6.1	6.3	-0.2	(3%)
<b>Total Income</b>	-51.4	-42.6	-8.8	21%
<b>Expenditure</b>				
Staff costs	25.8	19.9	5.9	30%
Other operating costs	10.2	7.8	2.4	31%
Non-cash charges	4.3	4.1	0.2	5%
<b>Total expenditure</b>	40.3	31.8	8.5	27%
<b>Net operating surplus</b>	<b>-11.1</b>	<b>-10.8</b>	<b>-0.3</b>	<b>(3%)</b>

In the current financial year OPG received £58m in gross fee income versus £49m for 2013/14 (representing an 18% growth rate). 410,000 power of attorney applications (PoA) were received in 2014/15 compared to 311,000 in 2013/14, an increase of 32%. Expenditure increased by 27% from £31.8m in 2013/14 to £40.3m in 2014/15. Of this over 63% is staff cost and was directly related to sustaining this 32% increase in applications.

## Full cost recovery

The financial objective agreed with HM Treasury to achieve full cost recovery (excluding fee exemptions and remissions) was met and exceeded, ending at 143% of target in 2014/15. This over-recovery represents a surplus of income against cost, primarily due to an 18% increase in income. Cost recovery is down from 153% in 2013/14.

In 2011, parliamentary authority was given to exceed our cost recovery objective to fund investment in our transformation programme. As a result we have successfully increased investment in our staff resources enabling us to meet and improve the quality of our increased



service obligations. We have, however, still over-recovered due to increased demand for PoA applications.

It was not possible to change our fees structure for 2015/16, despite efforts and submissions to this effect, with the review being put on hold at ministerial level. As a result we predict that we will over-recover our costs for 2015/16 despite large increases in resource investment to improve the quality of our services. We are actively looking to review our fees for April 2016 to achieve the financial objective agreed with HM Treasury. Submissions will be presented to ministers in the summer of 2015 for public consultation.

### Looking ahead

OPG's financial outlook for 2015/16 is continued growth as demand for our services is expected to increase.

### Equal opportunities

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

Our equality and diversity strategy will continue to embed positive values, 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 MoJ by contributing to their equality objectives, equality action plan and supporting the wider civil service diversity strategy.

### Workforce composition

	Male	Female
Board Members	3	2
SCS	0	1
OPG employees (excluding SCS)	368	528

The table above shows the number of staff in post at 31 March 2015. The board members include one male SCS not separately recorded in SCS numbers and three OPG employees not separately recorded in OPG employee numbers.

### Employee engagement

In 2014/15, 79% of OPG staff completed the annual staff engagement survey (a similar response rate to 2013/14); this is in line with the response rates of other agencies. Our engagement index score increased by three points to 63%, in line with civil service 'highest performers'. Of the nine survey themes OPG scored higher than civil service benchmarks in five of them.

OPG remains committed to staff engagement, central to the way we work. We now have 54 volunteer engagement champions working across OPG and nine senior leaders who as part of their role sponsor the survey's themes. OPG's board is updated quarterly on progress and an annual staff engagement event showcases activities and actions being taken forward across the business.

## Learning and development

2014/15 saw high levels of recruitment and induction, a main focus for our learning and development team. Recruitment and selection courses have been delivered to ensure we have staff sufficiently skilled for interviewing and sifting in recruitment campaigns. A face to face induction programme has been developed engaging new staff about our vision and values and helping them to understand how their role fits while making sure they understand our customers and their journey with us.

Following the supervision review of 2013/14 a learning pathway was created and e-learning has been developed to support this, accessed by staff through MoJ's Justice Academy. This has given those working in supervision a sustainable learning pathway to support the development of their technical skills. This can be accessed as part of induction training or to refresh the knowledge of experienced staff. Modules can also be accessed by those working in other business areas to help them to gain a greater understanding of the work of our supervision teams.

We continue to focus on leader development and this year we have launched an upward mentoring scheme. This sees staff in junior roles mentoring senior leaders and members of our executive team. A first line managers' induction has been developed and plans have been created to ensure we identify and develop capability across OPG in the future.

We have worked with Kineo City and Guilds to look at how we digitise some of our products with the aim of creating a digital learning library. A consultation report has now been produced to take this forward and Kineo is currently developing our first e-learning product for our financial services sector stakeholders.

## Creditor payment, policy and performance

OPG pays all supplier invoices in accordance with the government's 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 2014 to 31 March 2015, we paid 100% of invoices within this time period. Payments are only made once they have been properly authorised under the terms of our financial delegation. No interest was paid under the Late Payment of Commercial Debt (Interest) Act 1998.

OPG, in keeping with public sector organisations, aims to pay suppliers within 10 days, and in this year we paid 89% of invoices within this time period.

## Health and safety

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

In 2014/15 OPG revised its HSW policy to include the revised MoJ Health, Safety and Fire policies into one document. To ensure policy compliance OPG has a detailed HSW delivery plan based on MoJ strategy, which is monitored via the HSW Committee and reported to the Executive Management team.

OPG's HSW risk register is maintained and informed by local risk assessments. It is reviewed and monitored at the quarterly OPG HSW committee. This forms the basis of any decisions made and priorities identified within HSW for OPG.

OPG's HSW performance is monitored, reviewed, and communicated through production and publication of performance data. This is presented to OPG's HSW committee and is included in OPG's balanced scorecard on a monthly basis. A total of 29 accidents were reported for the period which was a reduction of 10 from 2013/14. Against a growth in OPG's staff numbers, this is an excellent achievement.

OPG maintains a programme of HSW quarterly inspections carried out in conjunction with trade union representatives and management to ensure that low level locally manageable safety issues are reported and dealt with promptly. MoJ has started to conduct a programme of HSW audits for each department, including OPG. The first such fire safety audit took place in March 2015, by MoJ's Senior Fire Safety Advisor who reported OPG as satisfactory, with no further recommendations. Recommendations were given, however, for MoJ Estates to action.

OPG has continued to conduct regular risk assessments throughout the year to ensure its compliance, including a full programme to maintain requirements with the HSW (Display Screen Equipment) Regulations 1992. During this period a total of 906 assessments for individuals took place with a compliance percentage consistently over 90%, and with an average of over 75 DSE assessments completed each month.

OPG is committed to ensuring that HSW is adhered to at all times. The focus in 2014/15 was to ensure that all staff understood the duty of care placed on themselves as well as those of the department. In order to achieve this, the Executive Management team mandated the completion of all required HSW e-learning packages and the understanding of relevant HSW policies. To monitor compliance checklists were completed by staff and reconciled by the HSW and governance team, which ultimately provided assurance to the Public Guardian. This particular project is on target for 100% completion in September 2015 and will provide the baseline of training which can be monitored and renewed as per MoJ policy for all staff while at OPG.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015

# Sustainability

OPG is required to record progress towards the government's Greening Government Commitment (GGC) and to report on its utility consumption, waste generation, carbon emissions and their related costs in accordance with the Financial Reporting Manual (FReM). OPG has no direct control of utility supply in any of its properties and so has no responsibility to report emissions under the Carbon Reduction Commitment (CRC). This information is reported separately by the major occupier at each site.

OPG is looking to reduce both its carbon dioxide emissions and its impact on the environment by reducing water and paper consumption together with the amount of waste generated.

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

## Scope

The table below sets out OPG's occupancy at each of its four sites

Property name	Tenure	MoJ floor area	OPG floor area	Financial information
Pearson Building, Nottingham	Memorandum of terms of occupation (MOTO) between HMCTS and Department for Work and Pensions (DWP)	1,653 to October 2014 1,130 to April 2015	1,350 to October 2014 1,300 to April 2015	By way of service charge to HMCTS
Floors 1–4, 54 Hagley Road Birmingham	Leasehold HMCTS	3,052	784 from July 2014 to end January 2015	By way of service charge to HMCTS
The Axis, Birmingham	Leasehold MoJ/OPG	4,479	4,479	By way of service charge via agents on behalf of the British Railway Board.
Petty France, London	Leasehold MoJ	Not applicable	Not applicable	Not applicable

Staffing within OPG increased in 2014/15 from 682 FTE to 865 FTE (a 27% increase).

Two additional wings at The Axis building were taken on at the beginning of the year to accommodate the extra staff. The space OPG occupied at 54 Hagley Road was vacated in March 2014 but was re-occupied in July 2014 due to staff expansion. 54 Hagley Road was finally handed back to HMCTS at the end of January 2015 when staff could be accommodated in The

Axis. A small area in Pearson Building was lost in October 2014 when HMCTS gave up their occupancy of the 4th floor. Occupancy in Petty France is not included in the scope due to the minimal staff numbers and space used. This occupancy is included in MoJ HQ's report.

### Greening Government Commitments (GGC)

GGC commenced on 1 April 2011 and replaced Sustainable Operations on the Government Estate targets. GGC requires departments to take action to significantly reduce their impact on the environment by 2015 (compared to a 2009/10 baseline). Each target is discussed in detail in the following sections.

### About our data

As in previous years, financial information is primarily estimates based on utility readings. All OPG's buildings are fully serviced with utilities and waste collection included in the service charges. OPG is then billed by re-charges from MoJ.

It should be noted that the data collated is consistent within itself, and as such the variations shown can, with some certainty, be assumed to be genuine changes in consumption. There may be some minor variance of historical figures between reporting years due to changes in the DEFRA conversion factors used to convert energy use into CO<sub>2</sub> emissions. All emissions figures are given as tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) to account for other greenhouse gases created such as methane and nitrous oxides.

### Travel

Staff travel is the largest source of CO<sub>2</sub> emissions after gas and electricity use. In the last financial year the overall distance travelled fell 3% and emissions of greenhouse gases by 11%.

Even though OPG has grown significantly in the past year, rail travel has remained unchanged. This was partly due to a reduction in the number of inter-office meetings required of senior managers and a lack of accommodation at each site preventing ad hoc visits. In addition, it is likely that although there was an increase in staff the number of management visits needed remained the same.

Car use fell slightly from 10.2%<sup>1</sup> to 7.7% of kilometres travelled in 2014/15. Due to cars emitting four times as much CO<sub>2</sub> per kilometre as rail travel, 25% of all travel emissions came from cars. As a result the small fall in distance travelled by car led to a large fall in CO<sub>2</sub> emissions.

