



Office of the
Public Guardian

Office of the Public Guardian Annual report and accounts **2019/2020**



Office of the Public Guardian Annual report and accounts

2019/2020

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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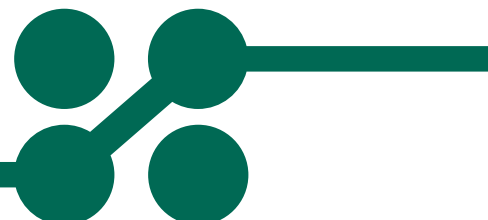
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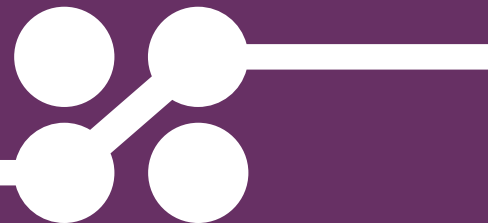
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Performance report



Overview

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

The overview includes:

- the Chief Executive's statement, giving his perspective on our performance in 2019/20
- a description of OPG's purpose, what we do, our customers and stakeholders, our relationship with the Ministry of Justice (MoJ), and the key risks and issues we managed during the year
- a performance summary, outlining how we performed against our service delivery aims

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

The main risks managed within the OPG in 2019/20 included:

- managing the impact of Brexit on the government's priorities, and OPG's transformation programme, meant that OPG could not advance its OPG 2025 programme as planned
- ensuring that OPG had both the required levels of staffing and the skills needed to take its work forward
- responding to the emerging challenge of the coronavirus (COVID-19) outbreak

Further detail on these and the other risks managed during the year can be found on page 45.

Statement from the CEO



I am pleased that in my first report at OPG I am able to present a positive picture of the year – although we continue to face challenges, we have achieved the majority of our aims and targets and there is much to be proud of in how we have done so.

Given we strive to put user's needs at the heart of all we do at OPG, it is gratifying that despite significantly increased workloads, we have managed to meet most of our customer service indicators. We are registering our powers of attorney in an average of 40 days, reviewing annual deputyship reports within 15 working days and achieving over 80% in our power of attorney customer satisfaction surveys.

This year we implemented the Guardianship (Missing Persons) Act 2017 and launched a new service which aims to support people at a very difficult time in their lives. This change required a significant amount of collaborative working between MoJ colleagues, OPG staff and key stakeholders.

Since joining the OPG in July 2019, I have been particularly proud of and impressed by the passion and focus of our staff. That is why I am particularly pleased that our staff engagement scores have improved. Across all 10 key indicators of the annual People Survey we saw increases, including employee engagement by 3% (now 62%), and inclusion and fair treatment by 5% (now 74%).

One of our key performance challenges this year was faced by our legal team. Due to rising workloads, recruitment challenges and team changes, the outstanding workload increased. Over recent months, teams across OPG have been working to better support this work, and while our headline indicators will take some time to improve, we are now in a much better position for the coming year.

Towards the end of the year we have faced the considerable challenge of continuing to provide our services, many of which are paper-based, against the background of COVID-19. I am very proud of how the organisation has pulled together to continue to deliver our core services during this time – we have innovated at pace to introduce new ways of working that will provide benefits for both staff and users now and into the future.

Of course, there remains much we want to improve on as an organisation, both in terms of improving on our performance and in developing the services people will need in the future. As the needs of society change, and as technology provides us with opportunities to do things better, we must develop, refine and improve our services. Our OPG 2025 transformation programme will help us adapt to meet these expectations and I am committed to continuing to pursue our ambition of a fully digital lasting power of attorney (LPA) over the coming year.

It is an exciting time to be at OPG. There is much work to be done to build on the considerable achievements of my predecessor, Alan Eccles CBE.

Nick Goodwin

Chief Executive and Public Guardian for England and Wales

About the Office of the Public Guardian

Introduction

The Public Guardian is appointed by the Lord Chancellor under Section 57 of the Mental Capacity Act 2005 (MCA). As the Chief Executive and Accounting Officer of the 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 and the Guardianship (Missing Persons) Act 2017.

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

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

- The Right Honourable David Gauke Lord Chancellor and Secretary of State for Justice (until July 2019)
- The Right Honourable Robert Buckland QC Lord Chancellor and Secretary of State for Justice (from July 2019)
- Edward Argar MP, Parliamentary Under Secretary of State for Justice (until July 2019)
- Wendy Morton MP, Parliamentary Under Secretary of State for Justice (between July 2019 and February 2020)
- Alex Chalk MP, Parliamentary Under Secretary of State for Justice (from February 2020)

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

What does OPG do?

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

We are responsible for:

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

Our customers and stakeholders

We serve several types of customers and stakeholders, including:

- donors – people who have made an LPA or EPA to protect their welfare or finances should they lose capacity in the future
- attorneys – people who have been appointed by donors to manage their welfare or finances should they lose capacity in the future
- clients (known as ‘P’) – people who have lost capacity and whose welfare or financial affairs are subject to proceedings before the CoP
- deputies – lay or professional individuals or authorities (such as solicitors or local authorities) who have been appointed by the CoP to manage the welfare or finances of a client
- missing persons – people who have been reported missing and whose affairs are being managed by a guardian appointed by the High Court
- guardians – individuals who have been appointed by the High Court to manage the property and financial affairs of a person who is absent or has gone missing
- other stakeholders – relatives of a client or donor, GPs or other health professionals, charities, and the legal sector

Key issues, risks and uncertainties

The key risks that we faced in 2019/20 are outlined on page 45. Against this backdrop we continued to deliver our day-to-day business.

In 2019/20 OPG has had to deal with the impact of Brexit on government priorities and legislative programme. This has impacted on OPG's ability to take forward its work on a fully digital LPA as quickly as it would have wished. Key to the OPG has also been managing the cost recovery risk - one that was successfully mitigated during the year. Towards the end of the year the agency also had to deal with the COVID-19 outbreak, which added considerable uncertainty – but which will have a greater impact in the year ahead.



Performance analysis

Measuring our performance

During 2019/20 we have continued to review our performance measures, ensuring the underlying measures drive the day-to-day business and are fit for purpose, measuring the right information in the right way. We have developed an improved balanced scorecard that is better placed to help inform business decisions and fully supports our customers and the delivery of our key aims and objectives. OPG uses its Key Performance Indicators (KPIs) to monitor the performance within the organisation and its risk management process helps to highlight key issues in relation to delivery of those KPIs and the wider performance within the organisation. Risk management is also used within OPG to help manage uncertainty, One key uncertainty that needs to be managed throughout the year is incoming workload - as the agency is funded from income and level of workload also impacts on the ability to meet KPIs.

How have we performed?

OPG has an important set of customer indicator targets and performance against these is given below, along with the key workload levels for the past financial year. More detail on the full range of targets, performance and how they are measured can be found in the performance annex. Performance has been maintained in most areas against an increase in workload, with a continued focus on delivery to users and making sure that our services are of the level expected. At the same time, we have strived to improve our services – both the service itself and the way that people access the services.

Some targets have proven harder to meet than others. For instance, we have not achieved our aim to complete all investigations within 70 days. More information on what actions we are taking to achieve this target and prioritise urgent cases can be found on page 19.

Our legal team also faced major performance challenges during 2019/20 due to rising workloads, and difficulties recruiting lawyers, the need to train new lawyers and changes in working practices have led to increasing levels of outstanding work. These challenges impact on other areas of the business such as investigations.

To deal with this effectively our legal team has worked with other parts of the business to determine the priority of the work we submit to court, such as situations where we are seeking removal of deputy/attorney, or court applications dealing with potentially fraudulent LPAs. This has ensured that the most urgent cases are dealt with first.

Taking in a significant number of new lawyers, unaccustomed to both the OPG and the Civil Service, has meant a change in dynamic and direction. We have increased scrutiny of the work being submitted for court action and are developing our feedback loops to the business to improve the quality of the work. We are also working with other teams to implement efficiencies to our processes.

The efforts towards reducing the level of outstanding work are ongoing and we expect this to last well into 2020/21, however the changes we are implementing will make us more robust in the future.

In the OPG business plan for 2019/2020 we had two key areas of work – OPG 2025 and the OPG business as usual (BAU). We have done a considerable amount of work in both areas – with some of the highlights given below.

Within the OPG 2025 programme we have taken forward work on:

- research to understand what our users and potential users need from an LPA
- ‘Use an LPA’, which allows our users to use an electronic version of an LPA – currently at private beta stage
- our case management system, to the point where supervision cases can now be undertaken on the new system, as well as the registration of LPAs

Within the BAU sphere we have:

- continued to work to achieve our targets and put resources into those areas where performance has not been to target
- published our revised Welsh Language Scheme following approval by the Welsh Language Commissioner
- continued to look at how we can get people into the OPG from a wide range of backgrounds – more detail of our work on social mobility can be found on page 26
- produced a learning and development strategy and programme for the OPG and launched this within the agency
- launched the processes for the supervision of Court Appointed Guardians for missing persons





As at 31 March 2020 we were supervising **60,793 deputyship orders**, an **increase of 1,385** from the end of 2018/19 (59,408).



The number of applications to register LPAs and EPAs received in 2019/20 was **917,550** an increase of 81,600 on 2018/19 (**835,950**).



We ended the year with **over 4.7 million** current PoAs on the register.

Our achievements



Average actual clearance time for power of attorney applications
Target: 40 days



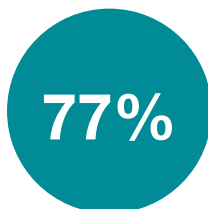
Average time to obtain annual reports
Target: 40 days



Average time to review annual reports
Target: 15 days



Customer satisfaction survey % with PoA services (very or fairly satisfied)
Target: 80%



Customer satisfaction survey % with deputyship services (very or fairly satisfied)
Target: 80%



Customer satisfaction survey % with digital services (very or fairly satisfied)
Target: 80%



% of safeguarding risk assessments carried out within 2 days
Target: 95%



Average time to conclude investigations
Target: 70 days



% of calls answered within 5 minutes
Target: 95%



% of complaints fully responded to within deadline
Target: 90%

OPG 2025 transformation programme

Our transformation programme, OPG 2025, is about changing how we provide services so we can improve lives together. It'll help us to make our long-term aims a reality. We'll make better use of digital products, services and smarter ways of working to free up our time to offer more support, advice, better outcomes for everyone and a more efficient service.

A digital future will make our services more available, more flexible and simpler for customers to use in a way that is affordable and convenient for them. We'll do this while making sure our services are accessible to all of our customers.

In 2019/20, work progressed to help us towards achieving our six goals. Our goals will help us to put in place the foundations for OPG's future. In the last year we have:



Launched OPG's first ever marketing campaign in Islington and Leeds, receiving over 5,000 visits to our 'your voice, your decision' campaign site in the first six months.



Carried out research to explore the potential for a fully digital LPA service.



Built and tested the 'use an LPA' digital service to help attorneys use their LPA more easily.



Started research to look at the impact LPAs have had on our society and how we could further develop services to meet the needs of our customers.



Successfully migrated our data onto our LPA case management system, shutting down old systems and reducing costs.

Our 2025 programme will be highly dependent on securing the necessary legislative change needed to deliver a fully digital LPA and digital resources. The COVID-19 pandemic might mean we have to reprioritise in year.

Powers of attorney

Current work

My key role is to be a part of a service that is offered to help vulnerable people with registering a document which is so important and vital in their lives. I have a great team which works together and staff engagement is highly encouraged at all times.

Nisba Bibi – Stage One Administration Officer

Powers of attorney (PoAs) are vital to empowering people to plan for the future while they have the capacity to do so. EPAs were replaced by LPAs when the MCA 2005 came into force in October 2007 and can no longer be made. Those that were made before this time can still be registered with the OPG when necessary. Registration of PoAs is an important service for the general public and so service delivery on a day-to-day basis is as important as continued improvement and development of those services.

A power of attorney should be a standard consideration, along with a pension, bus pass and making a will.

Dr Johanna Roberts

When I did a lasting power of attorney for myself, I did it online and all on a Sunday morning

Mr Roger Payne

The main customer service targets in this area – registering PoAs within 40 days and answering calls within 5 minutes – are user-focused, and performance has been maintained against all of these whilst workloads have increased (more detail on these targets is given in Performance Annex). The increase in workload is higher than in previous years (9.76% increase this year compared with 8.42% last year).

Our LPA registration process involves several different areas that aren't directly covered by targets but that do impact on our users. Our casework function, for example, reviews PoAs and works with donors and attorneys to ensure the documents can be registered. If a PoA cannot be registered because of errors on the document, our casework team can support donors to submit a correct document that can be registered.

The service has faced two main challenges in 2019/20:

- The ability to maintain a consistent overall staffing profile, which has been a particular issue within our Power of Attorney Services, where staff leaving OPG to move to other areas of the Civil Service and within the agency is higher than other areas of OPG.
- The wish to drive uptake of LPAs with the fact they are still paper based - so that efficiencies in processes cannot fully eliminate the need for additional staff to process increasing caseloads.

To address the first of these issues, analysis of exit interviews is providing more detailed intelligence and robust recruitment planning has been implemented and monitored. OPG's Centralised Recruitment team now provides a dedicated resource for recruitment across OPG and is able to anticipate and respond to changing workforce needs. More information on how we have improved our recruitment processes this year is available on page 25.

To address the second issue, we are making progress with our 2025 strategy, which aims to provide fully digital LPAs, and we have also had multiple users test 'Use an LPA' in private beta, which will support full rollout in 2020/21 with the aim of providing a simpler customer journey.

'Use an LPA' will allow our donors and attorneys to share a summary of their LPA information to organisations including banks, building societies, utility companies, hospitals and other government departments in a digitally instant way.

Service improvements

At the same time as delivering the day-to-day business we have continued to look at how we can improve our services for our users.

- We have removed reliance on legacy IT systems, which now allows for more streamlined and efficient customer interactions. Decommissioning our legacy casework management system will save £85,000 a year in licensing costs and enable us to help keep our fees as low as possible.
- We have developed a robust quality checking strategy in place across our PoA Service to monitor and feed back on quality issues. Since implementation, overall quality of LPAs registered correctly has improved from 91% to 96%.
- PoA Service, like many areas of OPG, has implemented smarter working, and has seen an increase in staff working from home following changes to business processes. This greater flexibility has had a positive impact on staff morale, and has realised increased productivity levels and will, in time, allow OPG to reduce its office footprint and so reduce overheads.

Flexible working has enhanced my life. Having a disability, it helps with my work life balance and helps me manage in my daily life.

Caroline Brown – Acting Casework Unit Manager

- OPG has continued to work with MoJ policy colleagues to pursue OPG's ambition to introduce a fully digital LPA as part of the OPG 2025 programme. This is also affording an opportunity for review of current and future paper based processes to identify any opportunities for efficiencies and additional safeguards.

Customer feedback

A Contact Centre advisor took a call from an anxious customer who was apprehensive with computers and using our "Digital Assist" facility. She was grateful to the advisor who was helping her, commenting on how sensitively they had helped her to overcome her anxiety. She also expressed how caring OPG Contact Centre staff seem when she calls and how they always have just the right amount of time to help without rushing.