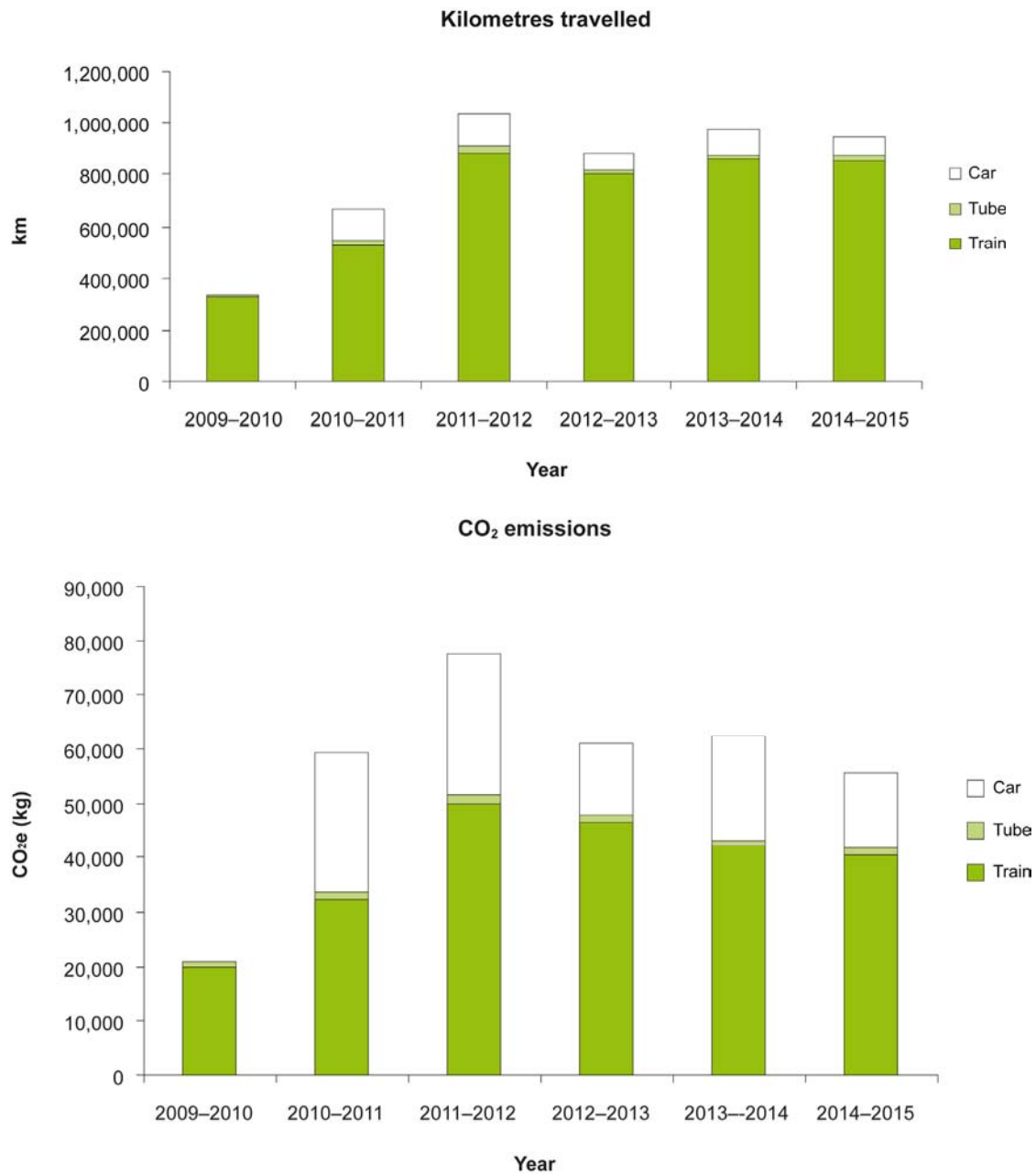
The majority of car travel is made by OPG's Court of Protection visitors, who travel to clients' residences. Although the number of visits has increased by 7% in 2014/15 the number made by OPG employees has fallen, with more being carried out by self employed contractors who do not record their mileage.

A total of seven domestic flights totalling 3,400km were made in the last financial year, emitting 990kg of CO<sub>2</sub>e.

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<sup>1</sup> Previously the figure for car travel was reported at 9%. This has been adjusted in light of updated figures obtained after the report for 2013-14 was completed. Changes in DEFRA conversion figures mean that CO<sub>2</sub>e charts for previous years have also been updated.

A summary of the data can be found in the following two charts (note: there were no mileage figures available for car travel in 2009/10, and air travel is not shown as it is de minimis).



### Paper

Office paper use rose 14% to 12,631 reams, compared to a 41% increase in caseload in 2014/15. Wherever possible, customers are contacted by telephone or email to reduce paper and postage costs. All our paper is made from recycled material.

## Detailed performance year on year

Carbon dioxide emissions		2011/12	2012/13	2013/14	2014/15
Non-financial indicators (tCO <sub>2</sub> )	Utilities	1,057	857	583	433
	Travel <sup>2</sup>	78	61	66	57
	<b>Total</b>	<b>1,135</b>	<b>918</b>	<b>647</b>	<b>470</b>
Financial indicators (£k)	Utilities	214	157	92	68 (estimated)
	Travel	303	258	334	336

### Targets

From 1 April 2011, new GGC's have required OPG to reduce greenhouse gas emissions for the whole estate by 2015 from a 2009/10 baseline and also to cut domestic business-related transport and business travel flights by 20%

### Description of terms, scope and data quality

OPG reports energy use in all buildings it occupies, apart from Petty France (which is reported in its entirety by MoJ HQ). Travel data includes travel by all OPG staff regardless of location. Electricity and gas use in offices accounts for 89% of OPG's CO<sub>2</sub>e emissions; travel the remaining 11%. All utilities are measured directly from building meters and usage apportioned based on floor area, on the assumption that all occupiers have similar behaviours. Electricity in The Axis and 54 Hagley Road was metered directly for OPG's premises. Financial information is by way of service or recharges by other parts of MoJ and any comparisons should be treated cautiously.

### Performance commentary

Carbon dioxide emissions have fallen by a quarter to 488 tonnes, primarily due to significantly less use of gas in The Axis. However, smaller reductions in emissions from travel and reduced occupancy in 54 Hagley Road contributed.

Managing energy use from buildings			2011/12	2012/13	2013/14	2014/15
Non-financial indicators	Energy consumption (kWh)	Electricity: non-renewable	1,644,999	1,666,277	511,150	530,987
		Gas	1,032,557	1,346,610	1,837,543	823,946
		<b>Total kWh</b>	<b>2,685,927</b>	<b>2,508,718</b>	<b>2,348,694</b>	<b>1,354,933</b>
Financial indicators (£)	Total energy expenditure		214	156	92	68 (estimated)

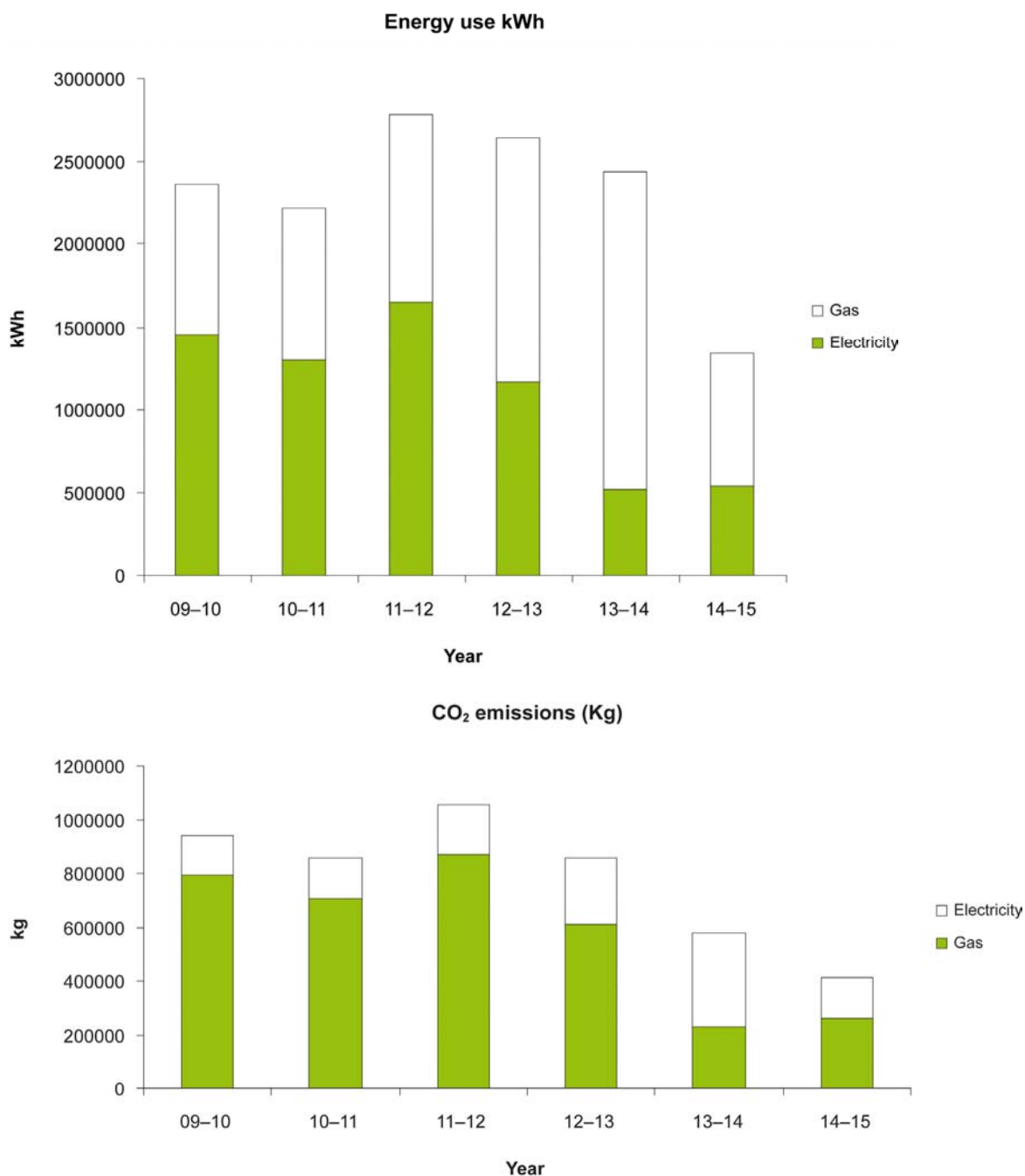
<sup>2</sup> The total amount of CO<sub>2</sub>e emitted in 2011/12 and 2012/13 has been adjusted in light of revised DEFRA conversion factors and 2013-14 updated with utility meter reads rather than estimates from The Axis, Birmingham.

### Description of terms, scope and data quality

Data is taken directly from building meters and is split according to floor area used, except for electricity at 54 Hagley Road and The Axis which is metered individually for OPG's premises. No figures have been obtained for Petty France due to the small occupancy. Expenditure is based on kWh multiplied by the unit cost, as OPG is not directly billed for any utilities.

### Performance commentary

Overall energy consumption has fallen significantly at OPG. While electricity use remained almost constant (despite large increases in staff), gas saw the largest fall, primarily at The Axis building in Birmingham. We believe this fall was due to the mild winter. In addition, significant maintenance work was carried out on the heating system to improve efficiency and performance.





Managing water use		2011/12	2012/13	2013/14	2014/15
Non-financial indicators	Water consumption (m <sup>3</sup> )	4,467	1,811	1,584	1,216
Financial indicators (£)	Invoiced water supply costs – mains supply	8,000	2,752	2,430	1,824
	Invoiced water supply costs – bottled	N/A	1,805	3175	3,236
	Total	8,000	4,557	5,605	5,060

### Targets

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

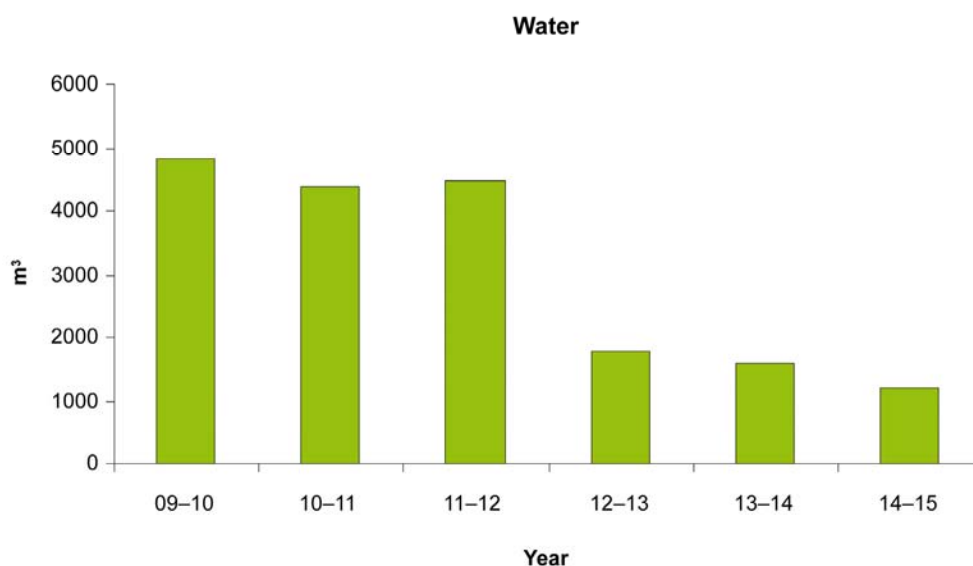
- ≥ 6m<sup>3</sup> water consumption per Full Time Equivalent (FTE) = poor practice
- 4m<sup>3</sup> to 6m<sup>3</sup> per FTE = good practice
- ≤ 4m<sup>3</sup> per FTE = best practice
- % offices meeting best/good/poor practice benchmark.

### 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 estimated from usage estimates.

### Performance commentary

Water use has fallen over the year to 1.2m<sup>3</sup> per FTE. This falls within best practice targets. All OPG's offices meet this target. This year costs for bottled water in Pearson Building are included.

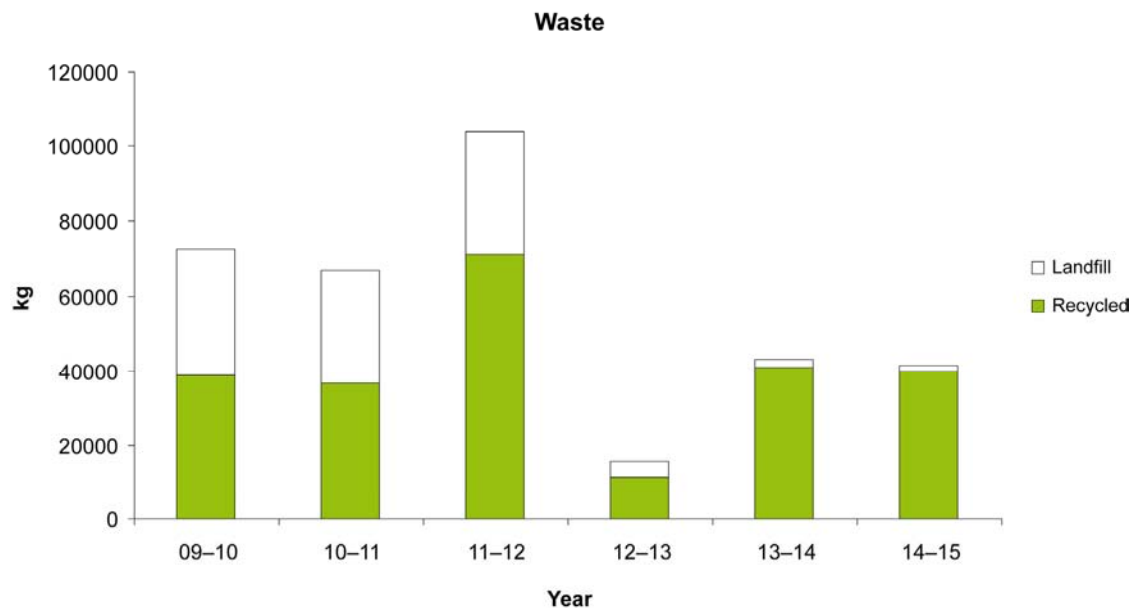


### Waste

Figures for waste collection are now available for all OPG's buildings, and are based on weight estimates taken from volumes collected by the contractors.

Mixed waste recycling has been in place in The Axis and 54 Hagley Road since they were first occupied. Pearson Building now has a mixed waste recycling facility, which was introduced in January 2015.

The overall recycling rate is now 96%. The new facility at Pearson Building has not been in place long enough to significantly improve the recycling rate at this site, which stands at 83% for 2014/15.



### Summary

Over the past year OPG's case load has grown by 32% and staff levels have risen in line with this. Despite significant growth the impact of OPG's business has held steady e.g. travel and waste – or risen slightly (for example, paper, travel and electricity) and much less than the increase in work load.

Data collection is now much more robust than in previous years and covers all reporting areas.

### Forward plans

OPG is placing a greater emphasis on communicating electronically with customers, either via email or telephone. The main reason is to improve customer service but also to assist in reducing paper usage. OPG is also taking a 'digital by default' approach to future case work, for both LPA and deputyship cases, in part, to help reduce the amount of paper required.

OPG will be relocating its Nottingham operations to a new building in the city in 2015 and employing flexible workspace models to improve the occupancy ratios of all its buildings. This should result in more efficient utilisation of electricity, heating and lighting.

Consideration will be given to collating mileage figures for contract Court of Protection visitors and reporting on production of LPA packs.

The 'green champions' network will be expanded and have a greater role in sharing the benefits with staff of recycling and virtual meetings while raising awareness of environmental matters. The continuous improvement team will look to reduce OPG's environmental impact when revising its processes.

# Remuneration report

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

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

In reaching its recommendations, the review body has 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
- 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
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances
- any other allowance to the extent that it is subject to UK taxation.

This report is based on payments made by the Department on behalf of OPG and is therefore 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 three year fixed contract.

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

[illegible]

	2014/15					2013/14				
Members	Salary £000	Bonus payments £000	Benefits in kind (to nearest £100)	Pension benefits £000	Total £000	Salary £000	Bonus payments £000	Benefits in kind (to nearest £100)	Pension benefits £000	Total £000
Elizabeth Gibby, MoJ Deputy Director, Access to Justice Strategy and Specialist Policy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sarah Wood	5–10	-	-	-	5–10	5–10	-	-	-	5–10
Prof Anthony Schapira	5–10	-	-	-	5–10	5–10	-	-	-	5–10
Janet Grossman	5–10	-	-	-	5–10	5–10	-	-	-	5–10
<b>Band of highest paid director total remuneration (£000)</b>	110–115					110–115				
<b>OPG median total remuneration (£)</b>	20,224					20,286				
<b>Ratio</b>	5.6					5.6				

John Hall was, and Elizabeth Gibby now is, the designated MoJ representative on the board. As such their salaries are not in respect of any significant OPG role and are not subject to disclosure.

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 2014/15 was £110–115k (2013/14: £110–115k). This was 5.6 times (2013/14: 5.6 times) the median remuneration of the workforce, which was £20,224 (2013/14: £20,286).

In 2014/15, no employee (2013/14: 0) received remuneration in excess of the highest-paid director. 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 (CETV) of pensions.

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

### Pension benefits

	Accrued pension at age 60 as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV	Employer contribution to partnership pension account
Members	£000	£000	£000	£000	£000	Nearest £100
Alan Eccles CBE, Chief Executive and Public Guardian	65–70 plus lump sum of 0–5	2.5–5 plus lump sum of 0–2.5	1,164	1,065	45	-
Karen Morley, Head of Corporate Services	20–25 plus lump sum of 60–65	0–2.5 plus lump sum of 0–2.5	333	*307	10	-
Angela Johnson, Head of Practice and Compliance	25–30 plus lump sum of 0–5	0–2.5 plus lump sum of 0–2.5	470	*431	17	-
Iain Dougall, Head of Operations	10–15 plus lump sum of 0–5	0–2.5 plus lump sum of 0–2.5	202	172	17	-
Chris Jones, Head of Strategy and Business Development (From 22/04/14)	10–15 plus lump sum of 0–5	0–2.5 plus lump sum of 0–2.5	110	98	2	-

\* This figure is different from the figure in last year's remuneration report due to a revised calculation provided by the pension administrators.

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 Pensions Increase legislation. Members joining from October 2002 may opt for either the

appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for classic and between 3.5% and 8.85% 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 initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 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.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)**

New career average pension arrangements will be introduced from 1 April 2015 and the majority of classic, premium, classic plus and nuvos members will join the new scheme. Further details of this new scheme are available at

**<http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>**

### **Cash equivalent transfer values**

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is 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 member 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 worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax which may be due when pension benefits are taken.

#### **Real increase in CETV**

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



**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015

# Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000 HM Treasury 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. Accounts are prepared on an accruals basis and must give a true and fair view of the agency's state of affairs at financial 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 MoJ has designated the Chief Executive of 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 '2014/15 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
- prepare the accounts on a going-concern basis.

The Accounting Officer is responsible for the propriety and regularity of the public finances. This includes keeping proper records and for safeguarding OPG's assets, as 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 OPG has been established; the way in which it is governed and managed; how it is accountable for what it does; and its risk and control framework.

## Governance framework

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

The Public Guardian is a statutory office holder appointed by the Lord Chancellor and Secretary of State for Justice under Section 57 of the Mental Capacity Act 2005 (MCA). This statutory role is combined with the administrative role of the Chief Executive of OPG and Accounting Officer for the agency, as set out in the MoJ/OPG framework document.<sup>3</sup>

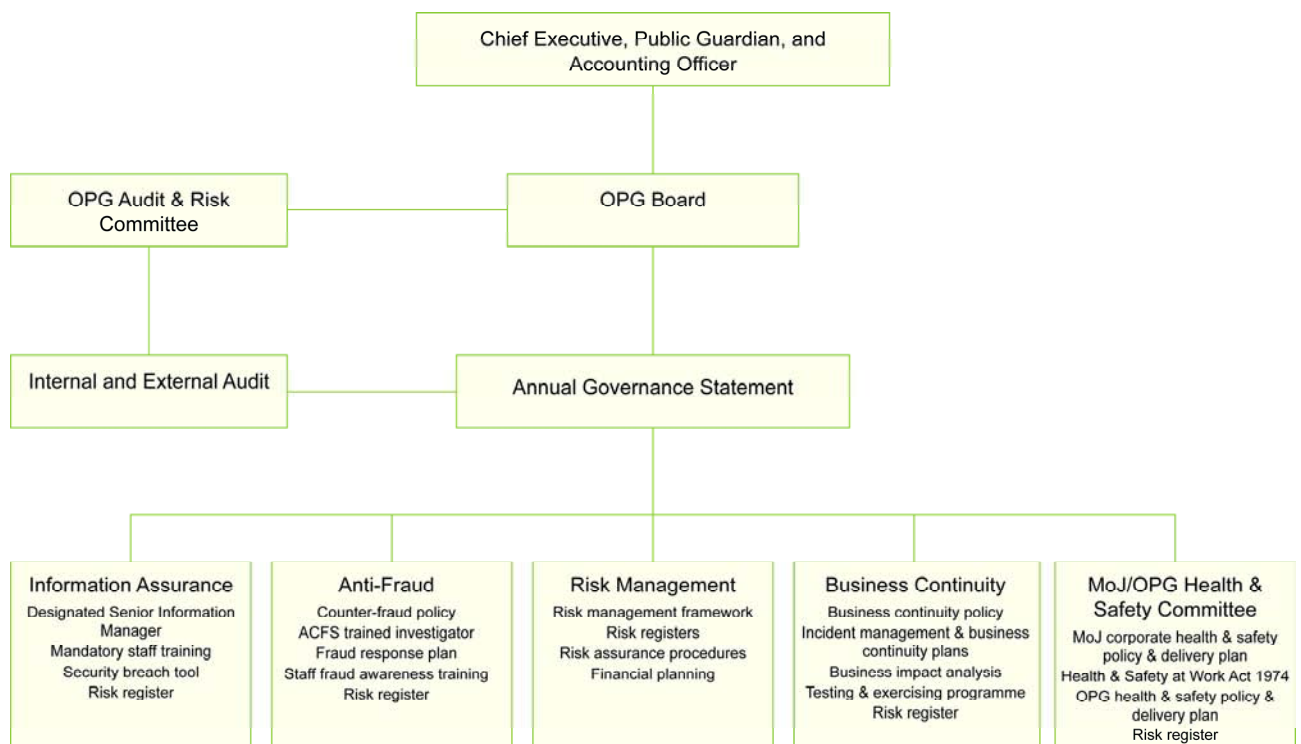
The Lord Chancellor and Secretary of State for Justice is accountable to Parliament for OPG's business. The responsible Minister's responsibilities include determining the policy and resources framework within which OPG operates, approving OPG's strategic objectives, and securing parliamentary approval for the resources needed to meet those objectives.

MoJ's Permanent Secretary is the department's Principal Accounting Officer (PAO). The responsibilities of an Accounting Officer are set out in Chapter 3 of 'Managing Public Money' issued by HM Treasury.<sup>4</sup> The PAO designated OPG's Chief Executive as the Accounting Officer (AO) for OPG's administrative expenditure, defined the Chief Executive's responsibilities and the relationship between OPG's AO and the PAO.

An overview of OPG's governance framework for 2014/15 is shown at Figure 1. OPG assurance structure is illustrated at Figure 2.

<sup>3</sup> <http://www.justice.gov.uk/downloads/publications/corporate-reports/OPG/opg-framework-january-2014.pdf>

<sup>4</sup> <https://www.gov.uk/government/publications/managing-public-money>

**Figure 1 OPG governance framework****Figure 2 OPG assurance structure****OPG Chief Executive**

OPG's Chief Executive and AO is directly accountable to the Permanent Secretary who, in turn, is accountable to the Lord Chancellor and Secretary of State for Justice for the effective operation of OPG.

The Chief Executive is responsible for the proper and economical use of resources and expenditure of money voted by Parliament, and for making sure that the correct procedures are followed for securing the propriety and regularity of public funds.