Supervision

Current workload

When someone loses capacity and they have not appointed an attorney, the Court of Protection will appoint a deputy to make decisions on their behalf. As the person does not have a say in choosing who acts on their behalf these deputies are supervised by the OPG.

The supervision caseload has been very consistent over the year – it ended 2019/20 on 60,793 deputyship orders compared to 59,408 in 2018/19. Excellent performance throughout the year means we have achieved all performance indicators, despite some of the challenges we have faced.

I am quite a new starter and was not sure what I would find working for the Civil Service would be like but I am enjoying it. I am surprised that in such an administrative job I still do feel what we do here is a vital part of helping people live the best life they can at every stage. I previously did a lot of volunteering work with vulnerable people and as I look through the cases here at OPG I really recognise all the different kinds of characters and the deputies who work so hard to support people. It is great to be part of ensuring all these people are cared for, whatever their very individual needs are.

Beverly Robinson, Supervision Case Manager

As part of the supervision process, deputies complete an annual report that OPG reviews. This review ensures that there are no concerns with the report, the spending and decisions on behalf of the client have been accounted for, and that they were made in their best interests. Where there are concerns the deputy will be contacted for further information and if it is felt necessary a visitor may be sent to gather that information or an investigation may be started. All of this forms part of the OPG safeguarding regime.

66.98% of all reporting lay deputies used the “complete your deputy report” service to submit their annual reports electronically and we have stopped issuing paper reports as the norm for new deputyship cases.

The service has faced the following challenges this year:

- As with PoA Service, although the staff turnover has improved compared to last year, the ability to retain an overall staffing profile continues to be a challenge. In supervision and investigations teams we have had a turnover of 12.7% over the year – with many of these staff leaving to take up roles in other government departments. This has been particularly the case at Bands D and C within the Nottingham teams.
- The planned migration from a legacy IT system to a new case management system was delayed, which meant for the majority of the year we were still working with a legacy system that is not easily adaptable to the processes we have in place. It is planned that the migration will happen within 2020/21. The date will be dependent on the business impact of COVID-19.

Service improvements

- We are developing improved working practices with the Court of Protection in order to ensure court orders are served on OPG promptly so we can begin supervising deputies as soon as they are appointed, reducing the risk to the client and improving safeguards.
- Improvements in smarter working practices have led to an increase in flexibility and productivity.

Feedback from customers

Extract from a visit report:

She stated that whenever she has any queries, she has felt well supported by the OPG, and made a special mention about a staff member in the Lay Deputyship team, who she said has been very helpful.

Missing persons

In July 2019 OPG began the supervision of guardianship orders under the Guardianship (Missing Persons) Act 2017, ensuring guardians are acting in line with the authority provided to them by the High Court and decisions are made in the best interests of the person for whom they are appointed to act. Since launching in July, we are now supervising two guardianship orders.

There was a significant amount of work involved in the implementation of this new legislation and many teams within OPG and across MoJ were heavily involved. There has been engagement with key stakeholders, including financial institutions, regulators and charities, to make sure that the service is developed to meet the needs of this new group of users.

The missing persons project board, including OPG staff, was chosen by judges as the winner of the MoJ's Working Together Award, in recognition of its outstanding work in setting up OPG's Guardianship service.



Investigations

The work I do as an investigator for the Office of the Public Guardian is an essential role in the overall safeguarding agenda for ‘adults at risk of abuse’. We work closely with partner agencies and members of the public to protect adults who may not have the capacity to make their own decisions. The work is immensely rewarding because you know ‘adults at risk’ will be in a safer position as a result of your work.”

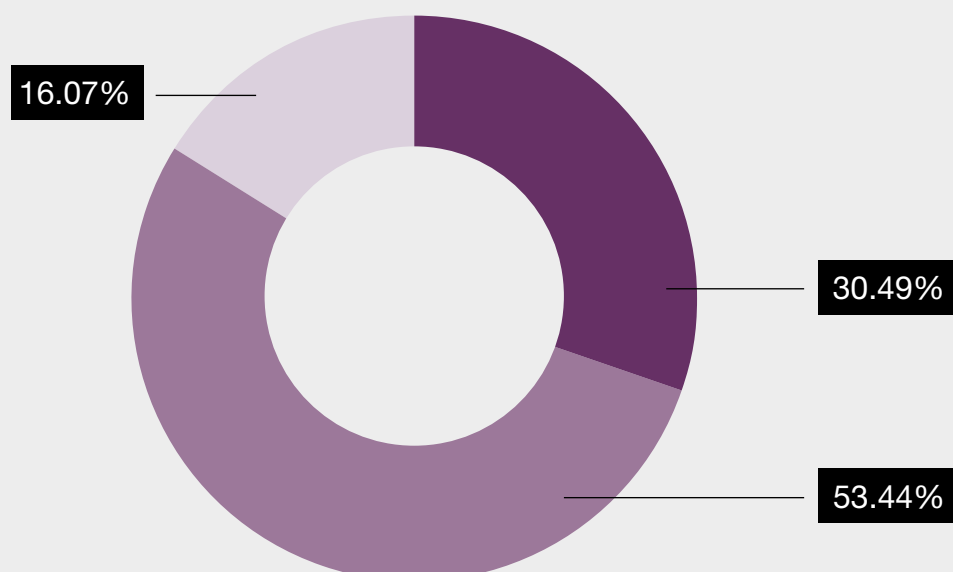
Anna Freeman, Investigator

Investigations have continued to rise within OPG from 2,883 in 2018/19 to 3,099 in 2019/20, but this increase is in line with the increase in PoAs and court orders on the register.

Due to an increase in investigations and a high staff turnover, we did not achieve our aim of concluding all investigations in an average of 70 days – the average achieved was 74 days. We closed 3,099 investigations this year in comparison to a clearance of 2,617 last year with the same staffing levels as 2018/19. We have continued to look for improvements in our processes throughout the year to enable us to speed up investigations while still giving each case the time it needs to be resolved properly.

To safeguard our customers, we prioritised the reduction of our outstanding investigations (those over 70 days) and decreased these by 53%. This impacted on our ability to meet our clearance target of 70 days, but has safeguarded our vulnerable customers. While concentrating on our oldest cases and clearing existing cases, we ended the year with a workload of 691 investigations – a decrease of 27% from the same time the year before.

The percentage of investigations that result in court action is 30.49%. In the majority of cases no action is taken (53.44%) or additional measures short of court action are used to resolve any issues and get the attorneyship or deputyship back on track (16.07%)



The challenges that we have faced within our legal team has meant that we have experienced delays in taking cases to court. To deal with this effectively our legal team has worked with other parts of the business to determine the priority of the work we submit to court, such as situations where we are seeking removal of deputy/attorney or court applications dealing with potentially fraudulent LPAs. This has ensured that the most urgent cases are dealt with first.

Examples of outcomes of investigations

A case that did not go to court

Concerns were raised to OPG that an attorney was mismanaging the donor's finances and had declined a care package recommended by the local authority. Additionally, a concern was raised that the donor originally lacked capacity to execute her LPAs.

The investigation did not identify misappropriation of the donor's funds by the attorney but there were indications that the donor's accounts were being mismanaged.

The attorney did decline a care package recommended by health care professionals, however, following a best interest meeting, the local authority was satisfied that the attorney had accepted their recommendations and that she was working with them to achieve the donor's best interests.

Insufficient evidence was obtained during the investigation to establish that the donor lacked capacity to execute her LPAs.

The attorney was asked to re-account in three months' time, to enable her to evidence that she was managing the donor's accounts appropriately.

The attorney subsequently provided a full and satisfactory account, supported by documentary evidence, demonstrating that she is acting in accordance with the MCA 2005 and Code of Practice, and therefore the investigation was closed.

A case that involved the court

Concerns were raised to OPG that the donor's care home fees and personal allowance were not being paid. The donor's care home fees were in significant arrears and the donor was at risk of being evicted.

The local authority had therefore applied for funding to secure the donor's place. The care home stated that the donor would benefit from regular personal allowance and informed the court of protection visitor that the donor was not able to have her hair done for her birthday due to lack of funds.

During the investigation the attorney did not provide a full account to OPG and continued to take cash from the donor's account. There was no evidence to prove that the money was used to benefit the donor. The attorney had failed to account for £39,132.40 of cash withdrawals. Over 20% of the donor's assets had been withdrawn and not spent on the donor.

There was a vast sum of money unaccounted for, but rather than an application to court to direct the attorney to account, an application was made to remove the attorney as the investigation found that the attorney was clearly not acting in the donor's best interests or adhering to the MCA 2005 and Code of Practice.

The court subsequently removed the attorney and cancelled the LPA and appointed a panel deputy to manage the donor's finances to include powers to investigate and recover the donor's funds.

Mediation

From the end of 2018 throughout 2019, we carried out a pilot of using mediation in investigations in certain circumstances, in cases where the parties agreed to this. The pilot and evaluation is now complete. We will not be pursuing the pilot further at this time as the findings demonstrated limited success in preventing cases going to Court. We will be sharing our findings publicly in the near future.

Visits

The most rewarding part of my work is visiting different people, with different life experiences from all walks of life. For me, the greatest challenge is to ‘give a voice’ to people who use our service and record their wishes and feelings as accurately as I can.

Barbara Joyce – Court of Protection visitor

Key to safeguarding are the visits that take place. The work that they undertake is varied – ranging from medical (special) visits to assess the retrospective capacity of individuals, visits as part of an investigation (both in relation to PoAs and deputyships); to more general visits to help ensure attorneys and deputies are acting in the best interests of the client. All of this helps to ensure that individuals who are potentially at risk are safeguarded.

This year there has been a greater demand for visitors than ever before, leading to more urgent visits and medical visits. Urgent visits now comprise 33% of the visiting profile, up from 29% in 2018/19. There has also been a 36% increase in medical visit commissions. The number of special visitor commissions compared to special visitors has decreased the team’s operational effectiveness in allocating such commissions in an expedient manner and receiving reports in time.

Given the increasing number of visits, OPG has continued to recruit visitors to allow us to meet the demand. Additionally, a visits strategy has been developed and agreed, and once implemented will benefit our clients.

Safeguarding

The main focus of our safeguarding activity has been the implementation of recommendations from the safeguarding study – in particular dynamic risk assessments – to ensure that OPG never fails to recognise and act on concerns where donors are potentially at immediate risk. “No wrong door” referrals have been implemented to ensure that local authorities are informed of all safeguarding concerns in cases where OPG does not have jurisdiction to investigate.

Examples of cases where we were unable to investigate, but ensured that concerns were passed on to relevant authorities:

- Concerns were raised via a solicitor on behalf of a donor who noticed unauthorised transactions being made by his attorneys from his bank account. The attorneys removed his bank cards. The donor revoked his LPA as he retained capacity, but was then subjected to abusive and coercive behaviour from the revoked attorneys attempting to pressure him into reinstating them on a new LPA.
- Concerns were raised from a donor who wanted to object to the registration of her LPA but has short-term memory issues. The donor felt coerced and pressured by her proposed attorney but felt she is still able to manage her own finances.

We are continuing to deliver the recommendations from the safeguarding study to ensure we can best support our customers and provide the best possible service.

We have continued to engage with external stakeholders, particularly local authorities, to explain OPG's role in safeguarding vulnerable adults. We have carried out several stakeholder and safeguarding events over the year, as well as presenting at care and NHS events, which helped us establish new working relationships.

Below is a list of some of the stakeholder events where OPG has either presented or had a presence in order to raise awareness and strengthen its role in safeguarding vulnerable adults.



External event – presentations

	Delegates
OPG Safeguarding Roundtables	20
National Trading Standards Wales Conference	100
National Safeguarding Conference	120
Safeguarding Adults Boards Wales	45
NHS Wales Safeguarding National Network	15
Health Care Plus Event	100
The Care Show	100
Caring UK Shows x 4	400
Civil Service Operational Delivery Event	250



External event – market stall

	Delegates
NHS London Safeguarding Event	300
NHS Health and Care Expo	5,000
Healthcare Plus Event	6,000

Complaints

We manage customer complaints in accordance with our published complaints policy. This is a tiered complaints process – first tier complaints are considered by the business area responsible.

If a customer is unhappy with this response, the complaint can be escalated to the second tier and at this stage the complaint, and the way it was handled, is reviewed by the Public Guardian. If a customer remains unhappy, they can ask their MP to refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO) for an independent review.

One case was formally accepted by the PHSO for full investigation this year.

Over the last year we have continued to focus on improving the quality of our complaints responses to ensure we are resolving issues at the earliest opportunities and learning lessons.

Feedback from the complaints peer reviews, which were carried out in the previous year, have informed our approach to a more consistent writing style across complaints. The tier 2 team carried out a trial of writing in a new way - ensuring our responses were clearer, easier to understand and contained more empathy. This trial has proved successful and we have received positive feedback from customers, as a result we have started to roll the style out across all complaints teams and this will continue over the next year.

An example of the style of letters before and after the change is below:

Before

I am sorry you have not received the payment. I can confirm that the £20 payment I authorised was to recognise the inconvenience we had caused you. I have investigated and unfortunately there was an issue that wasn't addressed immediately for which I apologise.

I would like to assure you that the payment is being processed, and should reach you soon.

After

Thank you for your letter. I'm sorry you haven't received the payment promised to you. I understand this must be frustrating, and I can understand why you would like clarification from us.

Your payments have been processed

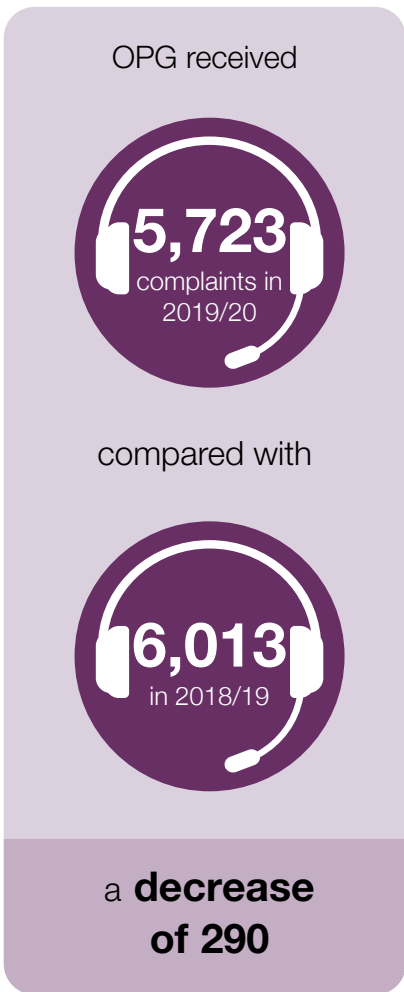
I'm happy to tell you the £20 payment for the inconvenience we caused you has now been processed. This payment should reach you within the next 15 days.

What went wrong

After investigation I can see we failed to process your payment because of a technical mistake that wasn't discovered immediately. This meant your payment wasn't processed in the correct timeframe.

I have taken this matter very seriously, and would like to thank you for highlighting this issue with me. Please be assured I have taken this matter forward, and we will learn lessons from this. We will look at our processes, and make changes to ensure these types of mistakes don't happen again.

Once again, I'm sorry for the continuing delays you have experienced, and thank you for your time and patience.



Top 3 LPA complaints

- Delays in processing LPAs, delays in contacting customers and advising of issues with application
- Lost documents – LPAs and LPA sections misplaced or lost in the office
- Failure to follow procedure – making incorrect decisions on the case, not carrying out the correct actions

Top 3 deputyship complaints

- Concerns about the deputy – relatives/third parties unhappy with decisions of deputy on behalf of the client
- Contact with OPG – unhappy with quality of contact whether in writing or over the phone
- Letter content – customers unhappy with tone of correspondence, or the information contained in letter

Our people

We have done a significant amount of work around staffing and working with our staff to make OPG a great place to work.

We have seen significant improvements in the recruitment of staff this year. OPG's centralised recruitment team now provides a dedicated resource for recruitment across OPG and is able to anticipate and respond to changing workforce needs. Throughout the year we achieved the following:



We ran **87** recruitment campaigns for **463** posts, for which we received

7,674 applications



We made **390** formal offers,

380 were accepted



The latest PoA Services rolling recruitment campaign was so successful that it filled immediate business resourcing requirements and generated a merit list sufficient for a further two operational recruitment phases



We achieved an

82%

hire against target rate, an improvement from **71%** in the previous year



We have reduced the time it takes to hire a new staff member from **52** days in March 2019 to

42 days by March 2020

We have been carrying out exit interviews to provide insight as to how we can continue to reduce staff turnover and improve OPG's attraction rate for potential employees. We are proud to have increased diversity in OPG's workforce, meaning we are more representative of the society we serve.

OPG did not meet its apprenticeship target for 2020, however this was an MoJ-wide issue predominantly as a result of challenges with suppliers in the first half of the year and certain apprenticeship provision being withdrawn due to funding.

In 2019/20, OPG recruited over 100 candidates from social mobility routes into work schemes, including care leavers, apprenticeships and the first Civil Service Sector Based Work Academy (SBWA). Social mobility recruitment diversifies OPG's workforce, improves employee engagement and creates an inclusive workplace through the sharing of cultural insight and we will continue to grow our routes into work recruitment in 2020. In October 2019, OPG was recognised nationally for its work in promoting social mobility at the UK Social Mobility Awards (SOMOs).

The sector based work academy helped me in many ways and was a perfect opportunity to start a lifelong career within the Civil Service. I feel privileged to have had the opportunity, OPG is a fantastic place of work with lots of opportunities for progression within the business.

Kerry Lyons, Administrative Officer

All OPG's routes into work schemes, particularly OPG's SBWA, provide existing OPG staff with opportunities to support the recruitment, learning and development of candidates recruited under these schemes. This includes conducting mock interviews during the recruitment process, coaching candidates through technical training and supporting candidate future development through mentoring.

Improving the staff engagement figures was an important focus for OPG this year and we were pleased that scores improved across all 10 key indicators of the annual People Survey. Employee engagement increased by 3% (now 62%) and inclusion and fair treatment improved by 5% (now 74%).



2017Inclusion and fair treatment **71%**Bullying and harassment (number who said they had experienced) **19%**Discrimination (as previous) **21%**

- ACAS Bullying, Harassment and Discrimination (BHD) investigation report

2018Inclusion and fair treatment **69%**Bullying and harassment (number who said they had experienced) **17%**Discrimination (as previous) **21%**

- Monthly Deputy Director Inclusion summits 2018
- Launch of Equality, Diversity and Inclusion Advisors
- Development of mandatory BHD awareness e-learning
- Launch of centralised BHD grievance investigation process
- Annual celebration of national inclusion week

2019Inclusion and fair treatment **74%**Bullying and harassment (number who said they had experienced) **17%**Discrimination **20%**

- OPG award-winning internal inclusion communication campaign
- OPG inclusion video – exploring what inclusion means to our people
- Staff inclusion focus groups
- Delivery of mutual respect sessions
- Annual celebration of National Inclusion Week
- Internal communication campaign to increase staff diversity declaration

2020

- OPG anti-BHD video exploring unwanted behaviours
- Launch of the Confide Advisor Network
- Review and gap analysis of Civil Service inclusion expectations

We regularly undertake engagement with the relevant trade union to discuss appropriate matters, with the trade union being able to raise issues to discuss should they wish to do so.

This year we launched a new learning and development guide and specific pathways to ensure that staff are aware of all the opportunities they can undertake to carry out their jobs and develop. We also introduced a new staff development advisor process, ensuring we are meeting the right learning needs for OPG staff. This has led to multiple new learning interventions including stress risk assessments and better conversations.

Following the implementation of our mental health and wellbeing strategies last year, we were extremely pleased to receive the MIND Gold award for supporting the mental wellbeing of staff.

As well as our missing persons team winning an MoJ award this year, we also had another award winner. Mohammed-Khaled Ahsan, who works as an operational delivery manager on the twilight shift in Axis, was the winner of the spotlight award. This category was decided by a staff vote across MoJ, and aims to recognise a person who changes things for the better.



Financial performance

Income forecasting

We have continued to strengthen our demand and income forecasting capabilities in the last year. We achieved a variance against the forecast income from powers of attorney of 2.8% and variance against forecast deputyship services income of 2.7%. As part of our collaborative partnership with MoJ Analytical Services, and central analytical teams within Finance Business Partnering, we now have statistically robust models in place for forecasting both demand for our services and the income we expect that demand to generate.

We review and update in-year demand and income forecasts as part of the monthly routines for financial and performance management, using the insight gained to model likely impact of internal and external environment changes.

Financial performance

This section provides commentary to support the Financial Statements and our performance during the past year. The Financial Statements are set out on pages 70 to 91. Note 2 to the Financial Statements on page 81 details the Fees and Charges for the income below, and notes 3-5 provides further details on the expenditure across OPG. Below are the key balances for OPG in 2019/20.

Cost recovery **100.7%** No change

Power of Attorney income

Demand for PoA registrations increased until very late in the financial year before a reduction as the COVID-19 pandemic took hold.

£68.1m
Increase of 8.0%

Supervision income

Case volumes grew by 2.3% year on year but the growth was late in the year and weighted towards minimal fee cases.

£10.6m
Decrease of 7.3%

Staff costs

Staff numbers increased to meet the increasing demand for OPG's services, including investigations.

£48.4m
Increase of 13.3%

Professional visitor reports

OPG conducted more visits than in previous years, particularly medical and urgent visits.

£2.7m
Increase of 10.2%

Estates costs

Despite increasing staff numbers, smarter use of the MoJ estate and increased use of remote working arrangements kept estates costs stable.

£2.3m
Remained constant

In 2019/20 OPG had a surplus of £557k this was primarily driven by the volume of new Power of Attorney applications. It is the third consecutive year, and the third time, that OPG has achieved a cost recovery close to the target of 100%. Demand for power of attorney registrations is a key driver for OPG's financial performance. With the COVID-19 pandemic, OPG's 2020/21 demand forecasts have factored in a fall in demand for this service which has been reflected in the 2020/21 budget setting.

Sustainability report

We are committed to reducing our impact on the natural world and to support our communities. To do this we measure our impact on the world and work to reduce our consumption of limited resources, emissions of greenhouse gases and unnecessary travel.

Data collection and scope of reporting

We report on utilities used, travel and waste generated. These are measured against previous years and in conjunction with the Greening Government Commitment (GGC) targets. The GGC targets lapsed in 2014/15 but were revised in March 2018, so we are now reporting against these new commitments, for which MoJ has specific targets.

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

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

We are only required to report on back office paper use, however the issuing of LPA packs to customers is a significant use of paper, and in the spirit of transparency we report on these as well. Estimations of the carbon emissions of completed LPA packs travelling via the post have also been made.

At year end our data is collated into the MoJ's departmental annual report and accounts.

Our estates information

The OPG occupies estates in Birmingham and Nottingham. The year 2017/18 figures set the baseline against which future years will be measured internally, after many years of expansion and changes.

OPG's team of five in Petty France is not included in this report as figures for this site are reported by MoJ directly.

Our targets and achievements

The GGC targets and OPG's performance are set out in the tables below. As in previous years the OPG has not met the total waste, water and paper targets due to the ongoing increase in workload and headcount since the baseline years. In the case of paper, although there is an increase in real terms, there has been a decrease in the amount of paper used per case – a fall of 70% since the 2009/10 baseline. The provision of a digital tool that can be used to complete LPA forms prior to signature has seen a significant drop in the number of packs OPG has sent out to our customers.

Our waste has increased but this is in line with both our increase in headcount and in workload within the agency. We look to recycle where we can – such as batteries and this year we have looked to recycle crisp wrappers for charity. We also look to separate waste in our buildings where we can.






Our failure to meet our targets on water is due to the increase in headcount since the baseline was measured in 2014/15. However, we are looking at ways to reduce the water use per FTE – and are currently investigating why our water use has increased in our Embankment House building.

We have however met the carbon dioxide emissions and the volumes of waste sent to landfill targets.




Overall our CO₂ emissions from utilities have fallen by 61% since 2009/10. This is partly due to OPG's actions as we moved to newer, more efficient buildings, as well as using much lower powered IT equipment since March 2018, and partly because of increased decarbonisation of the UK electricity supply. Our use of electricity and gas have fallen even though we have greater headcount – much of this down to servicing and managing of our heating and cooling systems – allowing for more efficient use.




As in previous years the number of domestic flights made is too low to allow meaningful comparisons between years, however four were made where train journeys would have been excessively long or meant travelling on the previous day.

Note that comparison of these tables below to previous years should take into account changes of baseline years.

Greening Government Commitment	MoJ target to 2020	Our position 31 March 2020	Outcome
 Greenhouse gas emissions	38% reduction	61% reduction	Met
 Domestic flights	Reduce domestic flights by 30% vs 2009/10	Four domestic flights were made, but numbers are too few to give meaningful comparisons	N/A
	Total waste 31% reduction against 2015/16	160% increase	Not met
 Waste	<10% to landfill	0%	Met
	Increase recycling and exceed 2015/16 levels (59%)	100%	Met
 Water	4% reduction against 2014/15	60% increase	Not met
 Paper	50% reduction against 2009/10	190% increase in absolute terms, 70% fall in use per case	Not met

Total consumptions and emissions figures, along with expenditures where available, are shown below.

CO ₂ sources		Amounts	Tonnes CO ₂ e	Expenditure	
	Gas (scope 1)	540,187	99.2	£17,000	
	Electricity (scope 2)	973,379	269.9	£172,600	
	Travel	Rail (inc. London Underground)	1,045,450km	48.9	£279,733
	(scope 3)	Grey fleet (cars)	121,600km	21.8	£30,400
		Air	3,700	0.58	£417

Finite resources		Amount	Expenditure
	Waste	Total	74.5 tonnes
		Recycled	70%
		Energy from waste	30%
	Water	6,965 cubic metres	This forms part of the service charge for the building
	Paper	37,715 reams (back office)	
		9,495 as LPA packs	

Travel

In 2019/20 travel fell compared to previous years by 14% to 1.17 million kilometres travelled. Further work is still required to reduce travel between our offices in the coming year, and improved remote working technology is being purchased to facilitate this by reducing further the need to travel for meetings.

Travel by car is a necessity for the fulfilment of the Public Guardian's duty to supervise deputies by means of Court of Protection visitors who attend P's and deputy's homes. The nature of these visits makes public transport an infeasible option in most circumstances.

We work closely with local councils and transport operators to enable staff to take advantage of heavily discounted bus travel and park and ride facilities. The cycle to work scheme is heavily promoted and changing facilities and a secure cycle store are provided. Active travel options are also promoted as part of OPG's wellbeing agenda to promote exercise and healthy lifestyles.

OPG operates an MoJ commuter hub at Embankment House for the use of staff who would normally need to commute to remote offices.

Embedding sustainability in our work

We give staff regular sustainability updates through internal bulletins. Blogs and our network of sustainability champions engage staff in encouraging a sustainable approach to all our work. The sustainability champions review ideas from staff on how to reduce our environmental impact and implement suggestions where practical, and keep them updated on successful implementations.

The sustainability group works closely with OPG's various diversity and wellbeing groups to encourage sustainable actions and volunteering. Staff are able to engage in sustainability activities and volunteer with external partners. There is an allowance of five days of volunteering leave per member of staff per annum.

A greater emphasis has been given to flexible working methods such as working from home or commuter hubs to avoid unnecessary travel and this has been taken up by many staff. This also allows the OPG to delay estate expansion as a higher headcount can be accommodated in the same space.

New IT devices also allow for easy tele- and video-conferencing and remote collaborative working and so the need to travel has been reduced. Additional technology procurement and associated training sessions will further embed remote, collaborative working.

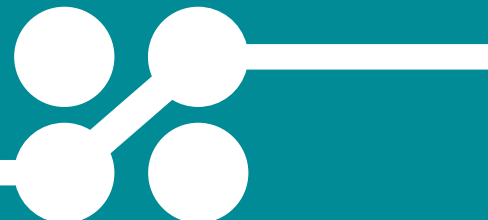
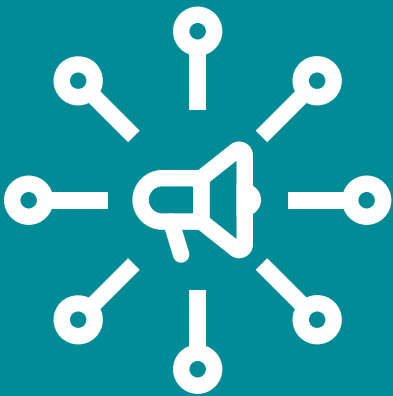


Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

Accountability report



Corporate governance report

Introduction

The purpose of the corporate governance report is to explain the composition and organisation of the entity's governance structures and how they support the achievement of the entity's objectives.

Our framework document sets out the arrangements for governance, accountability, financing, staffing and operations. The document can be read in full on GOV.UK, <https://www.gov.uk/government/publications/opg-corporate-framework>

As Chief Executive and Accounting Officer for OPG, I am responsible for OPG's use of resources in carrying out its functions as set out in the framework document. Managing Public Money as issued by HM Treasury also sets out the responsibilities of an Accounting Officer.

As Accounting Officer, I am personally responsible for: safeguarding the public funds for which I have charge, ensuring propriety and regularity in the handling of public funds, and day-to-day operations and management of OPG. In addition, I must ensure that OPG as a whole is run in accordance with the standards, in terms of governance, decision making and financial management.

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

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

Directors' report

The structure of the OPG board, the audit and risk committee (ARC) and the executive team are given on page 38. They are responsible for setting OPG's strategic direction and monitoring performance against agreed objectives.

Statement of directors' interests

Non-executive directors are required to declare any directorships and conflicts of interest on appointment. All board members are also required to declare any conflicts of interest before the start of each meeting. There were no declarations made during 2019/20.

Personal data incidents

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

The governance statement considers further information assurance and data security practices in OPG.

Health and safety

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

The membership of the OPG Board consists of:

- **Public Guardian/Chief Executive (chair)**
Alan Eccles (until June 2019)
Nick Goodwin (from July 2019)
- **Three OPG senior civil servants**
Julie Lindsay
Jan Sensier
Sunil Teeluck
- **Three non-executive directors**
Alison Sansome
Shirnivas Honap
Karin Woodley
- **MoJ representative**
Abigail Plenty/Laura Beaumont (job share)
- **MoJ finance representative**
Paul Henson

Statement of Accounting Officer's responsibilities

Under Section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed OPG to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of OPG and of its income and expenditure, statement of financial position and cash flows for the financial year.