The Public Guardian is appointed by the Lord Chancellor and Secretary of State for Justice and, as Chief Executive of OPG, assumes the role of Chair of OPG's board.

## OPG Board

OPG's board steers and oversees the strategic direction of OPG and exists to protect and enhance its reputation. By providing strategic leadership, the board is proactive in supporting the delivery of the aims and objectives stated within OPG's business plan.

In addition to the chair, the board consists of four executive members and three non-executive members. The board may invite further membership including departmental nominees to ensure the Department/OPG interests are fully represented. The independent non-executive members provide support and constructive challenge to the executive board members.

OPG's board members during the period were:

- **Alan Eccles CBE** – Chief Executive and Public Guardian
- **Karen Morley** – Head of Corporate Services
- **Iain Dougall** – Head of Operations
- **Angela Johnson** – Head of Practice and Compliance
- **Chris Jones** – Head of Strategy and Business Development
- **John Hall** – Deputy Director, Civil Justice and Legal Services (MOJ), replaced by **Dr Elizabeth Gibby** – Deputy Director responsible for A2J Strategy and Specialist Policy (MoJ) (w.e.f. 01/09/2014)
- **Sarah Wood** – Non Executive Board Director and Chair of the Audit & Risk Committee
- **Janet Grossman** – Non Executive Board Director
- **Professor Anthony Schapira** – Non Executive Board Director

## Key successes

- During 2014/15 OPG's board has continued to evolve (since its inception in October 2012). Its terms of reference were reviewed with a number of actions arising, including the introduction of revised procedures for timetabling board papers and the introduction of presentations by front line staff.
- The board oversaw the production of the agency annual report and accounts, which were published in July 2014 following sign off by the Comptroller and Auditor General.
- At each of its meetings the board continues to review finance and performance and a new set of performance metrics were introduced in 2014/15.
- The board regularly reviews transformation activity and approved the launch of the LPA digital service together with the build and release of the first iteration of OPG's new case management and document/data capture systems.
- Continued to oversee the development and implementation of the 'Supervision review of deputies', a report in respect of which was published in December 2014.
- The board received presentations in respect of key areas of the business, including presentations from: complaints safeguarding and investigations, operations and supervision teams.
- The board has regularly reviewed the management of risk and the assurance framework within the agency – and considered and commented on OPG corporate risk register on a corporate level.
- The board held a successful away day where it agreed high level business objectives for 2014/15.

No board members had any other directorship or significant interest that conflicted with their responsibilities as a member of the board.

### Statement of Effectiveness of the OPG Board

The Chair, Alan Eccles CBE, commissioned a review on the board's effectiveness. The non-executive board member, Janet Grossman, presented her report to the board in December 2014.

The conclusion of this review was that the board was operating effectively.

There was effective chairmanship and management of agendas, with topics and supporting papers at an appropriate level for discussion and decision making. Performance data is at the correct level for discussion. The board was found to have the right mix of skills with all members providing even contribution and constructive challenge. There is a clear linkage of results to the OPG business plan and MoJ objectives. The board has a clearly defined appetite for risk and effective mitigation plans.

Areas highlighted for improvement included more time on each agenda to provide information from sub committee meetings. More time should be dedicated to setting the strategy and monitoring progress. Improvements are needed in forecasting future volumes and associated work plans. The timeliness of financial and human resource information has improved; a continuation of this trend would be welcomed.

### Executive Management team

The Executive Management team (EMT) meetings focus primarily on the day to day operational delivery of OPG's business, including finance, performance, risk, workforce change/planning, complaints, HR (sick absence etc), business delivery, leadership and celebrating success.

The members of the EMT during the period were:

- **Alan Eccles CBE** – Chief Executive and Public Guardian
- **Sally Jones** – Head of Legal
- **Karen Morley** – Head of Corporate Services
- **Iain Dougall** – Head of Operations
- **Angela Johnson** – Head of Practice and Compliance
- **Helen Journeaux** – Interim Head of Strategy and Business Development, replaced by **Chris Jones** – Head of Strategy and Business Development (w.e.f: 01/05/2014)
- **Steve Rider** – Head of the Chief Executive's Office

### Key successes

- The team has continued to develop a finance and performance hub and a process for forecasting future workloads.
- Risk management processes have been developed and approved, with dedicated time set aside to review and challenge the management of risk throughout the business.
- A human resources dashboard has been developed and approved. This enables the team to review progress across a range of HR related activity, including recruitment and attendance management.
- EMT oversaw and managed the delivery of the 2014/15 business plan objectives, the vast majority of which were achieved.
- Members of EMT have represented the organisation at numerous external events and those hosted by OPG during the year.
- EMT sponsors engagement across OPG – the index increased from 60% to 63% in the 2014 survey.

### Transformation Programme Committee

The Transformation Programme Committee (TPC) was established to bring together the main stakeholders from across OPG, MoJ Law and Access to Justice Group, MoJ ICT (and our delivery partners), MoJ Digital Services and Government Digital Services, to ensure the programme runs effectively. It provides the main forum for stakeholders and transformation colleagues. TPC ensure that the programme delivers to time, cost and quality and that the scope of the programme is maintained or altered through the agreed route. The committee has delegated authority from OPG Board to make decisions on its behalf.

The members of the TPC during the period were:

- **Alan Eccles CBE** – Chief Executive and Public Guardian
- **Karen Morley** – Head of Corporate Services
- **Iain Dougall** – Head of Operations
- **Angela Johnson** – Head of Practice and Compliance
- **Helen Journeaux** – Interim Head of Strategy and Business Development replaced by **Chris Jones** – Head of Strategy and Business Development (w.e.f. 01/05/2014)
- **Suzi Carberry** – Head of Communications
- **Austin Bowers** – OPG Programme Manager
- **Kit Collingwood-Richardson** – Head of Digital
- **Steve Turnbull** – MoJ ICT Lead
- **Simon Mee** – MoJ Internal Audit and Assurance
- **Liz Eaton** – Justice Policy Group
- **Mark O'Neil** – Deputy Director, Cabinet Office Transformation, Government Digital Services
- **Janet Grossman** – Non Executive Director

### Key successes

- Agreed the framework for the external partnerships team and agreed for this team to take forward three assisted digital pilots.
- Continued monitoring of programme spends against the approved business case to ensure value for money and that expenditure remains within agreed limits.
- Approved the Sirius rollout plan along with the document and data capture delivery plan. The committee also approved the fully digital way forward.
- Conducted a gateway review and internal audit during this period along with a transformation programme audit conducted by the programme's non-executive, all of which 'green lit' the programme.
- The establishment of a benefits framework to enable OPG to identify and fully realise the proposed benefits of the transformation programme. This includes the Benefits Realisation Working Group which helps to ensure that OPG is in a position to benefit most from changes currently being implemented and a benefits dashboard which highlights the challenges and success brought about by the transformation programme.
- Monitored delivery of all other non-digital aspects of the programme to ensure delivery to time, cost and quality.

### Audit and Risk Committee

The Audit and Risk Committee (ARC) 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 ARC during 2014/15 were:

- **Sarah Wood** – Chair and Non Executive Board Director
- **Kate Ivers** – Independent Member
- **Professor Anthony Schapira** – Non Executive Board Director

### Key successes:

- ARC fulfilled its remit according to its terms of reference. The four meetings of ARC covered all areas of its remit and papers of a good standard supported agenda items. The papers generated discussion, comment and challenge by all members of the committee.
- ARC began the move away from simply ensuring that the risk process was in place, and operating effectively and efficiently, to discussions with individual risk owners as to their approach to managing risk and the effectiveness of the risk process for them as business managers. This change of focus has come about at the request of ARC and is indicative of the maturing of the approach of OPG to risk identification, management and monitoring.
- Further improvement in the annual report and accounts processes were achieved in 2014/15 with much of the credit for these improvements correctly going to the finance team. ARC, however pressed for the learning from previous years to be implemented and for the correct level of professional staff to be recruited.
- ARC continued to monitor the performance of internal audit and assurance. The improvements of the previous year were built upon and the performance and relevance of the internal audit programme continued to improve. ARC paid particular attention to the individual internal audit reports and questioned and challenged the officers and auditors on the content of the reports and the improvements required.
- ARC approach to the facts and figures presented to the committee was altered to ensure ARC was focussing on those issues that were particularly relevant to ARC, rather than duplicating the work of the board. This change of approach has led to a more detailed questioning at the board on specific issues ranging from productivity levels to delays in court applications through to the numbers of outstanding professional deposes reports all areas that present possible risks to OPG overall performance.



## Board, Executive and committee attendance records

	OPG Board	Executive Management Team	Transformation Programme Committee	Audit and Risk Committee
Alan Eccles CBE	12/12	10/12	9/12	
Sally Jones	6/12	8/12		
Karen Morley	12/12	11/12	10/12	
Iain Dougall	12/12	11/12	8/12	
Angela Johnson	11/12	10/12	9/12	
Chris Jones	10/12	8/11	8/11	
John Hall	3/5			
Dr Elizabeth Gibby	5/7			
Sarah Wood	12/12			4/4
Janet Grossman	10/12		8/12	
Professor Anthony Schapira	11/12			4/4
Helen Journeaux		1/1	1/1	
Suzi Carberry			12/12	
Austin Bowers			12/12	
Kit Collingwood-Richardson			10/12	
Steve Turnbull			8/12	
Simon Mee			7/12	
Mark O'Neil			5/12	
Kate Ivers				3/3

## Terms of Reference

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

## Internal Audit

The Accounting Officer and Chief Executive has established and maintained arrangements for the provision of internal audit services from MoJ within OPG in accordance with the objectives and standards for internal audit set out in the Public Sector Internal Audit Standards (PSIAS), published by HM Treasury.

MoJ's internal audit and assurance team has a right of access to OPG in support of the Permanent Secretary's responsibilities as Principal Accounting Officer. This includes access to all records, personnel and physical properties of OPG that are relevant to the performance of its engagements. The Chief Executive provides MoJ with copies of OPG's annual internal audit plans and annual report. MoJ is notified of any fraud or irregularity within the definition set out by HM Treasury.

Internal audit work identified moderate and significant rated findings that were isolated to specific systems and processes that, when taken in aggregate, were not considered to be pervasive to the system of internal control as a whole. Internal audit and assurance assessed the overall adequacy and effectiveness of the framework of governance, risk management and control as 'moderate'.

### **Risk management framework**

OPG maintains a risk management framework in accordance with the guidance in HM Treasury's 'Managing Public Money' and 'Management of Risk – Principles and Concepts', and other official guidance that may be issued from time to time, and consistent with MOJ's risk management policy, escalating risks as necessary. An updated OPG risk management policy was approved by OPG Board in October 2014. The policy includes OPG's assurance structure, risk assurance framework and risk assurance procedure. It encompasses all areas of risk including business continuity and fraud. Risk management is used across OPG as an enabling tool to encourage innovation and efficiency.

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 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 averse organisation, less willing to take and manage risk, in the areas of:
  - exercising effectively the Public Guardian's statutory functions and powers
  - providing a risk-based supervision regime for deputies and ensuring that safeguards are applied for vulnerable adults in identifying, preventing and stopping abuse where possible, and
  - its internal governance and management control systems.

OPG's risk register highlights the main risks to the achievement of OPG's business objectives and the successful execution of its strategies. This register is in place and is updated monthly along with departmental risk registers. It forms part of the quarterly audit and risk committee agenda.

OPG corporate risks identified and managed for 2014/15 were:

1. OPG is unable to meet the required performance for the delivery of LPA registered instruments to our customers
2. OPG is unable to secure and retain resources to ensure sufficient capacity to maintain performance in light of increasing workloads
3. OPG becomes overloaded with change initiatives against the delivery of OPG's business objectives
4. failure to discharge supervisory, safeguarding and investigatory duties effectively
5. accommodation does not meet the needs and requirements to recruit additional staff to process the year on year predicted increased workload
6. third parties fail to deliver within OPG's timescales.