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

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

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

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



Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

Governance statement

This statement explains how I, as Accounting Officer, have discharged my responsibility to manage and control OPG’s resources during the year. This statement describes OPG’s governance arrangements and provides an assessment of how I have balanced risk, assurance and control throughout 2019/20.

Introduction

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

The Public Guardian is a statutory office holder appointed by the Lord Chancellor and Secretary of State for Justice under Section 57 of the MCA 2005. 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.

There was a change in Public Guardian in June 2019. As part of that handover process the outgoing Public Guardian provided assurance to the incoming Public Guardian on the processes and controls over the activities of the Agency within that period of time. The Board membership (including the financial representative) remained the same and also provided assurance for that period of time. The new Public Guardian was fully inducted into the Agency and as part of that was provided with the financial, risk and performance reports for the year as a whole.

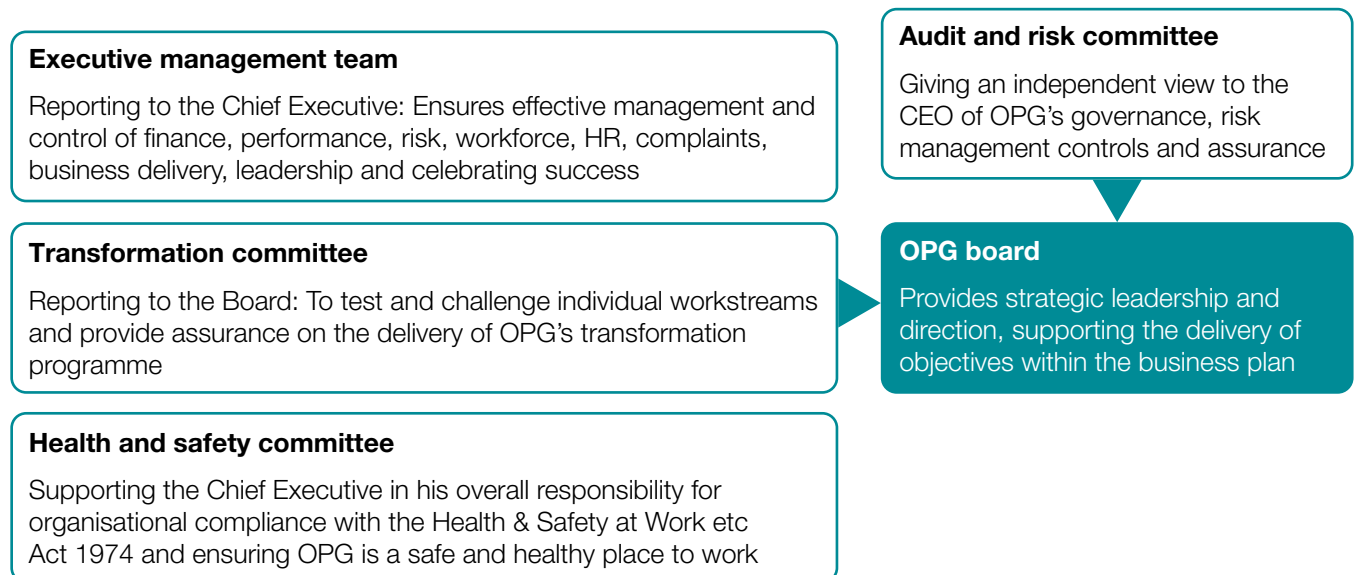
Governance framework

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

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

OPG governance framework

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



What the board does

In 2019/20, the board led OPG both strategically and operationally. It also scrutinised and challenged issues affecting our performance and policies. The board has eight main areas of responsibility:

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

Key successes and effectiveness

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

- regularly reviewed and held to account those in MoJ responsible for delivery of services to the OPG via functional leadership arrangements to ensure all are working together to deliver the OPG priorities
- the Board is provided with financial, performance and risk information on a regular basis and are free to ask for additional information should they require it. The Board find the data acceptable as other forums such as the Audit and Risk Committee are in place to ensure the data that goes to the Board is correct and a fair reflection of the situation within the agency
- continued to provide the strategic direction on the OPG 2025 programme of work to ensure a clear understanding throughout the agency of the key priorities for delivery
- provided the strategic decisions necessary to ensure the agency finances remained within budget
- carried out an away day – the outcome of the day was a clearer understanding and focus on the strategy of the agency, especially in relation to the OPG 2025 transformation programme and sustainability of the agency. It also included a session on Board effectiveness – including a decision to undergo an external review of the Board and OPG governance meetings in the following year

Our sub-committees and independent advisory committee

The board has two sub-committees: the executive management meeting (EMM) and the transformation committee (TC). OPG’s audit and risk committee is an independent advisory committee to the board. The board delegates work to the committees/executives so small groups can examine issues in more detail. The committees then present their findings to the board for discussion and conclusion (following “Corporate governance in central government departments: Code of Good Practice”).

	Executive management meeting	Transformation committee	Audit and risk committee
Role and responsibilities	To focus primarily on the day-to-day operational delivery of OPG’s business, including finance, performance, risk, workforce, change/planning, complaints, HE (attendance management, recruitment), business delivery leadership employee engagement and celebrating success	To bring together the key stakeholders from across OPG and partners to ensure the portfolio of change programmes in OPG are delivered successfully The TC has a delegated governance structure below it to ensure delivery of the portfolio of projects	To advise on how improvements may be facilitated and determine progress on management responses to risks identified Approve the work of both internal and external audits Agree that accounting policies are correct and applied appropriately to the transactions of the organisation Provide recommendations to the Accounting Officer on all matters the committee consider apt
Chair	Moved from a rotating chair (the membership of the committee) to Nick Goodwin, Public Guardian and Chief Executive, being sole chair	Jan Sensier, Deputy Director, Strategy and Corporate Services	Shrinivas Honap, Non-Executive Board Director

	Executive management meeting	Transformation committee	Audit and risk committee
Key successes and achievements	<ul style="list-style-type: none"> • Day-to-day management of performance and finance • Representation of OPG at external events • OPG Business Plan signed off by Alan Eccles, Mike Driver, Perm Sec and Ministers prior to publication in April 2019 • Held two away days to review Board's effectiveness. Both days were independently facilitated • Review of governance framework • OPG's communications and engagement strategy 2019/20 – approval sought for the next phase of communications and engagement campaigns ('Your voice, your decision' campaign) • Approved the new format performance report (April 2019). The report is now set out in quadrants with additional commentary • Supervision fees refund – approval received from Special Advisers (SpAds) • Missing persons – Minister agreed fee regime i.e. £320 general fee and £200 set up fee. Remissions and exemptions will also apply 	<ul style="list-style-type: none"> • Delegation of responsibility for the delivery of the portfolio from OPG Board • Ensuring the framework and strategy for OPG 2025 vision is on track • Ensuring delivery of the portfolio of projects within OPG • Approval of Strategic Outline Business Case 	<ul style="list-style-type: none"> • Continued provision of assurance to the Public Guardian in matters in relation to the management of the entire risk framework and specific individual risks and their resultant mitigating actions • Ensuring the annual audit programme is delivered in a cost-effective manner while ensuring all significant risk areas are reviewed by both internal and external audit • Agreements on how counter fraud risks would be identified and monitored • Oversee progress on GDPR Compliance • Advise on whether the OPG Annual Report and Accounts can be signed off

OPG Board/Committee Attendance 2019/20

	OPG Board		Executive management		Audit and risk committee		Transformation committee	
	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings	No. of meetings attended	No. of eligible meetings
Alan Eccles – CEO & Public Guardian (to June 2019)	3	3	3	3	2	2	0	3
Nick Goodwin – CEO & Public Guardian (from July 2019)	8	8	7	9	2	2	3	7
Sunil Teeluck – Head, Legal and Information	10	11	9	11	4	4	4	10
Julie Lindsay – Chief Operating Officer	11	11	10	11			9	10
Jan Sensier – Deputy Director of Strategy and Corporate Services	11	11	8	11	4	4	8	10
Paul Henson – Deputy Director – Finance	10	11	3	9	4	4	2	10
Abigail Plenty/Laura Beaumont – Deputy Director Vulnerability Policy (deputy Liz Eaton, Mental Capacity)	11	11						
Shrinivas Honap – Non-Executive Director	9	11	4	4	4	4	-	-
Alison Sansome – Non-Executive Director	10	11					9	10
Karin Woodley – Non-Executive Director	7	11			4	4	-	-
Anne Fletcher – Independent Member Audit and Risk					4	4	-	-
Iain Dougall – Head, Power of Attorney Service (to February 2020)			7	9			9	10
Marie Owen – Head, Power of Attorney Service (from February 2020)			1	2			1	1
Angela Johnson – Head, Policy and Practice (to August 2019)			5	5			-	-
Ria Baxendale – Head, Policy			7	11			8	10
Chris Jones – Head, Performance, Planning and Business Dev.			9	11			9	10
Helen Journeaux – Head, Governance, Assurance and Corp. Services			9	11	3	4	9	10

Terms of reference

OPG Board and committee terms of reference (ToR) are in line with the Financial Reporting Council’s Guidance on Board Effectiveness (March 2011) and Good Governance Standard for Public Services, published by the Chartered Institute of Public Finance and Accountancy (CIPFA)/ Office for Public Management Ltd (OPM), to ensure its governance arrangements are reflected within the ToRs.

Work has been undertaken during 2019/20 to ensure that the OPG Operating Framework is still fit for purpose given the changes to the size of the agency over time, and to also review it and ensure its consistency with those documents listed above. The ToRs have been reviewed to ensure that consistency and clarity of governance is being applied across the business, and ensure there are clear lines of decision making and strengthen the ownership and accountability of OPG’s overall governance framework, and these have been pulled together into one clear document.

This document also outlines the links between the Board and its committees, tolerances and a clear review framework for all. This Operating Framework also includes new sub-committees below the EMM and came into force from April 2020 with a review taking place after it has been in place for 12 to 18 months.

Internal audit

As Accounting Officer and Chief Executive, I have established and maintained arrangements for the provision of internal audit services from the Government Internal Audit Agency (GIAA) within OPG in accordance with the objectives and standards for internal audit set out in the Public Sector Internal Audit Standards (published by HM Treasury). This enables an independent and objective evaluation on management performance in the delivery of effective arrangements for governance, risk management and internal controls.

MoJ receives copies of OPG’s annual internal audit plans and annual report from me. MoJ and Cabinet Office are notified of any fraud or irregularity within the definition set out by HM Treasury.

GIAA undertook six audits on behalf of OPG during 2019/20. All of the internal audit assignments completed were rated as either moderate or substantial.

Rating	Audit title
Substantial	Budget management
	Supervision of deputies
	Internal communications
	Transformation
Moderate	OPG productivity measures
	Performance management
Limited	NIL
Unsatisfactory	NIL

The Head of Internal Audit in his annual report for 2019/20 has given the OPG a moderate annual opinion on the framework of risk management, governance and control. A moderate opinion is defined as ‘Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.’

Risk management, control and assurance

OPG maintains a consistent approach to the management of risk within the organisation. Risk management is effectively used to alert the business of actual threats or emerging issues likely to impact the achievement of business objectives.

The main corporate level risks considered over the year were:

- GDPR compliance
- Functional Leadership
- Failure to achieve cost recovery
- Delays in taking cases to court where legal action is required
- Staff retention
- Brexit and its impact on government priorities and legislative programme

The issues and emerging risks that will need to be managed in the year ahead include:

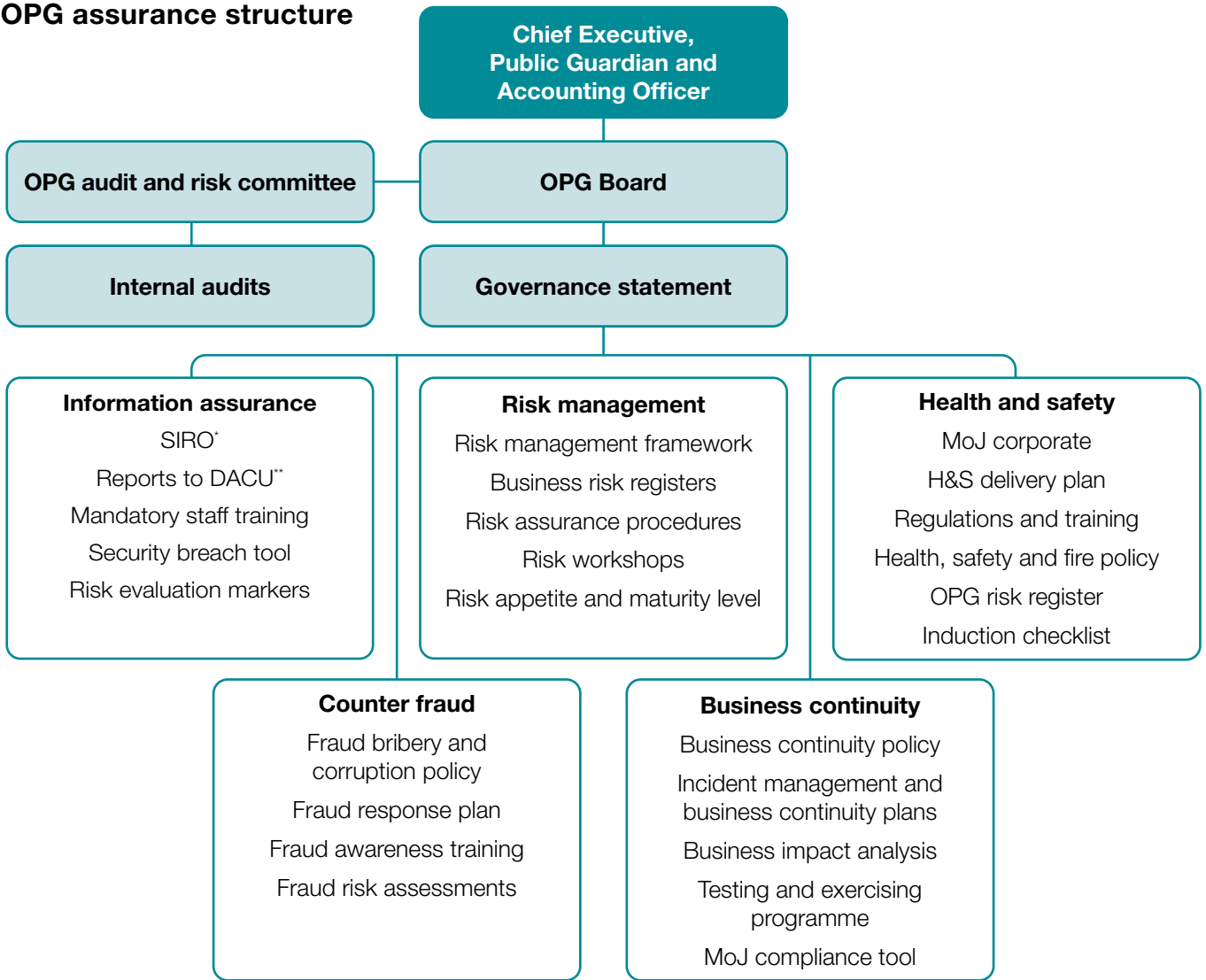
- COVID-19 – the need to evaluate the management of financial and operational performance as a result of the challenges posed by the virus. This will need to include a recovery plan
- Ensuring a sustainable, appropriate and affordable OPG estate – ensuring that we learn from the current COVID-19 situation to ensure that the estate can facilitate the more flexible working practices that will continue into the future
- Wider stakeholder engagement to ensure that all are aware of the services OPG offer and the value that they add and to ensure that there is a high level of knowledge of the MCA within areas such as the health and social care section

Risks below corporate level are managed within directorates and if necessary risks are escalated to the corporate register. The governance team liaise monthly with business areas to update registers in preparation for board and committee meetings. Further examination on the management of risk is undertaken at a face-to-face mid-year review meeting with the Accounting Officer. This is attended by risk owners who each discuss the management and control of the risks identified and planned action to achieve risk closure by year end.