During the year, OPG has:

1. continued to effectively monitor and manage LPA registration risk. Performance of LPA delivery has been maintained and exceeded on the current MERIS (power of attorney) case management system. Lessons learned have been captured, and effective contingencies and actions have been adopted, to maintain delivery of LPA registrations within customers' expectations. Both MERIS and CASREC (the supervision case management system) have remained relatively stable throughout the year, with effective contingency plans and service level agreements in place for any downtime that arises. The new case management system, SIRIUS, is due to be introduced in 2015/16 to replace both existing systems, with a period of dual running during the period of implementation
2. monitored staffing levels and increased capability. Recruitment has been constant over the last 12 months with challenges focused on the length of time it takes to go through security clearances. Performance has been maintained, and in some instances exceeded, through the commitment and determination of staff to deliver on OPG's objectives relating to our customers
3. introduced and maintained a change framework and a team to manage change across OPG, aligned with continuous improvement. Our improved 'forward look' report is now in place with monthly reporting to the Chief Executive's Office team allowing us to monitor objectives, projects, initiatives and policies
4. completed the supervision review project and incorporated its recommendations into business as usual activity. This action is linked to staff resource and the ability to recruit and retain staff, given ongoing restrictions on staff accommodation for supervision staff based in Nottingham. Investigation targets have been maintained, and extra staff have been secured, with training in place to provide support
5. established a project board for OPG's estates. OPG is due to occupy a replacement building in Nottingham by September 2015, as a matter of priority. A full reorganisation of OPG occupied space within The Axis building in Birmingham is in progress. This risk will be carried forward in to 2015/16 OPG risk register
6. achieved the target score for this risk in December 2014 and this continued to be monitored throughout the remainder of the financial year.

### **Risk assurance framework**

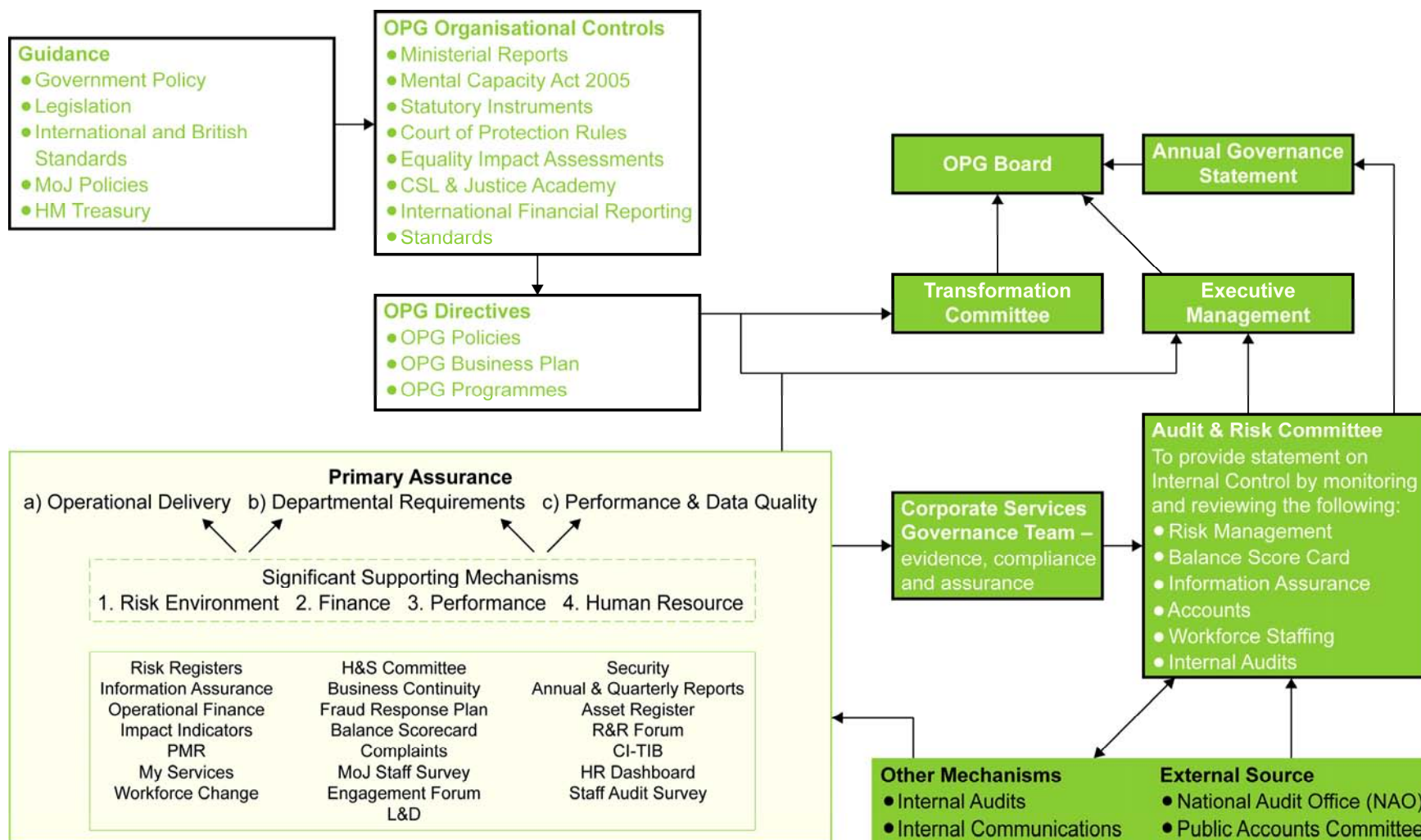
OPG's risk assurance framework is designed to manage risk to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

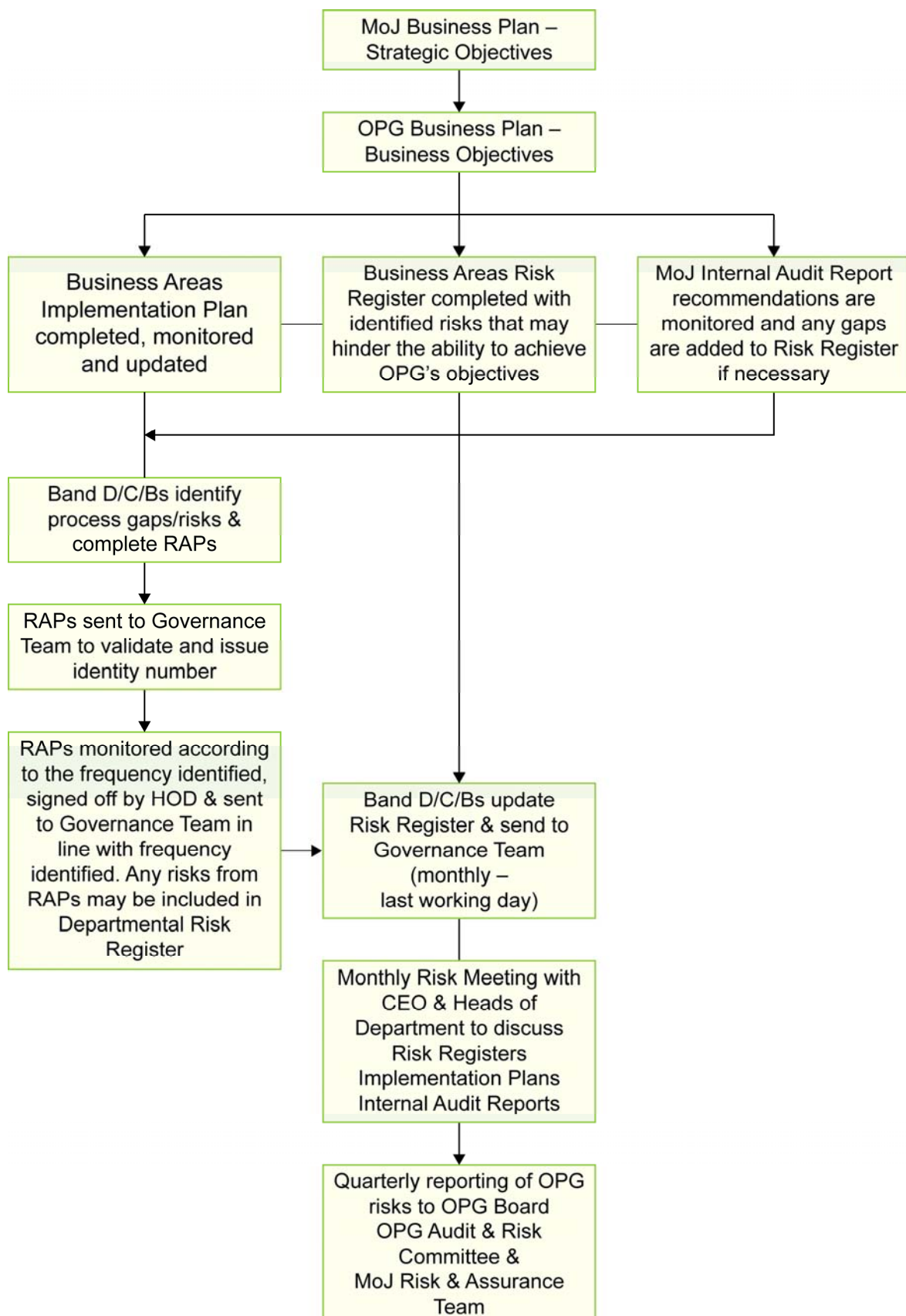
The system of internal control is based on an ongoing process designed to:

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

See Figure 3 for an overview of the risk assurance framework for 2014/15 and see Figure 4 for an overview of the risk management process and reporting for 2014/15.

Figure 3 Risk assurance framework



**Figure 4 Risk management process and reporting framework**



### Anti-fraud

OPG has a fraud response plan, underpinned by MoJ's anti-fraud and corruption policy. OPG has an Accredited Counter Fraud Specialist (ACFS) who is a member of the Institute of Counter Fraud Specialists (ICFS), and MoJ's Counter Fraud Co-ordination group, and is able to draw upon best practice across the department when necessary.

A rolling programme of fraud awareness sessions has taken place for new and existing staff. These sessions will continue to make sure all staff are aware of their responsibilities in reporting any incidents of fraud.

No reported incidents of external fraud against OPG have been reported during 2014/15. There have been a number of reported scams, each of which was reported to Action Fraud.

### Business continuity

There were no major incidents in 2014/15. There were, however, minor incidents around MERIS, telephones and mains water supply but these were dealt with effectively and business was recovered without significant disruption to operations. The contact centre's contingency plan was successfully activated in Birmingham (June 2014) after an evacuation at Nottingham became protracted.

OPG's governance and assurance team has two trained and accredited members of the Business Continuity Institute to support this function. OPG continues to build capability to manage risk of disruption, improve resilience now and in the future, and maintain plans for incidents to assist recovery. During 2014/15 there was an internal audit of business continuity, from which three lower priority recommendations arose. In September 2014 the Midlands MoJ business continuity forum was established to improve networks and widen capability in the region, with a major contribution from OPG's team.

In April 2014, a business continuity exercise took place with the executives resulting in an action log of 28 points to address the needs of the team. One significant item was the production of job cards for each of the designated roles within the incident management and business continuity team. These have been created and will be tested during another table top exercise planned for May 2015. In December 2014, the executive team met to decide the top eight priority activities for the disaster recovery process, with five chosen in operations and three in practice and compliance. Business area awareness sessions were also delivered for operations and supervision in 2014.

### Information security and assurance

An OPG appointed Information Assurance Executive Lead (IAEL) performs the role of Senior Information Risk Owner (SIRO), supported by a designated Head of Information Security and Assurance. OPG's approach is consistent with government policy comprising an information risk appetite statement, Information Asset Register (IAR) and associated information risks which are built into the Corporate Services Risk Register and OPG Risk Register (as appropriate) in line with OPG's governance process.

Our post-incident response process is designed to capture and respond to any instances of information loss. The process is monitored and reviewed regularly with month-end updates sent to OPG's information asset owners. Quarterly reports are produced for OPG's Executive Management team, OPG Audit and Risk Committee as well as forming part of quarterly departmental returns.

Controls include:

- a risk assurance procedure with controls specifically covering security of information procedures and responsibilities
- all staff being encouraged to undertake information assurance annually refresher training with training mandatory for all new starters. Two 'Information Assurance Awareness' days were run for OPG senior managers in November 2014 and March 2015. Additional training is also delivered where required
- dedicated staff intranet pages providing bespoke advice and guidance on information assurance and security considerations, including how to apply protective markings and information handling 'roles and responsibilities' guidance. Intranet content is regularly updated
- managers with specific security of information responsibilities undertaking cyber security training in line with departmental cyber strategy
- information risk and privacy impact assessments completed on all our key IT systems. A dedicated in-house data assurance manager oversees this work in relation to OPG's ongoing IT transformation
- a clear desk policy.