Processes have also been put in place in OPG during the year to ensure that corporate risk and programme risk are looked at together in regular review meetings so that there is a clear understanding of the total risk environment within the agency. Significant risks from the programme are escalated onto the corporate risk register. During the year work was also undertaken to look at how risk is managed within the OPG – with a move towards looking at risks by category – such as finance, performance, programme and then have sub risks listed below those. This work continues with the intention of moving over fully to this way of managing risk during 2020.

During 2019/20 OPG has also started to report its two key risks into the MoJ Executive Committee (ExCO). As ExCo buy-in is required to deliver on the OPG longer term change programme the two risks reported during the year have been a) the sustainability of the agency in the medium to long term (and as a key part of that the delivery of a fully digital LPA) and b) the possibility of fraud and loss of reputation of the OPG due to weaknesses in the processes. The second of these is not a significant risk within the OPG but one which should drive the changes to processes over time. As a result, it has not been managed as a specific risk in OPG during 19/20 but has fed into other risks.

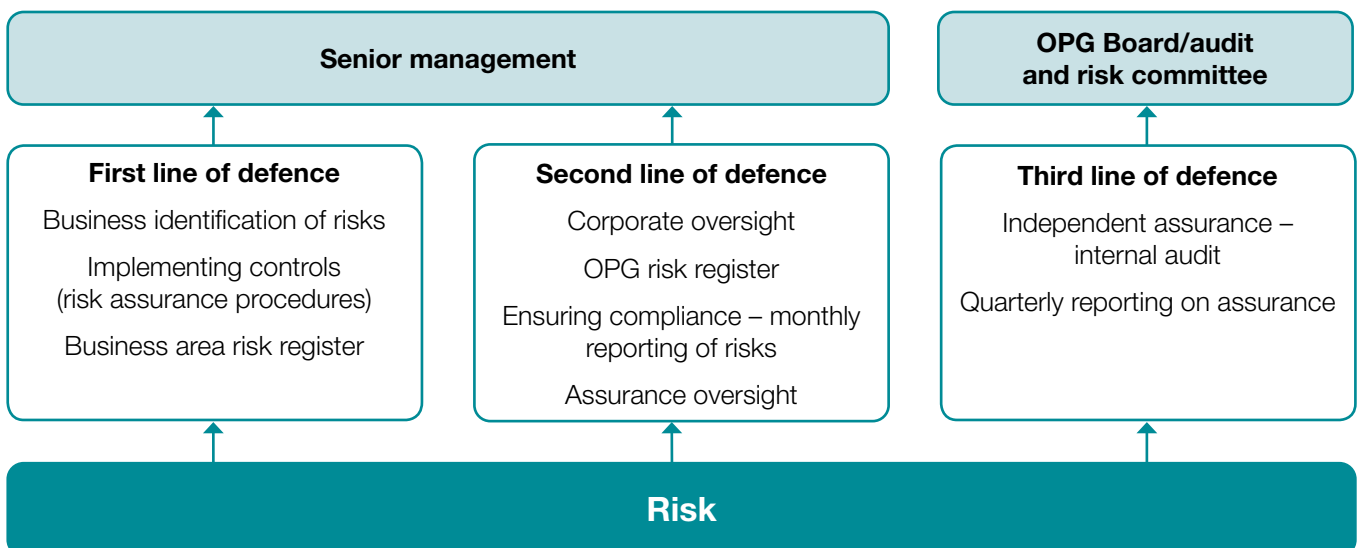
OPG assurance structure



*Senior Information Risk Owner **Data Access Compliance Unit

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

Three lines of defence



OPG encourages innovation with a measured approach to risk. OPG has a balanced approach to risk, for example having a great risk tolerance in relation to advancing digital capabilities to improve OPG products, but a lower one in areas such as ensuring concerns are assessed and investigated to safeguard vulnerable persons and their assets.

Risk appetite

The risk appetite of the OPG is driven by and/or constrained by the statutory duties of the Public Guardian to ensure that those we work with are given a voice.

Key risk	Impact	Mitigating activities	Impact on risk of mitigating activities
Failure to achieve cost recovery	OPG is not able to cover its costs	Regular financial updates at EMM and at OPG Board Reduction in recruitment and headcount to drive down staff costs Small quick projects on the back burner to run with if financial position improves during year	2019/20 cost recovery was achieved
Staff retention within the agency – both in terms of numbers and skills	OPG cannot deliver as efficiently and effectively as possible Time and resources are spent undertaking recruitment to replace staff	Ongoing review of specific areas in which retention or recruitment is problematic Alignment of salaries across Nottingham and Birmingham Offices	Turnover rates have reduced within OPG
Delays in taking cases to court where legal action is required	There has been a significant delay in getting cases from the OPG to the Court of Protection – possibly leaving vulnerable adults at risk	A triage process has been put in place to deal with the most urgent cases first A recruitment campaign is underway to recruit more legal staff Work has been undertaken to look at the processes between investigations and legal to cut down on duplication Reduction in workload due to coronavirus has allowed additional resource to be put on case clearance	The number of outstanding cases has reduced in the last month of the year
GDPR compliance	OPG is not fully compliant with the GDPR regulations – and this leads to complaints and loss of reputation	Working closely with MoJ Digitech to take forward work on OPG IT systems Action plan to take forward additional work on GDPR within the agency	No complaints were received during the year or cases taken to the information commissioner on GDPR grounds

Key risk	Impact	Mitigating activities	Impact on risk of mitigating activities
Functional leadership	OPG is not seen as a priority for MoJ Functional Areas and cannot compete for resources or skills needed to progress its change and BAU work programmes	<p>Ensure all areas of the MoJ Functional Areas are included as part of the OPG EMM meetings and attendance at OPG Board meetings as necessary</p> <p>Ensure Functional Leadership (FL) areas sign up to the OPG Business Plan for the following year</p> <p>Regular meetings between deputy directors and FLs to ensure clear understanding of deliverables</p>	OPG has had access to the majority of the skills and resources needed but some areas – Digitech – have been hampered by recruitment and retention issues and unable to provide, at times, all the resource needed. This has been managed by joint prioritisation of work to ensure delivery has continued
Brexit	OPG is not able to get the legislation it requires due to concentration of Government/Parliamentary agenda on Brexit and required legislation	As OPG cannot manage this risk within the Agency it has looked to tolerate rather than manage the risk - by prioritising other work in the Agency which can be progressed	This risk has been tolerated rather than mitigated. Other work has been prioritised and taken forward. Work has been continued on the pre-work for any necessary legislation

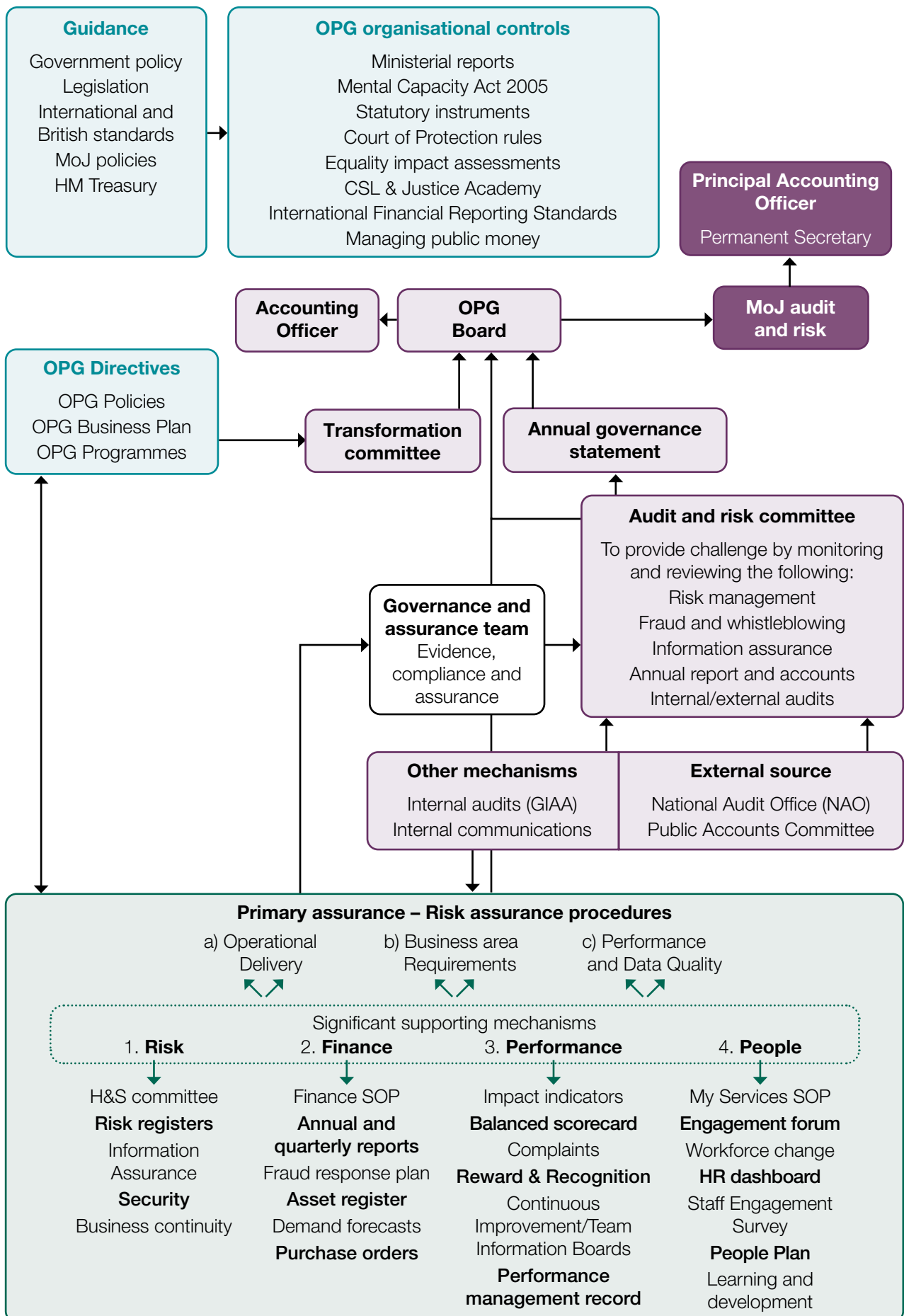
Coronavirus (COVID-19)

In the last month of the year the OPG has also had to deal with the impact of the COVID-19 pandemic on the UK. This has resulted in the majority of the OPG staff working from home and only those who are necessary for the processing of LPAs, manning the contact centre, and ensuring the safety of the buildings have been in the office.

In the early stages of the lockdown, the level of LPAs arriving at the OPG for registration fell considerably as did the number of calls to the contact centre. OPG is continuing with its supervision and investigation work – with some issues due to limited access to people due to social isolation.

The impacts of the lockdown period will be a considerable risk for OPG in the year to come and considerable modelling in relation to both income and workload has already been started to put the agency in the best position possible to overcome this.

OPG governance/assurance framework



Counter fraud, bribery and corruption

This year OPG has been implementing the Government Functional Standard for Counter Fraud (GovS 013) which sets out the expectation for the management of fraud, bribery and corruption risk across all government organisations. At present, the focus is exclusively on counter fraud, as OPG is not required to report on bribery and corruption until the next financial year.

An annual assurance process is used to determine the compliance level against the functional standards and OPG has devised and implemented a Counter Fraud Action Plan which is key actions to be taken to improve capability, activity and resilience.

Key actions that have begun to be implemented across the business include:

- OPG aligning to the MoJ Counter Fraud Strategy
- delivering awareness sessions and workshops in preparation for the completion of fraud risk assessments
- the completion of fraud risk assessments
- the delivery of a fraud presentation to all new starters as part of the induction process and completion of e-learning fraud awareness training is mandatory
- engagement with a cross-sector regional fraud forum
- the creation of a localised fraud response plan

The functional standards set out that organisations should have access to trained investigators that meet the public sector skills standards – to date, there are currently no plans in place to invest in training OPG accredited fraud investigators, however we are working on putting in place a working agreement with other MoJ departments in order to gain access to trained fraud investigators.

Whistle-blowing reports

There were no cases in this financial year.

Business continuity

OPG has maintained a good level of resilience to support the recovery and delivery of services adversely impacted. This has been tested by several IT and network incidents that occurred during 2019/20. Impact was limited and in liaison with relevant service providers, OPG effectively recovered and maintained its services.

OPG lead the regional MoJ business continuity group, which meets bi-annually. The group share best practice, discuss ideas and invite guest speakers. OPG were invited to deliver a table top exercise for the Criminal Cases Review Commission and received excellent feedback.

OPG information security and assurance

There is a designated information assurance team that delivers information assurance and records management activity for OPG. The head of the legal and information directorate performs the role of Senior Information Risk Owner (SIRO).

OPG received 46 freedom of information requests in 2019 and completed 98% of these within 20 working days against a target of 90%. OPG received 51 subject access requests in 2019 and completed 95% of these within one calendar month against a target of 90%.

All new staff attend awareness training on information security, freedom of information, data protection, fraud, cyber security and physical security as part of the induction process. A bespoke OPG GDPR e-learning package went live in October 2019 and has been rolled out across the business as mandatory training.

The assessment of privacy risks in OPG is managed by the Information Assurance Team, who advise the business on the completion of Data Protection Impact Assessments (DPIAs). The team actively promotes privacy by design and is routinely consulted about privacy at the inception of a proposal. This has involved engagement on proposals for customer surveys, the development of digital platforms and policy changes.

Information (loss/compromise) incidents

OPG was responsible for 1,069 information losses and/or breaches of information security in 2019/20, of which 51 were deemed to be 'high harm'. The majority of information losses were because of misdirected post. OPG processed circa 6 million pieces of post in 2019/20, meaning that information losses occurred in only 0.02% of cases. No information losses in 2019/20 were deemed high enough to warrant notification by OPG to the Information Commissioner.

To ensure we are taking steps to reduce information losses, OPG's Information Assurance Team continues to work with the business to deliver training, education and awareness to staff in data protection and information security. These activities include the development and delivery of OPG-specific training packages to supplement mandatory Civil Service e-learning and regular communications to staff via OPG intranet and face-to-face awareness sessions for senior managers and at team level.

Records management

As part of a wider MoJ scheme to improve consistency in the management and governance of corporate records, OPG has completed work to review and update its Records Retention and Disposal Schedule (RRDS). The new RRDS was published and launched in January 2020 and will inform a programme of follow-up records compliance audits across the business to take place alongside other ongoing information governance activities in the coming year.