### Information (loss/compromise) incidents

859 incidents of information loss and/or misdirection were recorded within 2014/15, higher than 2013/14. The majority of incidents identified (784) occurred within operations (applications and processing). Incidents remain very low (0.2%), however, when compared with the total power of attorney applications processed in 2014/15.

Senior managers continue to receive monthly updates on incidents to challenge the effectiveness of process controls. Quarterly reports are tabled to executives' leads (as detailed above) to ensure relevant areas/individuals remain aware of, and accountable for, the information they manage and handle.

Efforts are continuing to reduce incident volumes through planned enhancements to the information breach reporting process and improved internal monitoring. This will include:

- a further review of harm/impact levels attributed to all information loss types in line with a review of OPG's information risk appetite
- a simplified reporting form, with fewer completion fields for those reporting incidents
- a clear-desk compliance process to help reinforce staff awareness of good information handling and management.

During 2014/15 one incident was referred to the Information Commissioners Office (ICO) as detailed below:

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
July 2014	Loss of OPG case documents during a contractor visit to an attorney.	Case information including some sensitive personal data	One individual was affected	OPG issued a formal request for return of any documents in the attorney's possession. To date, the documents have not been recovered. The ICO confirmed no enforcement action would be taken.
Further action on information risk	The department will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvements of its systems.			

### Accounting Officer

As Accounting Officer, I have responsibility for reviewing the effectiveness of OPG's system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the executive managers within OPG. They have responsibility for the development and maintenance of OPG's internal control framework, and comments made by the external auditors in their management letter and other reports. In their annual report, our internal auditors have given an overall assurance that OPG has a 'moderate' level of assurance. I have been advised by OPG Board and the audit and risk committee of the implications resulting from this review. I am satisfied that a plan to address weaknesses in the system of internal control, and ensuring the continuous improvement of the system, is now in place. I am also satisfied that all material risks have been identified, and properly managed.

### Disclosure of relevant audit information

As Accounting Officer I confirm the following:

- there is no relevant information of which the auditors to OPG are unaware
- I have taken all the steps I ought to ensure that the auditors are aware of the relevant audit information
- I have taken all the steps I ought to establish that the auditors are aware of such information.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015



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

I certify that I have audited the financial statements of the Office of the Public Guardian for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statement 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 Office of the Public Guardian's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Office of the Public Guardian; and the overall presentation of the financial statements.

In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### Opinion on regularity

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

### Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Office of the Public Guardian's affairs as at 31 March 2015 and of the net operating surplus for the year then ended
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

### Opinion on other matters

In my opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000; and
- the information given in the foreword and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the 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

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

**22 June 2015**

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

# Financial statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2015	Note	2014/15	2013/14
		£000	£000
Programme:	7		
Staff costs	3	25,776	19,930
Other expenditure	4/5	14,517	11,965
Income	2/6	(51,411)	(42,626)
Net operating surplus		(11,118)	(10,731)

Other Comprehensive Net Expenditure	Note	2014/15	2013/14
		£000	£000
Net (gain) loss on revaluation of property, plant and equipment	8	(48)	15
Net loss on revaluation of intangibles	8a	7	22
Total comprehensive net expenditure		(11,159)	(10,694)

The notes on pages 60 to 76 form part of these accounts.

Statement of Financial Position as at 31 March 2015	Note	31 March 2015		31 March 2014	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	8		1,065		1,292
Intangible assets	8a		7,982		4,446
Total non-current assets			9,047		5,738
Current assets					
Trade and other receivables	9	35,419		24,002	
Cash and cash equivalents	10	1,356		2,911	
Total current assets			36,775		26,913
Total assets			45,822		32,651
Current liabilities					
Trade and other payables	11	(3,144)		(3,207)	
Provisions	12	(230)		(188)	
Total current liabilities			(3,374)		(3,395)
Total assets less current liabilities			42,448		29,256
Non-current liabilities					
Provisions	12		(119)		(146)
Total non-current liabilities			(119)		(146)
Total assets less total liabilities			42,329		29,110
Taxpayers' equity					
General fund			41,940		28,762
Revaluation reserve			389		348
Total taxpayers' equity			42,329		29,110

The notes on pages 60 to 76 form part of these accounts.



**Alan Eccles CBE**

Chief Executive and Accounting Officer

18 June 2015

OPG – Statement of Cash Flows for the period ended 31 March 2015	Note	2014/15	2013/14
		£000	£000
Cash flows from operating activities			
Surplus for the year		11,118	10,731
Other non-cash charges	5	3,822	3,699
Other non-cash operating costs	4	1,184	1,111
Other non-cash		14	-
		16,138	15,541
(Increase) in trade and other receivables	9	(11,417)	(668)
Increase/(decrease) in trade and other payables	11	(63)	741
Utilisation of provisions settled by OPG	12	(188)	(175)
Net cash inflows from operating activities		4,470	15,439
Cash flows from investing activities			
Purchase of property, plant and equipment	8	-	(148)
Purchase of intangible assets	8a	(4,361)	(2,997)
Net cash outflow from investing activities		(4,361)	(3,145)
Cash flows from financing activities			
MoJ transfer		(1,664)	(11,672)
Net financing		(1,664)	(11,672)
Net increase/(decrease) in cash		(1,555)	622
Cash and cash equivalents at the beginning of the period	10	2,911	2,289
Cash and cash equivalents at the end of the period	10	1,356	2,911

The notes on pages 60 to 76 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2015	Note	General Fund	Revaluation Reserve
		£000	£000
<b>Balance at 31 March 2014</b>		<b>28,762</b>	<b>348</b>
<b>Net gain/(loss) on revaluation of:</b>			
Revaluation of property, plant and equipment		-	48
Revaluation of Intangible assets		-	(7)
<b>Non-cash charges</b>			
Auditor's remuneration	5	52	-
Costs settled by MoJ	4	1,184	-
Notional element of Departmental recharge	5	2,505	-
Reserves movement MoJ		(1,664)	-
Other		(17)	-
<b>Net surplus for the year</b>		<b>11,118</b>	<b>-</b>
<b>Balance at 31 March 2015</b>		<b>41,940</b>	<b>389</b>

Statement of Changes in Taxpayers' Equity for the period ended 31 March 2014	Note	General Fund	Revaluation Reserve
		£000	£000
<b>Balance at 31 March 2013</b>		<b>26,008</b>	<b>385</b>
<b>Net gain/(loss) on revaluation of:</b>			
Revaluation of property, plant and equipment		-	(15)
Revaluation of intangible assets		-	(22)
<b>Non-cash charges</b>			
Auditor's remuneration	5	52	-
Notional element of Departmental recharge	5	2,532	-
Costs settled by MoJ	4	1,111	-
<b>Net surplus for the year (SoCNE)</b>		<b>10,731</b>	<b>-</b>
Cancellation of intra-group balances to reflect permanent surrender of excess assets to MoJ		(11,672)	-
<b>Balance at 31 March 2014</b>		<b>28,762</b>	<b>348</b>

The notes on pages 60 to 76 form part of these accounts.

# Notes to the accounts

For the period ended 31 March 2015

## 1. Statement of accounting policies

### 1.1 Basis of preparation

These accounts have been prepared in accordance with the 2014/15 government financial reporting manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply international financial reporting standards (IFRS) as adapted or interpreted for the public sector context.

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

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

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

OPG has made an assessment of the proposed changes in the FReM for 2014/15, and any new accounting standards in issue that are not yet effective, and has determined that there would be no material effect on its current or prior period or a future period.

### 1.2 Going concern

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

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

Approval has already been given for 2015/16 and these accounts have been prepared on a going-concern basis for financial reporting and asset valuation purposes.

### 1.3 Accounting convention

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

### 1.4 Income recognition

#### Operating income

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

The Mental Capacity Act 2005 provides for fees to be charged in relation to proceedings brought in relation to the functions carried out by the Public

Guardian. The levels of charges are contained in two Statutory Instruments, Lasting Powers of Attorney, Enduring Powers of Attorney and Public Guardian Regulations 2007 and the Public Guardian (fees etc) Regulations 2007.

The fee structure effective for 2014/15 has been in place since when it was altered at 1 October 2011 by The Public Guardian (fees, etc.) (Amendment) Regulations 2011 which amended and updated The Public Guardian (fees, etc.) Regulations 2007.

### **Public Guardian supervision and deputyship fees**

The regulations replace the range of fees that were payable by receivers appointed by the court with a single set up fee, payable when a new deputyship is initially assessed for supervision; and a single annual administration fee. Cases are placed into one of four types 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. The registration fee is payable with the application. A separate registration fee is payable for property and financial affairs LPAs and health and welfare LPAs when each application is made.

## **1.5 Exemption and remission of fees**

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

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

An application for a fee exemption or remission can be made with the initial application form or submitted within 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. A provision is recognised based on a detailed assessment of the extent to which supervision fee exemption and remission have been granted in the year following recognition of the income. This represents the anticipated amount of exemption and remission that may be



received in the following year (note 9). Income is shown net of exemptions and remissions on the statement of comprehensive net expenditure, and on a more detailed gross basis at note 2.

## 1.6 Employee benefits

### **Employee leave accrual and performance bonuses**

An accrual is made for untaken employee leave, flexi leave and performance bonuses.

### **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 comprehensive net 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 comprehensive net expenditure on a straight-line basis over the term of the lease. In accordance with the principles of IAS 17 (Leases) and the supplementary guidance specified in SIC 15 (Operating lease incentives) OPG has spread the value of the rent-free period for occupation of space at The Axis Building over the initial 10 year term.

## 1.8 Non cash charges

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

### **MoJ headquarters' support charges**

MoJ recharge methodology calculations is the documented basis applied transparently and consistently to apportion overheads including HR and 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, arises in connection with a single project they are treated as a grouped asset. Grouped assets typically comprise:

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

### Valuation method

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 and fittings – 10 years
- plant and equipment – 5 to 7 years
- information technology – 3 to 7 years.

#### **Assets under construction**

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

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

Gains and losses on disposal of non-current assets are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive net expenditure. When revalued assets are

sold, the amounts included in the revaluation reserve are transferred to the general fund.

### **1.11 Intangible assets**

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

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

- it is technically feasible to complete the software product so that it will be available for use;
- OPG intends to complete the software product and use it;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future service potential;
- adequate technical, financial and other resources to complete the development and to use the software product are available; 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 two to seven years. Purchased software licences are amortised over the licence period.

### 1.12 Capitalisation thresholds

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

### 1.13 Impairment

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

The recoverable amount of an asset 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).

### 1.14 Value added tax (VAT)

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

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

### 1.15 Provisions

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

### 1.16 Segmental reporting

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

### 1.17 Contingent liabilities

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

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

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

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

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

- a. MoJ settle some expenditure incurred by OPG in the agency's behalf (see notes 4 and 5). This gives rise to an intra-group balance in MoJ's favour (note 11).

- b. Since OPG generates net cash inflows, these are periodically surrendered to MoJ. These surrenders of cash produce intercompany balances in OPG's favour (note 9).