Supplier compliance

OPG's contracts are managed centrally by MoJ and so supplier compliance resides with the central MoJ commercial team.

Health and safety

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

We comply with the Health and Safety at Work Act 1974 and all other relevant regulations and legislation as appropriate.

OPG recognises that to have effective health and safety management, key elements need to be in place as outlined within 'HSG65 Plan Do Check Act' (Health and Safety Executive's guidance on managing for health and safety). These elements are policy, organising, planning, measuring performance, auditing and reviewing.

214 health and safety inductions for staff have been conducted this year contributing to the overall figure of 1,607 which represents 97% of all staff in post.

OPG health and safety policies are reviewed annually or when changes occur. A health and safety strategy plan is in place that is aligned to business objectives and developed to enhance occupational health and safety and fire safety.

A health and safety risk register approved by the OPG duty holder and informed by local risk assessment is maintained and reviewed at the quarterly Health and Safety Committee. This is used to form decision making and priorities within health and safety.

Health and safety performance is monitored, reviewed, and communicated through production and publication of performance data presented to the Health and Safety Committee and publicised on the OPG internal intranet pages.

The OPG maintains a programme of inspections that includes quarterly inspections carried out in conjunction with trade union representatives and monthly management inspections.

A continued effort with the support of Health and Safety personnel to promote awareness of the need to report accidents/incidents resulted in 18 accidents recorded in 2019/20 in comparison to 39 in 2018/19.

Continual monitoring and reviewing of work station risk assessments in compliance with the Health and Safety Regulations 1992 (display screen equipment) has seen performance in this area maintained at 96% of all staff in post, despite an increased headcount and the ongoing exercise to complete three-yearly DSE risk assessment renewals for existing staff. Money has also been invested to ensure that staff requiring reasonable adjustments are not disadvantaged.

Continued personal development is encouraged through procurement of professional accredited health and safety training arranged for Senior Leaders, Health and Safety Leads, and Health and Safety Personnel throughout the year.

Accounting Officer Conclusion

As Accounting Officer, I have responsibility for reviewing the effectiveness of OPG's system of internal control, including the risk management framework. My review is informed by the work of the internal auditors and the executive managers within OPG. They are responsible for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

In their annual report, our internal auditors have given an overall assurance level of moderate, which means that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. I have been advised on the implications of the results of my review by the board and the audit and risk committee. I am satisfied that a plan to address weaknesses in the system of internal control, and ensure continuous improvement of the system, is in place.

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

A handwritten signature in black ink, appearing to read 'N Goodwin', with a stylized, cursive script.

Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

Remuneration and staff report

This report summarises the OPG's policy on remuneration of Executive Board Members and Non-Executive Board Members (NEBMs). It also provides details of actual costs and contractual arrangements.

The Remuneration and staff report has been prepared in accordance with the requirements of the Financial Reporting Manual as issued by HM Treasury.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise 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.

Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk/>

Remuneration policy

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

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

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

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

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

Total amount of salary and fees

Salary and allowances covers both pensionable and non-pensionable amounts and include gross salaries, overtime, reserved rights to geographical weighting or geographical allowances, recruitment and retention allowances, private office allowances or other allowances to the extent that they are subject to UK taxation, and any ex-gratia payments. It does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties.

All taxable benefits

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.

Bonus payments

Bonuses are based on performance levels attained and are made as part of the regular appraisal process.

All pension related benefits

Section 229 of the Finance Act 2004 determines the maximum annual level of pension savings that can be accrued under a defined benefit arrangement before any taxation is charged. The amount of savings shown in Table A is the increase in the value of the individual's promised benefits over the pension input period (which is the financial year for the OPG). Any increase is the difference between the value of the individual's benefits at the start of the pension input period (1 April 2019) and the value of the individual's benefits at the end of the pension input period (31 March 2020); this also incorporates any increase to pensionable pay.

Regulations specify a modification to the HMRC rules for this purpose, in order to value the benefits HM Treasury has advised pension schemes to use a multiplier of 20.



Table A Senior employees remuneration – Employment costs (subject to audit)

	2019/20						2018/19					
	All taxable benefits			Pension related benefits			All taxable benefits			Pension related benefits		
	Salary payments	Bonus (to nearest £100)	£000	Total	£000	Total	Salary payments	Bonus (to nearest £100)	£000	Total	£000	Total
Executive members	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Alan Eccles CBE Chief Executive and Public Guardian (to 4 July 2019)	30-35 (FYE 115-120)	-	2.4	-	30-35	115-120	-	-	7.9	-	-	120-125
Nick Goodwin Chief Executive and Public Guardian (from 1 July 2019)	70-75 (FYE 100-105)	-	1.1	53	125-130	-	-	-	-	-	-	-
Julie Lindsay Chief Operating Officer	70-75	0-5	-	33	110-115	70-75	-	-	-	37	105-110	-
Jan C Sensier¹ Deputy Director of Strategy and Corporate Services	80-85	-	8.0	32	120-125	80-85	-	12.2	-	31	120-125	-
Sunil Teeluck Head of Legal and Information (from 4 March 2019)	70-75	-	13.8	33	115-120	5-10 (FYE 65-70)	-	-	-	2	5-10	-
MoJ finance representative Paul Henson² Deputy Director, Chief Finance Officer Group (from 24 July 2018)	-	-	-	-	-	-	-	-	-	-	-	-

¹ Jan C Sensier has dual workplace agreements. The costs illustrate the benefit in kind for all travel to and from the dual workplace locations for her period on the board.

² Paul Henson is a MOJ employee, his salary is paid for by MOJ. Paul works with both the OPG and Legal Aid Agency (LAA), sitting on both of their Boards as a member. His salary is disclosed in the LAA Remuneration report available in LAA's Annual Report and Accounts 2019 to 2020.

Table A Senior employees remuneration – Employment costs (subject to audit)

	2019/20					2018/19				
	Salary payments	Bonus payments	All taxable benefits (to nearest £100)	Pension related benefits	Total	Salary payments	Bonus payments	All taxable benefits (to nearest £100)	Pension related benefits	Total
Non-executive members	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Shrinivas Honap (from 1 June 2018)	5-10	N/A	0.9	N/A	5-10	N/A	N/A	-	N/A	5-10
Karin Woodley (from 1 October 2018)	5-10	N/A	1.3	N/A	5-10 (FYE 5-10)	N/A	-	-	N/A	0-5
Alison Sansome	5-10	N/A	1.7	N/A	5-10	N/A	-	-	N/A	5-10
Dean Parker (until 31 May 2018)	-	N/A	-	N/A	- (FYE 5-10)	N/A	-	-	N/A	0-5
Prof Anthony Schapira (until 31 May 2018)	-	N/A	-	N/A	- (FYE 5-10)	N/A	-	-	N/A	0-5
Anne Fletcher Independent member of ARC	0-5	N/A	-	N/A	0-5	N/A	-	-	N/A	0-5

Pay multiples *(subject to audit)*

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 annualised banded remuneration of the highest-paid director in OPG at 31 March 2020 was £100,000-£105,000 (2018/19, £115,000-£120,000). This was 5.0 times (2018/19, 5.9) the median remuneration of the workforce, which was £20,444 (2018/19, £20,020). The change in the median remuneration has been driven by the 2019 pay award. The lower multiple is due to the lower banded remuneration of the highest paid director.

In 2019/20, no contractors (2018/19, four contractors) received remuneration in excess of the highest-paid director. Annualised remuneration ranged from £16,018 to £100,000 (2018/19, £15,280 to £126,186).

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

Pension benefits *(subject to audit)***Table B: Executive board members – Pension benefits for the year ended 31 March 2020**

	Accrued at pension age as at 31/3/20 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/20	CETV at 31/3/19	Real increase in CETV
Executive board members	£000	£000	£000	£000	£000
Alan Eccles CBE³	N/A	N/A	N/A	N/A	N/A
Nick Goodwin	25-30 (Lump 50-55)	2.5-5 Lump 2.5-5	417	378	30
Julie Lindsay Chief Operating Officer	35-40 Lump sum 80-85	0-2.5 Lump sum 0-2.5	664	613	21
Jan C Sensier Deputy Director of Strategy and Corporate Services	0-5	0-2.5	64	37	20
Sunil Teeluck Head of Legal and Information (from 4 March 2019)	15-20	0-2.5	213	187	13

³ Alan Eccles was not an active member of the pension scheme during the reporting period.

Civil Service pensions

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

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

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

Partnership pension account

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

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

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

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

Staff report

Staff costs (subject to audit)

	2019/20			2018/19
	Total	Permanently employed staff	Others	Total
Staff costs	£000	£000	£000	£000
Wages and salaries	37,798	33,096	4,702	35,145
Social security costs	2,839	2,839	0	2,593
Other pension costs	7,711	7,711	0	5,112
Total gross costs	48,348	43,646	4,702	42,850
Less recoveries in respect of outward secondments	(18)	(18)	0	(176)
	48,330	43,628	4,702	42,674
Non-executive members (fees and benefits)	25	25	0	22
Total net costs	48,355	43,653	4,702	42,696

The government introduced the Apprenticeship Levy from 1 April 2017. Payment of the levy is considered a form of taxation and is therefore accounted for as a tax expense as part of staff costs.

Staff numbers (subject to audit)

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

	2019/20			2018/19
	Total	Permanently employed staff	Others	Total
Directly employed	1,394	1,394	-	1,210
Other	165	-	165	180
Total	1,559	1,394	165	1,390

Staff composition

The staff composition table shows the number of staff in post at 31 March 2020.

	Male	Female
Board members	3	3
OPG employees (excluding SCS)	693	852

Senior Civil Servants (SCS)

The board members include the following directly paid OPG staff – one male SCS2, and two females and one male at SCS1.

Sickness absence

Average working days lost (AWDL) this year was 9.5 days (2018/19 8.2 days).

Staff Turnover

In 2019-20, staff turnover is 5.3% (2018-19 5.7%) and department turnover is 11.4% (2018-19 10.2%). Department turnover includes transfers of staff within the civil service. Transfers within the Civil Service are not included in Staff Turnover. OPG continues to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in OPG and take appropriate action to improve effectiveness, including where turnover becomes problematic.

Staff policies applied in year

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

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

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

Off-payroll engagements

During the financial year 2019/20, OPG has reviewed off-payroll engagements where we are required to consider intermediaries, (IR35), legislation using HMRC's guidance and online status indicator. We have advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at source from payments made in respect of the engagement with OPG. Further details of off-payroll engagements in OPG can be found in the MoJ departmental resource accounts.

Reporting of Civil Service and other compensation schemes – exit packages

(subject to audit)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year the exit package is confirmed.

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

No exit packages were paid in 2019/20 (2018/19: no exit packages paid).

Trade union facility time

Number of employees who were relevant union officials during 2019/20	9
How many employees who were relevant union officials during the relevant period spent a) 0%, b) 1 – 50%, c) 51-99% or d) 100% of their working hours on facility time	b) 9
Percentage of the total pay bill spent on facility time	0.076%
Time spent on paid trade union activities as a percentage of total paid facility time hours	0

Expenditure on consultancy

OPG did not employ any consultants during 2019/20 (2018/19: nil).

Compensation for loss of office *(subject to audit)*

No compensation payments were made in 2019/20 for early retirement or loss of office (2018/19: nil).



Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

Parliamentary accountability and audit report

Statement of parliamentary supply

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

In common with other government agencies future funding has to be approved by our sponsor department, MoJ, and by Parliament. Approval has already been given for 2020/21. Financial statements have therefore been prepared on a going concern basis for financial reporting and asset valuation purposes.

Regularity of expenditure *(subject to audit)*

The Principal Accounting Officer for MoJ has designated the Chief Executive of OPG as the Accounting Officer for the agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding OPG's assets, are set out in Managing Public Money published by HM Treasury. There are no regularity issues to report. The Comptroller & Auditor General confirms this in his opinion on regularity on page 66.

Fees and charges *(subject to audit)*

In April 2017 the fee for registering a power of attorney reduced to £82.00. This is an enhanced fee under Section 180 of the Anti-Social Behaviour, Crime and Policing Act 2014, which permits the Lord Chancellor, with the consent of the Treasury, to prescribe a fee that exceeds the cost of providing that service. We have used this power to charge an enhanced fee for power of attorney registration to cover the costs of exemption and remission of fees and to subsidise the operating costs of delivering the supervision service. The use of this power has resulted in a surplus of £11.4m during 2019/20, this equates to around £12.40 per application, but would equate to an additional £187.18 per supervision case in 2019/20. The full cost of providing the agency's services and the fees charged in relation to this is given in the table below.

	Total income	Full cost	Unit cost	(Over charge)/ cross subsidy
	£000	£000	£	£000
Lasting powers of attorney	67,354	56,217	62	(11,137)
Enduring powers of attorney	774	533	62	(241)
Appointment of deputy	936	3,222	258	2,286
Supervision	9,649	18,257	300	8,608
Office copies	282	210	26	(72)

The table above excludes income from Guardianship fees because take-up of the service was not until late in the reporting year.

Fees remitted

114,036 fees were remitted or exempted. The total value was £7,944k (2018/19: 110,172 cases – £7,526k) as described in Note 2. Fee waivers are not included in these numbers.

Cost recovery

We have for a third year achieved our objective of full cost recovery, with only a slight over recovery of costs. This is despite continually increasing demand for our services and demonstrates the success of the improvements made to the way in which demand and associated costs are forecast (see note 6 in financial statements).

Historic fee refund scheme

We announced in 2016/17 that the MoJ would be launching a scheme for refunding a portion of the fee to customers who may have paid more than they should have during a four-year period. OPG was appointed to deliver the scheme, which was launched on 1 February 2018. Over 270,000 refunds (£14.5m) have been paid in respect of power of attorney fees.

The refund scheme for supervision cases launched October 2019, with a three-year expiry date. The potential number of combined active and closed cases affected was approximately 82,000. The expected cost of that scheme is up to £18m. To date, all but two of the live cases have been refunded a total of £6.1m. A further £51,000 has been paid to date in respect of refund applications received for 144 closed cases.⁴ Financial information relating to the scheme has been recorded within the Ministry of Justice Annual Report and Accounts.

Losses and special payments *(subject to audit)*

	2019/20		2018/19	
	Volume	£000	Volume	£000
Fee waivers	7,808	647	5,058	525
Non-fee write offs	0	0	180	18
Ex gratia	712	24	39	32

All losses and special payments have been reported on an accruals basis.

Discretionary fee waivers

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

Remote contingent liabilities *(subject to audit)*

There are no remote contingent liabilities (2018/19: nil).

Gifts and hospitality *(subject to audit)*

Gifts made by OPG in 2019/20 and 2018/19 did not exceed the reporting threshold of £300,000.



Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

⁴ <https://www.gov.uk/government/publications/claim-a-deputyship-fee-refund>

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Office of the Public Guardian for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Office of the Public Guardian's affairs as at 31 March 2020 and of its net operating surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016.

I am independent of the Office of the Public Guardian in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

Responsibilities of the Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Public Guardian's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the Office of the Public Guardian's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Public Guardian's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Office of the Public Guardian to cease to continue as a going concern.

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

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

Other information

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

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the Office of the Public Guardian and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

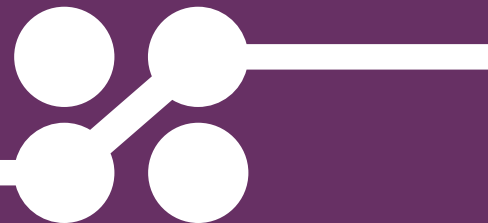
Gareth Davies

Comptroller and Auditor General

15th July 2020

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

Financial statements



Office of the Public Guardian

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Staff costs	3	48,355	42,696
Other operating costs	4	13,917	16,569
Other non-cash expenditure	5	16,167	15,190
Revenue from contracts with customers	2	(78,996)	(74,979)
Net operating surplus		(557)	(524)
<hr/>			
Other Comprehensive Net Expenditure for the year ended 31 March 2020	Note	2019/20 £'000	2018/19 £'000
Items which will not be reclassified to net operating surplus		£'000	£'000
Net gain on revaluation of property, plant and equipment	7	(28)	(20)
Net gain on revaluation of intangibles	8	(9)	(20)
Total comprehensive income		(594)	(564)

The notes on pages 75 to 91 form part of these accounts.

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Property, plant and equipment	7	1,833	2,673
Intangible assets	8	1,328	7,004
Total non-current assets		3,161	9,677
Current assets			
Trade and other receivables	9	14,022	14,347
Cash and cash equivalents	10	5,416	9,747
Total current assets		19,438	24,094
Total assets		22,599	33,771
Current liabilities			
Trade and other payables	11	(20,774)	(19,575)
Provisions	12	(241)	(21)
Total current liabilities		(21,015)	(19,596)
Total assets less current liabilities		1,584	14,175
Non-current liabilities			
Trade and other payables	11	(478)	(550)
Provisions	12	(620)	(620)
Total non-current liabilities		(1,098)	(1,170)
Total assets less total liabilities		486	13,005
Taxpayers' equity			
General fund		(264)	(12,598)
Revaluation reserve		(222)	(407)
Total Taxpayers' equity		(486)	(13,005)

The notes on pages 75 to 91 form part of these accounts.



Nick Goodwin

Chief Executive and Accounting Officer

14th July 2020

Statement of Cash Flows for the year ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Net operating surplus	SoCNE	557	524
Non-cash charges	5	16,167	15,190
		16,724	15,714
Decrease/(increase) in trade and other receivables	5 & 9	53	(1,144)
Increase in trade and other payables	11	1,199	11,490
IFRS 15 adjustment		0	(8,499)
Utilisation of provisions settled by OPG		0	(9)
Net cash inflows from operating activities		17,976	17,552
Cash flows from investing activities			
Purchase of property, plant and equipment	7 & 11	0	(182)
Purchase of intangible assets	8 & 11	(1,901)	(1,691)
Net cash outflows from investing activities		(1,901)	(1,873)
Cash flows from financing activities			
Ministry of Justice transfer		(20,406)	(11,289)
Net cash outflow from financing		(20,406)	(11,289)
Net (decrease)/increase in cash and cash equivalents	10	(4,331)	4,390
Cash and cash equivalents at the beginning of the year	10	9,747	5,357
Cash and cash equivalents at the end of the year	10	5,416	9,747

The notes on pages 75 to 91 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	Note	General fund £000	Revaluation reserve £000
Balance at 1 April 2019		(12,598)	(407)
Auditor's remuneration	5	(63)	0
Net operating surplus for the year	SoCNE	(557)	0
Reserves movement Ministry of Justice*		26,153	0
Net gain on revaluation of:			
Property, plant and equipment	7	0	(28)
Intangible assets	8	0	(9)
Revaluation transfer		(222)	222
Notional element of departmental recharge**	5	(12,977)	0
Balance at 31 March 2020		(264)	(222)

* Reserves movement of £26,153k represents a transfer of surplus cash balances from OPG to MoJ HQ, settlement of intercompany balances and transfer of intangible assets under construction to MoJ.

** £12,977k is the notional charge to OPG from MoJ HQ for corporate support services.

	Note	General fund £000	Revaluation reserve £000
Balance at 1 April 2018		(19,337)	(572)
IFRS 15 adjustment		8,499	0
Adjusted balance at 1 April 2018		(10,838)	(572)
Auditor's remuneration	5	(58)	0
Net operating surplus for the year	SoCNE	(524)	0
Reserves movement Ministry of Justice		11,289	0
Net gain on revaluation of:			
Property, plant and equipment	7	0	(20)
Intangible assets	8	0	(20)
Revaluation transfer		(205)	205
Notional element of departmental recharge	5	(12,262)	0
Balance at 31 March 2019		(12,598)	(407)

The notes on pages 75 to 91 form part of these accounts.

Notes to the financial statements for the year ended 31 March 2020

1. Statement of accounting policies

1.1. Basis of preparation

These accounts have been prepared in accordance with the 2019/20 Government Financial Reporting Manual (FReM) issued by HM Treasury under the Government Resources and Accounts Act 2000 and Secretary of State directions issued there under. 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 Office of the Public Guardian's (OPG) accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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

1.2. Changes in accounting policy and disclosures

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2019 and not early adopted

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value. The assets, to be described as "right of use" assets, will be presented under Property, Plant and Equipment. The standard is expected to have a material effect on the agency's financial statements. In March 2020 HM Treasury announced that the adoption of IFRS 16 will be deferred, and will now be adopted from 1 April 2021.

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. It will be implemented for accounting periods commencing on, or after, 1 January 2023. To assess the impact of the standard, OPG are reviewing contracts which meet the definition of insurance contracts. OPG does not consider that any new, or revised standard, or interpretation will have a material impact.

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. Going concern

OPG is primarily funded from fees and charges from external customers, but also receives funding for capital investment from Ministry of Justice, from its Parliamentary Supply. In common with other government agencies, future funding has to be approved by the sponsor Department and by Parliament.

Approval has already been given for 2020/21 and these accounts have been prepared on a going-concern basis for financial reporting and asset valuation.

1.5. Revenue from contracts with customers

Revenue from contracts with customers comprises of fees for services which are set based on an OPG full cost recovery basis. Fee income consists of amounts for services rendered from Power of Attorney (POA), Supervision, and copies of POA certificates. Income is recognised in accordance with IFRS 15 (Revenue from contracts with customers).

Application fees for registering lasting and enduring powers of attorney

In accordance with IFRS 15, POA fees are payable upon receipt of the application but income arising therefrom is not recognised until the point of completion of the service provided, either at the registration of the POA or if processing actions conclude prior to registration. Where POA payments are received online before an application, funds are held in contract liabilities until a complete application is received. If an application is not received, the amount is refunded.

Fees for supervising deputies appointed by the Court of Protection

Supervision income is due in arrears on an annual cycle up to the date that supervision of a case terminates, calculated on a pro rata basis. Income is recognised in the Statement of Financial Position (SoFP) as trade receivables or contract assets, either when fees are invoiced for or as fees accrue. A bad debt provision is calculated, based on the expected credit loss model, and is netted off trade receivables.

Exemptions and Remissions

Fee income is recognised net of fee remissions and exemptions. The remissions scheme is prescribed in the Office of the Public Guardian (Fees, etc) Regulations 2007 approved by Parliament and remitted fees are not collected by OPG.

An application for a fee exemption or remission must be made with the initial POA registration application or, for supervision fees, submitted within 6 months of the fee demand date.

In those cases where an application for an exemption or remission is not made on receipt of the fee demand there is a limitation that a completed exemption or remission application must be received within 6 months of the invoice being raised.

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

1.6. Employee benefits

Employee leave and performance bonus accrual

An accrual is made for untaken employee annual leave and flexi-leave. Performance bonuses awarded, but not paid before the end of the accounting period, are also accrued for. In previous years, the appraisal process was not concluded until after the accounts were finalised.

Pensions

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

1.7. Leases

OPG's leases are regarded as operating leases and the rentals are charged to the SoCNE 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 Axis, Birmingham and at Embankment House, Nottingham over their initial lease terms.

1.8. Notional charges

Notional charges are included in the SoCNE to reflect the full cost of the agency's services. These charges include:

- NAO's remuneration for the audits of OPG's accounts.
- OPG's usage of corporate services provided by Ministry of Justice, including Functional Leadership services.

Intra-departmental activities

Intra-departmental activities relate to the settlement between OPG and the Ministry of Justice:

- Ministry of Justice settles some expenditure incurred by OPG on the agency's behalf.
- OPG generates net cash inflows, these are periodically surrendered to Ministry of Justice.

Intra-departmental activities do not give rise to any entries in the SoCNE and are recognised directly in the General Fund via the Statement of Taxpayers' Equity.

1.9. Property, Plant, and Equipment

Initial recognition and capitalisation threshold

Property, plant and equipment, including subsequent expenditure on existing assets, are initially recognised at cost. The capitalisation threshold for individual assets is £10k. Where significant purchases of individual assets (which are separately below the capitalisation threshold) arise in connection with a single project, they are treated as a grouped asset. All thresholds include irrecoverable VAT.

Subsequent valuation method

Subsequent to initial recognition, all assets other than assets under construction are stated at current value in existing use and revalued at each reporting date using the Producer Price Index (PPI) prepared by the Office for National Statistics (ONS).

Revaluation

Gains arising on revaluation are credited to the Revaluation Reserve and shown in Other Comprehensive Net Expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the SoCNE to the extent of the previous amount expensed, and any excess is credited to the Revaluation Reserve.

A revaluation decrease (other than as a result of a permanent diminution) is reversed against any existing amount held in the Revaluation Reserve in respect of that same asset, with any residual decrease taken to net operating costs in the SoCNE.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the SoCNE 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 apportioned evenly over their estimated useful lives.

The useful lives of assets or asset categories are reviewed annually.

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 life is 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

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 SoCNE.

When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the General Fund.

Assets under construction

Assets under construction are valued at historical cost and are not depreciated until completed. On completion, the asset's carrying value is transferred to the respective asset category.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition, such as external consultant costs, relevant employee costs and an appropriate portion of relevant overheads.

1.10. Intangible assets

The intangible asset balance comprises software developed internally or by third parties and owned by the OPG. From 2019/20 the costs of software currently under construction has been transferred to the MOJ. Software is now developed for OPG's use by MoJ Digital. Once developed those MoJ costs directly attributable to the design, development and testing of identifiable and unique software products to be utilised solely by OPG will be transferred back to the OPG and recognised as software assets in the OPG accounts, in accordance with the criteria specified in the FReM, which has been adapted from IAS 38 Intangible Assets.

Other expenditure that does not meet this criteria is recognised as an expense as incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation is charged on a straight line basis at rates calculated to write off the value of the assets, less estimated residual value, evenly over their estimated useful lives.

The useful lives of internally developed software range from 2 to 7 years.

In accordance with IAS 38 (Intangible Assets) OPG reviews the useful economic lives of its intangible assets each financial year.

The OPG's capitalisation threshold for software projects is £10k (including irrecoverable VAT).

Subsequent to initial recognition, intangible assets are recognised at current value in existing use. As no active market exists for OPG's intangible assets, current value in existing use is assessed as replacement cost less any accumulated amortisation and impairment losses. Intangible assets are revalued at each reporting date using the Producer Price Index (PPI) produced by the Office for National Statistics (ONS).

1.11. Impairment

Each year, OPG performs an impairment review across all significant asset categories. If indicators of impairment exist, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts.

1.12. Cash and cash equivalents

Cash and cash equivalents recorded in the SoFP and Statement of Cash Flows include deposits held in the Government Banking Service.

1.13. Value added tax

The agency does not have an individual VAT registration with HM Revenue and Customs, but falls under Ministry of Justice'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 non-current assets. Where output VAT is charged, or input VAT is recoverable, the amounts are stated net of VAT.

1.14. Segmental reporting

Management review the performance of OPG as a single directorate due to the similar nature of all activities. Further breakdown of these activities would not provide a meaningful analysis as intended by IFRS 8 (Operating Segments).

1.15. Critical accounting estimates and judgments

OPG makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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

Impairment of contract assets

We hold receivables initially at their gross amount, and subsequently to initial recognition, these assets are carried at amortised cost using the lifetime expected credit loss, based on the historical credit loss. To determine the expected credit loss OPG use a model to estimate when repayments will be made. The model uses historic payment profiles to provide this estimate, which assumes that future performance will be reflective of past performance and there will be no significant change in the payment profile or recovery rates for OPG's receivables.

We use judgments to assess whether there are any future economic impacts that we need to adjust the historical credit loss impact for.

There is no additional adjustment in the impairment of the OPG's receivables at 31 March 2020 to reflect the potential future impact of the macroeconomic effect of Covid-19. This is based on the characteristics of the individuals owing the debt to OPG, as we do not consider this will have a material impact on the expected recovery of the receivables recognised in these accounts.

Exemptions and remissions provision

The timing of the annual billing for supervision, at the end of the financial year, means that applications for remissions and exemptions against those fees are usually received in the following year. Due to this, a provision is recognised within receivables 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. The provision assumes that the value of exemptions and remissions awarded historically are representative of the future value.

Provisions

Provisions are recognised when OPG has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and for which a reliable estimate can be made for the amount of the obligation.

1.16. Financial instruments

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

1.17. General Reserve

The General Reserve summarises the net parliamentary funding drawn down for the current financial year and any Supply from prior years that hadn't been spent and was available in the current financial year. We also use the General Reserve to settle notional charges that are reported in the accounts as expenditure but are never settled in cash.

1.18. Revaluation Reserve

The revaluation reserve shows any gains or losses on values of property, plant and equipment, or intangible assets where a prior revaluation has been recorded.

2. Fees and charges breakdown

	2019/20 £000	2018/19 £000
Fee revenue		
Lasting powers of attorney	(72,998)	(67,662)
Enduring powers of attorney	(796)	(647)
Supervision of Deputies	(12,260)	(13,085)
Appointment of Deputy	(1,250)	(1,152)
Guardianship Fees	(1)	0
Other	(282)	(484)
	(87,587)	(83,030)
Exemptions & Remissions		
Lasting powers of attorney	4,997	4,444
Enduring powers of attorney	22	269
Supervision of Deputies	2,611	2,592
Appointment of Deputy	314	221
Discretionary Fee Waivers	647	525
	8,591	8,051
Total revenue from contracts with customers	(78,996)	(74,979)

3. Staff Costs

	2019/20 £000			2018/19 £000
	Total	Permanently employed	Others	Total
Wages and salaries	37,798	33,096	4,702	35,145
Social Security costs	2,839	2,839	0	2,593
Other pension costs	7,711	7,711	0	5,112
Total gross costs	48,348	43,646	4,702	42,850
Less recoveries in respect of outward secondments	(18)	(18)	0	(176)
	48,330	43,628	4,702	42,674
Non-Executive Board Members (fees and benefits)	25	25	0	22
Total net costs	48,355	43,653	4,702	42,696

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘alpha’ are unfunded multi-employer defined benefit schemes but OPG is unable to identify its share of the underlying assets and liabilities. In accordance with the FReM, the OPG accounts for these as a defined contribution scheme.

The OPG recognises contributions payable to defined contribution schemes as an expense in the year in which it is incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

For 2019/20, employers’ contributions of £7,639k were payable to the PCSPS (2018/19: £5,106k) at 1 of 4 rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £72k (2018/19: £6k) were paid to 1 appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings.