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

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

<b>2.</b>	<b>Income</b>	<b>2014/15</b>	<b>2013/14</b>
<b>2.1</b>	<b>Operating income</b>	<b>£000</b>	<b>£000</b>
	<b>OPG fee income</b>		
	Lasting Powers of Attorney	(43,340)	(35,033)
	Enduring Powers of Attorney	(1,657)	(1,914)
	Supervision	(11,054)	(10,536)
	Appointment of Deputy	(1,492)	(1,395)
		<b>(57,543)</b>	<b>(48,878)</b>
	<b>Exemptions and remissions</b>		
	Lasting Powers of Attorney	3,564	3,453
	Enduring Powers of Attorney	87	123
	Supervision	2,169	2,345
	Appointment of Deputy	312	331
		<b>6,132</b>	<b>6,252</b>
	<b>Total operating income</b>	<b>(51,411)</b>	<b>(42,626)</b>

<b>3.</b>	<b>Staff numbers and costs</b>				
		<b>2014/15</b>			<b>2013/14</b>
		<b>£000</b>			<b>£000</b>
			<b>Permanently employed staff</b>		
<b>3.1</b>	<b>Staff costs</b>	<b>Total</b>		<b>Others</b>	<b>Total</b>
	Wages and salaries	22,305	15,980	6,325	17,200
	Social security costs	987	987	-	765
	Other pension costs	2,484	2,484	-	1,965
	<b>Total net costs</b>	<b>25,776</b>	<b>19,451</b>	<b>6,325</b>	<b>19,930</b>

- 3.2** The principal civil service pension scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which OPG is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2013. Details can be found in the resource accounts of the Cabinet Office: civil superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2014/15 employers' contributions of £2,484,000 were payable to the PCSPS (2013/14: £1,965,000) at one of four rates in the range 16.7 per cent to 24.3 per cent (2013/14: 16.7 per cent to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

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

Number	2014/15			2013/14
	Total	Permanent staff	Other	Total
Directly employed	707	707	-	543
Other	158	-	158	139
<b>Total</b>	<b>865</b>	<b>707</b>	<b>158</b>	<b>682</b>

**3.4 Reporting of civil service and other compensation schemes – exit packages**

No exit packages were paid in 2014/15 (2013/14: Nil).

4. Other operating costs	2014/15	2013/14
	£000	£000
Cash losses and ex gratia payments	18	15
Consumables	220	201
Maintenance	*776	*855
Computer running costs	2,345	1,168
Travel and subsistence costs	510	458
Other running costs	1,389	703
Postage	2,051	1,635
Rates	*414	*388
Accommodation	*1,085	*1,344
Utilities	*50	15
Visitor services (assessment of client needs)	1,340	1,076
	<b>10,198</b>	<b>7,858</b>

\* Of the above amounts, £1,184,000 (2013/14: £1,111,000) was settled by the Ministry of Justice and have no cash impact on OPG. The affected categories are starred.



5. Non-cash charges	2014/15	2013/14
	£000	£000
MoJ Headquarters support charges	2,505	2,532
Depreciation – Property, plant & equipment	258	275
Amortisation – Intangible assets	772	852
External auditor's remuneration	52	52
Loss on disposal of property, plant and equipment	32	-
Other non-cash charges	-	-
<b>Provision for liabilities:</b>		
Provided in the year	203	116
Provisions written back	-	(128)
	<b>3,822</b>	<b>3,699</b>
Increase in impairment of trade receivables	(42)	77
Bad debts written off	539	331
	<b>4,319</b>	<b>4,107</b>

## 6. Fees and charges

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

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

In 2011, the fees strategy was reviewed to allow OPG to invest in the future to ensure it had sufficient and efficient capacity to meet growing demand for its services and spread this cost over the remaining four years of the parliamentary period, namely to March 2015.

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

	2014/15	2013/14
	£000	£000
Operating income	(51,411)	(42,626)
Fees remitted	(6,132)	(6,252)
<b>Total income</b>	<b>(57,543)</b>	<b>(48,878)</b>
<b>Total expenditure</b>	<b>40,293</b>	<b>31,895</b>
<b>Deficit/(surplus)</b>	<b>(17,250)</b>	<b>(16,983)</b>
<b>Cost recovery (%)</b>	<b>143%</b>	<b>153%</b>



The financial objective agreed with HM Treasury to achieve full cost recovery, excluding fee exemptions and remissions, is over-achieved at 143%.

## 7. Analysis by administration and programme

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

8. Property, plant and equipment					
	Leasehold improvements	Furniture & fittings	Plant & equipment	Information technology	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 April 2014	824	240	687	1,095	<b>2,846</b>
Reclassification	-	17	-	-	<b>17</b>
Disposals	-	(54)	(11)	-	<b>(65)</b>
Revaluation	67	-	-	8	<b>75</b>
<b>At 31 March 2015</b>	<b>891</b>	<b>203</b>	<b>676</b>	<b>1,103</b>	<b>2,873</b>
<b>Depreciation</b>					
At 1 April 2014	(228)	(75)	(602)	(649)	<b>(1,554)</b>
Provided in year	(83)	(23)	(25)	(127)	<b>(258)</b>
Disposals	-	26	5	-	<b>31</b>
Revaluation	(24)	-	-	(3)	<b>(27)</b>
<b>At 31 March 2015</b>	<b>(335)</b>	<b>(72)</b>	<b>(622)</b>	<b>(779)</b>	<b>(1,808)</b>
<b>Net book value at 31 March 2015</b>	<b>556</b>	<b>131</b>	<b>54</b>	<b>324</b>	<b>1,065</b>
<b>Net book value at 1 April 2014</b>	<b>596</b>	<b>165</b>	<b>85</b>	<b>446</b>	<b>1,292</b>

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

A balance of £29k of specialist agency staff costs was included in assets under construction, within both property, plant and equipment and intangible assets, as at 31<sup>st</sup> March 2014. Upon capitalisation of the associated items in 2014/15, this amount was deemed to be resource expenditure.

Property, plant and equipment					
	Leasehold improvements	Furniture & fittings	Plant & equipment	Information technology	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2013	793	229	695	1,008	<b>2,725</b>
Reclassification	-	13	-	134	<b>147</b>
Disposals	-	(1)	-	-	<b>(1)</b>
Revaluation	31	(1)	(8)	(47)	<b>(25)</b>
<b>At 31 March 2014</b>	<b>824</b>	<b>240</b>	<b>687</b>	<b>1,095</b>	<b>2,846</b>
Depreciation					
At 1 April 2013	(140)	(51)	(572)	(526)	<b>(1,289)</b>
Provided in year	(79)	(24)	(33)	(139)	<b>(275)</b>
Revaluation	(9)	-	3	16	<b>10</b>
<b>At 31 March 2014</b>	<b>(228)</b>	<b>(75)</b>	<b>(602)</b>	<b>(649)</b>	<b>(1,554)</b>
<b>Net book value at 31 March 2014</b>	<b>596</b>	<b>165</b>	<b>85</b>	<b>446</b>	<b>1,292</b>
<b>Net book value at 1 April 2013</b>	<b>653</b>	<b>178</b>	<b>123</b>	<b>482</b>	<b>1,436</b>

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

8a. Intangible assets				
	Software licences	Internally generated software	Assets under construction	Total
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At 1 April 2014	1,003	6,675	3,300	10,978
Additions	-	-	4,361	4,361
Reclassification	-	429	(475)	(46)
Disposals	(589)	-	-	(589)
Revaluation	-	(22)	-	(22)
<b>At 31 March 2015</b>	<b>414</b>	<b>7,082</b>	<b>7,186</b>	<b>14,682</b>
<b>Amortisation</b>				
At 1 April 2014	(922)	(5,610)	-	(6,532)
Provided in year	(51)	(721)	-	(772)
Disposals	589	-	-	589
Revaluation	-	15	-	15
<b>At 31 March 2015</b>	<b>(384)</b>	<b>(6,316)</b>	<b>-</b>	<b>(6,700)</b>
<b>Net book value at 31 March 2015</b>	<b>30</b>	<b>766</b>	<b>7,186</b>	<b>7,982</b>
<b>Net book value at 1 April 2014</b>	<b>81</b>	<b>1,065</b>	<b>3,300</b>	<b>4,446</b>

All intangible assets disclosed above are owned outright by OPG.

The balance of assets under construction, £7.2m, is wholly made up of expenditure related to digital transformation.

Intangible assets				
	Software licences	Internally generated software	Assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2013	982	5,875	325	7,182
Additions	-	-	3,994	3,994
Reclassification	21	851	(1,019)	(147)
Revaluation	-	(51)	-	(51)
<b>At 31 March 2014</b>	<b>1,003</b>	<b>6,675</b>	<b>3,300</b>	<b>10,978</b>
Amortisation				
At 1 April 2013	(814)	(4,895)	-	(5,709)
Provided in year	(108)	(744)	-	(852)
Revaluation	-	29	-	29
<b>At 31 March 2014</b>	<b>(922)</b>	<b>(5,610)</b>	<b>-</b>	<b>(6,532)</b>
<b>Net book value at 31 March 2014</b>	<b>81</b>	<b>1,065</b>	<b>3,300</b>	<b>4,446</b>
<b>Net book value at 1 April 2013</b>	<b>168</b>	<b>980</b>	<b>325</b>	<b>1,473</b>

All intangible assets disclosed above are owned outright by OPG.

9. Trade receivables and other current assets	31 March 2015	31 March 2014
Amounts falling due within one year	£000	£000
<b>Balances with other central Government bodies</b>		
Amount due from Ministry of Justice	25,099	17,066
VAT recoverable	83	51
	<b>25,182</b>	<b>17,117</b>
<b>Balances with bodies external to Government</b>		
Prepayments	548	204
Staff receivables	48	25
Trade receivables	9,341	6,519
Accrued income	300	137
	<b>10,237</b>	<b>6,885</b>
<b>Total receivables</b>	<b>35,419</b>	<b>24,002</b>

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

Trade receivables are shown net of a provision for doubtful debts of £206,000 (2013/14: £248,000) and a provision for remissions of £634,000 (2013/14: £634,000).

10. Cash and cash equivalent	31 March 2015	31 March 2014
	£000	£000
Balance at 1 April 2014	2,911	2,289
Net cash inflow/(outflow)	(1,555)	622
<b>Balance at 31 March 2015</b>	<b>1,356</b>	<b>2,911</b>
<b>The following balances at 31 March are held at:</b>		
Government Banking Service	1,356	2,911

11. Trade payables and other current liabilities	31 March 2015	31 March 2014
Amounts falling due within one year	£000	£000
<b>Amount due to other central government bodies</b>		
Amount due to Ministry of Justice	795	577
	<b>795</b>	<b>577</b>
<b>Balances with bodies external to Government</b>		
Accruals	2,204	2,350
Trade payables	145	280
	<b>2,349</b>	<b>2,630</b>
<b>Total payables</b>	<b>3,144</b>	<b>3,207</b>

12. Provisions for liabilities and charges	Early retirement	Other	Total
	£000	£000	£000
<b>Balance at 1 April 2014</b>	212	122	<b>334</b>
Provided in the period	27	176	<b>203</b>
Provisions utilised in the period	(82)	(106)	<b>(188)</b>
<b>Balance at 31 March 2015</b>	<b>157</b>	<b>192</b>	<b>349</b>

Analysis of expected timings of cashflow			
Not later than one year	38	192	230
Later than one year and not later than five years	91	-	91
Later than five years	28	-	28
	<b>157</b>	<b>192</b>	<b>349</b>

### Early departure costs

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

### 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 2015	31 March 2014
	Land & buildings	Land & buildings
	£000	£000
Not later than one year	499	552
Later than one year and not later than five years	2,191	2,207
Later than five years	1,132	1,104
<b>Total</b>	<b>3,822</b>	<b>3,863</b>

### 14. Contingent liabilities

The agency does not have any contingent liabilities reportable under IAS37 or additional parliamentary reporting requirements.

### 15. Related party transactions

The agency is an executive agency of MoJ. MoJ is regarded as a related party. During the period the agency had various material transactions with MoJ. In particular the agency's staff costs (and accounting for advances and recoveries of salaries) are managed by MoJ. In addition, MoJ also provides internal audit services to the agency. MOJ manages the lease arrangements and associated accommodation costs of OPG's occupancy of its offices.

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

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

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

### 16. Events after the reporting period

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

## 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 67,813 cases where fees were remitted or exemptions applied. The total value was £6,134,000 (2013/14: 62,748 cases – £6,252,000 as described in note 2.1).

### Cash losses

There was 1 case involving cash losses totalling £37 (2013/14: 2 cases – losses £1,000).

### Special payments and fee waivers

There were 179 special payments totalling £12,000 (2013/14: 150 special payments, totalling £14,000) relating to compensation and consolatory settlements.

There were 4,382 fee waivers totalling £473 000 (2013/14: 1,204 cases, totalling £122,000).

A fee waiver is granted either:

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

# Appendices

## Five-year financial record

	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000
<b>Operating income</b>					
Lasting Powers of Attorney	16,319	20,817	27,094	31,580	39,776
Enduring Powers of Attorney	2,020	2,183	2,048	1,791	1,570
Supervision*	5,525	7,192	8,061	9,255	10,065
Other	8	-	-	-	-
	<b>23,872</b>	<b>30,192</b>	<b>37,203</b>	<b>42,626</b>	<b>51,411</b>
<b>Fees remitted</b>					
Lasting Powers of Attorney	4,159	3,908	3,330	3,453	3,564
Enduring Powers of Attorney	292	186	174	123	87
Supervision*	1,897	2,658	3,510	2,676	2,481
Other	4	-	-	-	-
	<b>6,352</b>	<b>6,752</b>	<b>7,014</b>	<b>6,252</b>	<b>6,132</b>
Total income	30,224	36,944	44,217	48,878	57,543
Total expenditure	25,881	28,989	27,918	31,895	40,293
(Deficit)/surplus	4,343	7,955	16,299	16,983	17,250
Cost recovery	117%	128%	158%	153%	143%

\* includes Appointment of Deputy



Fee volumes	2010/11	2011/12	2012/13	2013/14	2014/15
LPA fees	171,259	178,790	241,214	294,946	395,309
EPA fees	19,356	18,912	17,968	16,034	15,037
Search fees	1,364	1,408	4,196	1,416	1,819
Appointment of Deputy fees	11,165	12,744	11,801	14,017	14,938
Type 1 supervision fees	448	476	600	411	418
Type 2A supervision fees	6,289	12,715	10,624	10,809	11,832
Type 2 supervision fees	23,196	28,529	31,952	32,475	30,216
Type 3 supervision fees	-	10,804	13,751	16,929	20,915

Remissions volumes	2010/11	2011/12	2012/13	2013/14	2014/15
LPA fees	37,498	32,086	36,217	39,281	43,949
EPA fees	2,562	1,608	1,923	1,298	1,005
Search fees (no fee payable after 1 October 2011)	16	36	0	0	0
Appointment of Deputy fees	3,351	3,931	3,263	3,682	3,403
Type 1 supervision fees	1,030	139	133	132	97
Type 2A supervision fees	2,257	2,843	2,049	2,565	2,234
Type 2 supervision fees	6,455	17,243	13,908	15,117	16,372
Type 3 supervision fees	-	19	627	673	750

Payment methods – volumes	2010/11	2011/12	2012/13	2013/14	2014/15
Cheque	167,096	178,454	168,496	237,339	308,245
Credit Card	3,269	5,211	11,755	17,726	49,971
Direct Debit	7,525	10,447	11,402	9,528	8,559
<b>Total</b>	<b>177,890</b>	<b>194,112</b>	<b>191,653</b>	<b>264,593</b>	<b>366,775</b>

## Performance achievements

### Impact Indicator 1: Powers of Attorney

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

Purpose	Calculation method	Data source	Achieved to 31 March 2015
<p>This measures the average actual clearance time (AACT) for powers of attorney measures the time taken between the date of the application and the date of dispatch.</p> <p>The aim is for powers of attorney (PoA) applications to be dispatched within an average of 40 working days.</p> <p>Each application involves a situation where, by definition, a person has made a choice to enable a third party or parties to exercise decisions regarding their finances or health and welfare. Since that choice cannot come into operation until an LPA is registered, by processing applications in a timely fashion we are facilitating that choice.</p>	<p>Data will be collected through the MERIS casework system.</p> <p>This measure calculates the average number of working days taken to register and dispatch all powers of attorney (PoA) during a given reporting period.</p> <p>Of all PoAs with a date of dispatch within the period, the number of working days, excluding bank holidays &amp; weekends, between the 'date of dispatch' and the 'date of receipt' are summed and then averaged between the number of applications.</p> <p>'Date of receipt' is the day the fee is paid, or alternatively the date of decision for a successful Remission/Exemption application. This is the point OPG begins processing the application.</p> <p>'Date of dispatch' is the date the registered EPA/LPA is dispatched as the last part of the application process which then shows an application as registered within MERIS.</p>	<p>From the MERIS database via the relevant custom reporting software.</p>	<p>Average actual clearance times (AACT) of 42 working days achieved against an aim of 40 working days.</p>

## Impact Indicator 2: Supervising deputies

II2A Average time to conclude first contact support

II2B Average time to obtain and review annual reports

II2C Percentage of professional/local authority and panel deputies reviewed

Purpose	Calculation method	Data source	Achieved to 31 March 2015
<p><b>II2A</b> –To conclude personal contact (via telephone) for 75% of all new lay deputies no later than 35 working days from date the deputy is notified in writing of their Supervision level. To conclude 100% within 95 working days from date the deputy is notified in writing of their supervision level by written contact or by visit. First contact support will be considered to be concluded when personal contact is made via a ‘settling-in call’, return of the completed questionnaire, a visit, or where a decision to refer for discharge is taken for non compliance with the first contact process.</p> <p><b>II2B</b> –To obtain all annual reports within 40 working days of the anniversary of the date of the court order and review all annual reports, once received, within 15 working days of receipt.</p> <p><b>II2C</b> – To review 40% of the Professional, Local Authority and Panel Deputyships.</p>	<p><b>II2A</b> – The average number of working days between the date the deputy is notified in writing of their Supervision level and the date personal contact is concluded. In order to report the measure we accurately record the following:</p> <ul style="list-style-type: none"> <li>the date on which introductory and settling-in calls are completed</li> <li>the date of a completed returned questionnaire</li> <li>the date a successful visit takes place</li> <li>the date on which we decide to refer a case for action that could include discharge of the deputy for non compliance.</li> </ul> <p><b>II2B</b> – To obtain annual report, the average number of working days between the ‘due date’ of the report (40 working days after the anniversary of the court order) and the date which the report was received in OPG, for all annual reports received in the period.</p> <p>To review annual report. The average number of working days between the date on which an annual report is received and the date it was reviewed, for all annual reports reviewed in the period.</p> <p><b>II2C</b> – To undertake supervision casework on professional, local authority and panel deputyships. This is measured by recording a count of assurance visits or a desk based review which can be a telephone review, a full review of the financial reports or a case review.</p>	<p>All data will be sourced from CASREC management reports.</p> <p>User will set parameters on CASREC management report to gain information, these reports will download into users folder, usually in excel spreadsheet format.</p> <p>Casework managers will collect and report on the data, this information will be fed into local reporting tools which will be used to populate the balanced scorecard.</p>	<p><b>II2A</b> –The aim was 75% of deputies within 35 days and &amp; 100% of deputies within 95 days.</p> <p>Achieved 96% within 35 days &amp; 100% within 95 days.</p> <p><b>II2B</b> – The aim was to obtain the report within 40 days.</p> <p>We achieved 42 days at year end.</p> <p><b>II2C</b> – The aim was to complete 1092 reviews in year.</p> <p>All 1092 were conducted.</p>

### Impact Indicator 3: Investigations

This Indicator goes to the heart of OPG's responsibility to safeguard vulnerable adults.

II3A is the average time taken to risk assess concerns

II3B is the average actual clearance time to conclude investigations <75 days

II3C is the average actual clearance time to conclude recommendations following PG report <80 days

Purpose	Calculation method	Data source	Achieved to 31 March 2015
<p><b>II3A – Assess risk.</b> OPG will carry out a risk assessment process to determine:</p> <ul style="list-style-type: none"> <li>whether the Public Guardian has jurisdiction to investigate concerns and, if not, signpost the concern to the relevant agency</li> <li>whether the vulnerable person is at immediate risk in terms of their personal welfare or finance/property and what immediate action is required or;</li> <li>whether the concern can be investigated over a longer timescale.</li> </ul> <p><b>II3B – Conclude investigations.</b> An investigation is classed as concluded for the purposes of this Impact Indicator as follows:</p> <ul style="list-style-type: none"> <li>the date that a formal written report is signed off by the PG</li> <li>the date that approval of a pre-app is agreed (where this pre-dates a PG report)</li> <li>the date that the Compliance Manager agrees to conclude an investigation where a report to the PG is deemed unnecessary (e.g. jurisdiction not established)</li> <li>the death of P (where the Compliance Manager deems that sufficient work had been done on the case to merit classification for Indicator purposes).</li> </ul> <p><b>II3C – Conclude recommendations.</b> A recommendation is classed as concluded for the purposes of this Impact Indicator as follows:</p> <ul style="list-style-type: none"> <li>the date a case is approved for closure by a Compliance Unit team leader.</li> <li>the date the investigator communicates the outcome of the investigation and any further requirements to the attorney/deputy. It will not include any subsequent monitoring of the case.</li> <li>the date an application is made to the Court of Protection (where this was as a result of a recommendation approved by the PG)</li> <li>the date that the deputy makes an application to the Court of Protection (either they will notify us or we will use CASREC to check).</li> </ul>	<p><b>II3A</b> –The 2 working day ambition starts from the date that the concern is received in OPG. Day 1 will be the next working day after the concern is received.</p> <p><b>II3B</b> –The performance ambition starts from the date that the concern which leads to the commencement of an investigation is received in OPG. Day 1 will be the next day after the concern is received.</p> <p><b>II3C</b> –The aim starts from the date that the PG approves the report. Day 1 will be the next day after the report is approved.</p>	<p>When a complaint /concern is received it is risk assessed and the Public Guardian's jurisdiction is assessed. The referral is logged onto the Investigations' database. The following data is logged:</p> <ul style="list-style-type: none"> <li>date of receipt of concern in OPG</li> <li>date of receipt in Investigations team</li> <li>risk assessment date</li> <li>risk assessment time period (working days)</li> <li>investigation completion date</li> <li>outcome of application to Court of protection</li> <li>investigation (pre-report) time period</li> <li>investigation (post report) time period</li> <li>recommendations closure approvals date.</li> </ul>	<p><b>II3A</b> –The aim was to assess 95% of concerns within two working days of receipt</p> <p>OPG achieved 97% within two days.</p> <p><b>II3B</b> – The aim was less than 75 days.</p> <p>OPG achieved 66.8 days at year end.</p> <p><b>II3C</b> – Aim is to conclude all recommendations within 80 days.</p> <p>OPG achieved 39 days at the end of March 2015.</p>

### OPG Customer Service Indicator 1 – Contact Centre average wait time

Average caller waiting time for calls to OPG Customer Contact Centre

Purpose	Calculation method	Data source	Achieved to 31 March 2015
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.	Total call wait time divided by total calls presented. (N.B. 'wait time' does not include the time the caller listens to the pre-recorded introductory message.)  Calls that are re-directed out of scope are deducted from the total calls to avoid double counting.	The management information will be exported from Highpath (the telephony data management system) data into Excel spreadsheets on a daily basis.	The aim was to achieve less than 60 seconds waiting time.  OPG achieved an average of 61 seconds waiting time.

### OPG Customer Service Indicator 2 – Complaints

The average time for complaints to be responded to

Purpose	Calculation method	Data source	Achieved to 31 March 2015
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.	Performance against this indicator will be measured by adding together the total time to answer all of the complaints answered in month divided by the total number of complaints.  This is measured on monthly basis. Data is collated by the 5th working day of the following month and then submitted for balanced scorecard purposes.	Each individual business area will record data on a spreadsheet located in a centralised folder. At each month end data is drawn by the Tier 2 complaints team, who collate the information for reporting purposes.	The aim was to respond to all complaints within 10 working days. OPG achieved a result of 10 working days at year end.

### OPG Customer Service Indicator 3 – Customer Satisfaction

The average customer satisfaction score for OPG services

Purpose	Calculation method	Data source	Achieved to 31 March 2015
To be a truly customer centric organisation we need to understand how customers rate our levels of customer service. By understanding these results through statistical analysis, we can then ascertain trends which will help improve services and in turn enhance overall customer satisfaction.	<p>The amount of surveys returned will be split into the relevant satisfaction categories by number. A percentage calculation will then be performed using the various satisfaction category numbers against the total number of returned surveys.</p> <p>The excel sheet will automatically provide this, or alternatively a pivot table can be used.</p>	<p>350 surveys will be issued each month.</p> <p>The return of the LPA surveys will be input by members of the Customer Experience and Research team on a continual basis, onto an Excel sheet, and the data will be stored within OPG drives.</p>	The aim is to achieve a customer satisfaction survey score of 80% or higher. OPG attained a score of 78% at year end.

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