OPG expects to pay employer pension contributions of £7,865k in 2020/21. A further summary on staff costs is included within the Accountability Report.

4. Other operating costs

	2019/20 £000	2018/19 £000
Accommodation, maintenance and utilities	2,251	2,257
Functional Leadership*	0	1,008
Internally generated research	0	346
Lease charges	1,028	1,560
Office consumables	474	333
Postage	3,709	3,525
Professional services	572	367
Shared services	1,796	2,770
Training and other staff related costs	599	830
Travel, subsistence and hospitality	317	463
Visitor services	2,746	2,491
Other running costs	425	619
Total	13,917	16,569

* From 2019/20 responsibility for all OPG functional leadership and internally generated research activities were transferring to MOJ. The MOJ recharges the costs of these activities to OPG. These costs are included within the Ministry of Justice recharges line in note 5.

5. Other non-cash expenditure

	2019/20 £000	Restated 2018/19 £000
Ministry of Justice recharges *	12,977	12,262
Depreciation - property, plant and equipment	766	688
Amortisation - intangible assets	1,661	1,478
External auditor's remuneration**	63	58
Loss on disposal of property, plant and equipment and intangible assets	205	0
Provision for liabilities:		
Provided in year	241	21
Provision utilised	(13)	0
Provisions written back	(8)	(160)
Movement in impairment of trade and other receivables	78	578
Uncollectable trade and other receivables	194	265
Other non-cash charges	3	0
Total non-cash charges	16,167	15,190

* From 2019/20 responsibility for all OPG functional leadership and internally generated research activities were transferring to MOJ. The MOJ recharges the costs of these activities to OPG. These costs are included within the current year functional leadership non-cash costs above. The prior year MOJ recharges comparative has been restated and comprises the previously disclosed £6,759k for non-cash functional leadership costs and the actual MOJ recharge of £5,503k.

** There were no non-audit services provided by the C&AG during 2019/20 (nil: 2018/19).

6. Fees and charges

OPG 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. For details about the OPG fees and subsidies available to external customers please visit: <https://www.gov.uk/government/organisations/office-of-the-public-guardian>.

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

	2019/20 £'000	2018/19 £'000
Total income	(78,996)	(74,979)
Total expenditure	78,439	74,455
Surplus	(557)	(524)
Cost recovery (%)	100.7%	100.7%

Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 permits the Lord Chancellor, with the consent of HM Treasury, to prescribe a fee that exceeds the cost of providing that service. Since April 2017, OPG has used this power to charge an enhanced fee for POA registration to cover the costs of exemption and remission of fees and to subsidise the operating costs of delivering the supervision services.

The financial objective for OPG to achieve within 5% of full cost recovery (as agreed with HM Treasury and in accordance with its budget delegation from Ministry of Justice) was met by the achievement of 100.7% (2018/19: 100.7%). Further information is given in the Parliamentary accountability and audit report on page 64.

7. Property, plant and equipment

2019/20	Leasehold Improvements £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Assets under Construction £'000	Total £'000
Cost or valuation at 1 April 2019	1,266	2,220	124	1,096	12	4,718
Additions	0	0	0	0	99	99
Disposals	(5)	0	(57)	(184)	(12)	(258)
Revaluation	(377)	14	1	(7)	0	(369)
Total cost or valuation at 31 March 2020	884	2,234	68	905	99	4,190
Depreciation at 1 April 2019	0	(1,657)	(124)	(264)	0	(2,045)
Charge in year	(405)	(184)	0	(177)	0	(766)
Disposals	0	0	57	0	0	57
Revaluation	405	(10)	(1)	3	0	397
Total depreciation at 31 March 2020	0	(1,851)	(68)	(438)	0	(2,357)
Net carrying value at 1 April 2019	1,266	563	0	832	12	2,673
Net carrying value at 31 March 2020	884	383	0	467	99	1,833

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

2018/19	Leasehold Improvements £'000	Information Technology £'000	Plant & Machinery £'000	Furniture & Fittings £'000	Assets under Construction £'000	Total £'000
Cost or valuation at 1 April 2018	1,527	2,154	123	1,097	0	4,901
Additions	0	170	0	0	12	182
Reclassifications	120	(120)	0	0	0	0
Revaluation	(381)	16	1	(1)	0	(365)
Total cost or valuation at 31 March 2019	1,266	2,220	124	1,096	12	4,718
Depreciation at 1 April 2019	0	(1,450)	(120)	(172)	0	(1,742)
Charge in year	(398)	(195)	(3)	(92)	0	(688)
Revaluation	398	(12)	(1)	0	0	385
Total depreciation at 31 March 2019	0	(1,657)	(124)	(264)	0	(2,045)
Net carrying value at 1 April 2018	1,527	704	3	925	0	3,159
Net carrying value at 31 March 2019	1,266	563	0	832	12	2,673

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

8. Intangible Assets

2019/20	Software Licences £'000	Internally generated software £'000	Assets under Construction £'000	Total £'000
Cost or valuation at 1 April 2019	147	13,842	4,196	18,185
Additions	0	18	1,712	1,730
Reclassifications	0	154	(154)	0
Transfer**	0	0	(5,750)	(5,750)
Disposals	0	0	(4)	(4)
Revaluation	1	91	0	92
Total cost or valuation at 31 March 2020	148	14,105	0	14,253
Amortisation at 1 April 2019	(147)	(11,034)	0	(11,181)
Charge in year	0	(1,661)	0	(1,661)
Revaluation	(1)	(82)	0	(83)
Total amortisation at 31 March 2020	(148)	(12,777)	0	(12,925)
Net carrying value at 1 April 2019	0	2,808	4,196	7,004
Net carrying value at 31 March 2020	0	1,328	0	1,328

* All intangible assets disclosed above are owned outright by OPG.

** In 2019/20 OPG's intangible capital budget transferred to the MoJ as part of functional leadership, meaning that the OPG Chief Executive has no delegated capital budget and does not have control over assets under construction, both existing and newly developed. The capital budget delegation has been made to MoJ Digitech for the development of MoJ's digital assets, they have the ability to decide which projects to allocate resources to, how to develop assets and which to prioritise. Therefore control over assets under construction is within MoJ and it is our view these assets should be recognised in the MoJ's accounts and not OPG. In 2019/20 existing assets under construction, previously recognised by OPG, were transferred to the MoJ to reflect the fact that further development of these assets would be under the control of MoJ Digitech and not OPG.

2018/19	Software Licences £'000	Internally generated software £'000	Assets under Construction £'000	Total £'000
Cost or valuation at 1 April 2018	478	13,115	2,695	16,288
Additions	0	39	1,755	1,794
Reclassifications	(332)	586	(254)	0
Revaluation	1	102	0	103
Total cost or valuation at 31 March 2019	147	13,842	4,196	18,185
Amortisation at 1 April 2018	(146)	(9,474)	0	(9,620)
Charge in year	0	(1,478)	0	(1,478)
Revaluation	(1)	(82)	0	(83)
Total amortisation at 31 March 2019	(147)	(11,034)	0	(11,181)
Net carrying value at 1 April 2018	332	3,641	2,695	6,668
Net carrying value at 31 March 2019	0	2,808	4,196	7,004

*All intangible assets disclosed above are owned outright by OPG.

9. Trade and other receivables

Amounts falling due within one year	31 March 2020 £'000	31 March 2019 £'000
Amount due from Ministry of Justice	483	967
VAT recoverable	114	66
Amount due from Other Government Departments	177	163
Trade receivables	14,288	14,199
less: impairment*	(2,487)	(1,980)
Net trade receivables	11,801	12,219
Prepayments	261	147
Staff receivables	576	632
Contract assets	610	150
Other receivables	0	3
Total trade and other receivables	14,022	14,347

* The receivables impairment comprises: doubtful debts £1,295k (2018/19: £844k); fee cancellations £339k (2018/19: £712k) and remissions provision £853k (2018/19: £424k). The remissions provision is charged against the remissions and exemptions section in Note 2.

10. Cash and cash equivalents

	2019/20 £000	2018/19 £000
Balance at 1st April	9,747	5,357
Net cash (outflow)/inflow	(4,331)	4,390
Balance at 31 March	5,416	9,747

The above balance is all held with the Government Banking Service.

11. Trade and other payables

Amounts falling due within one year	31 March 2020 £'000	Restated 31 March 2019 £'000
Amount due to Ministry of Justice	1,151	111
Amount due to Other Government Departments	0	113
Taxation and social security*	620	644
Accruals**	6,645	6,030
Contract liabilities	10,745	10,841
Trade payables	174	757
Other payables*	1,439	1,079
	20,774	19,575

Amounts falling due after one year	31 March 2020 £'000	31 March 2019 £'000
Other payables***	478	550
	478	550
Total trade payables and other liabilities	21,252	20,125

* Employer pension contributions of £590k in 2018/19, which were included in taxation and social security payables in the prior year, have been reclassified as other payables in the restated figures above.

** Accruals includes £99k capital accrual for tangible assets (2018/19 £171k capital accrual for intangible assets)

*** We are recognising the non-current element of the lease incentives for the operating leases disclosed in Note 13.

Deferred income reconciliation	2019/20 £'000	2018/19 £'000
Opening balance	10,841	9,125
PoA Income deferred	68,679	65,312
PoA income recognised in year	(68,775)	(63,596)
Deferred income closing balance	10,745	10,841

12. Provisions for liabilities and charges

2019/20	Dilapidations £'000	Other £'000	Total £'000
Balance at 1 April	620	21	641
Provided in the year	0	241	241
Provisions written back	0	(8)	(8)
Provisions utilised in the year	0	(13)	(13)
Balance at 31 March	620	241	861
Analysis of expected timings of cash flow			
Not later than 1 year	0	241	241
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	620	0	620
	620	241	861

Dilapidations

The agency created a dilapidations provision in 2016/17 of £620,000, arising from the occupancy of the leasehold office property in Nottingham.

13. Commitments under operating leases

OPG leases two properties, in Birmingham and Nottingham, under non-cancellable operating lease arrangements. These lease terms are between 4-10 years. The leases do not have purchase options and no contingent rents are payable on operating leases. Renewals are negotiated with the lessor in accordance with the provision of the individual lease agreements.

Total future minimum lease payments under non-cancellable operating leases are given in the table below for each of the following periods:

Operating leases - Commitments under leases	2019/20 £000	2018/19 £000
Land and buildings		
Not later than one year	1,301	1,347
Later than one year but not later than five years	2,293	3,168
Later than five years	279	894
Total land and buildings	3,873	5,409

The minimum lease payments are determined from the relevant lease agreements and do not reflect possible increases as a result of market based reviews.

The lease expenditure charged to the SoCNE during the year is disclosed in Note 4.

14. Related party transactions

The agency is an executive agency of Ministry of Justice. Ministry of Justice is regarded as a related party. During the period the agency had various material transactions with Ministry of Justice.

Ministry of Justice manages the lease arrangements and associated accommodation costs of OPG's occupancy of its offices.

Ministry of Justice recharge methodology calculations is the documented basis applied transparently and consistently to apportion overheads including HR, Finance and IT to all Ministry of Justice departments and agencies on a notional basis. In addition, the Government Internal Audit Agency also provides internal audit services to the agency.

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 have undertaken any material transactions with the agency during the financial year.

15. Contingent Liabilities

IR35: Off-payroll working

A change in legislation from April 2017 placed the responsibility for assessment of employment status of contingent workers on to the end client where the engaging client is a public sector body. As the end client, the MoJ group is responsible for deciding whether engagements are inside of the off-payroll working rules or not, and passing on status determinations to the fee-paying agency, so that appropriate tax and NI deductions are made. The public sector engager may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency.

In 2019, HMRC challenged the MoJ group to revisit employment status determinations for all off-payroll workers engaged as at and since April 2017, where we had previously concluded workers are operating outside of the off-payroll working rules on the basis the individual worker could be substituted by another worker at the choice of the worker without consultation with the Department and without the Department having any right of veto.

IR35 legislation states that if the client has taken reasonable care and fulfilled its other duties, in reaching its conclusion in assessing whether a worker is outside of scope, the responsibility for deducting tax and NICs and paying these to HMRC will not rest with it. The MoJ group applied the off-payroll rules with diligence and care, taking a considered assessment of the status of each contingent worker in the first instance, using HMRC's online status determination tool. OPG may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency.

Other

At 31 March 2020, there were no other contingent liabilities (2018/19: 1, value of the contingent liability was not disclosed given the sensitive nature of this case).

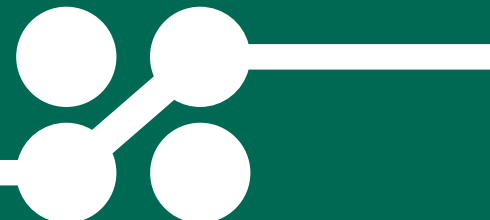
16. Financial Instruments

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

17. 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. There were no such events requiring disclosure in, or adjustments to, the accounts.

Annex: Performance targets



Impact indicator: Average actual clearance time (AACT) for powers of attorney

Target AACT is 40 working days.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>This indicator calculates the average number of working days taken to register and dispatch all PoAs in a given reporting period. This is the time taken between the date of application and the date of dispatch.</p>	<p>Of all PoAs, with a date of dispatch within a reporting period, the number of working days (excluding bank holidays and weekends) between the 'date of dispatch' and the 'date of receipt' are summed and then averaged between the number of applications.</p> <p>'Date of receipt' is the day the application is received by OPG supported by a valid payment received or, alternatively, the date of decision for a successful remission or exemption application. This is the point OPG begins processing the application.</p> <p>'Date of dispatch' is the date the registered PoA is dispatched as the last part of the application process which then shows an application as registered within our internal case management systems.</p>	<p>OPG's internal case management systems.</p>	<p>Average Actual Clearance Time (AACT) of 40 working days against a target of 40 working days.</p>

Customer service indicator: customer contact centre

Target percentage for calls answered within 5 mins in OPG’s customer contact centre is 95%

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This indicator measures timely and accurate support and guidance for all of OPG’s services, and signposting to CoP services where appropriate.	Number of calls answered within 5 minutes + number of calls abandoned within 5 minutes divided by total number of calls answered + total number of calls abandoned. *Calls that are re-directed out of scope are deducted from the total calls to avoid double counting as these are reported separately where required.	OPG’s telephony data management system.	% of calls answered within 5 minutes were 92% against target of 95%.

Impact indicator: OPG digital customer satisfaction surveys

Target percentage of customers ‘very’ or ‘fairly satisfied’ with OPG digital services is 80%

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This impact indicator helps to ensure we are developing our digital services to meet our customer’s needs.	Number of customers who are ‘very’ or ‘fairly satisfied’ with digital services divided by number of survey responses received answering this question.	LPA digital tool customer satisfaction survey.	Customer satisfaction survey score at year end was 95%.

Customer service indicator: OPG customer satisfaction survey – PoA Services

Target percentage of customers ‘very’ or ‘fairly satisfied’ with PoA services is 80%.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This indicator helps us to understand our customers’ needs. It also helps us to identify trends so we can continually improve services.	Number responding ‘very’ or ‘fairly satisfied’ divided by number of survey responses.	LPA customer satisfaction surveys.	Customer satisfaction survey score at year end was 89%.

Customer service indicator: OPG customer satisfaction survey – Deputyship Services

Target percentage of customers 'very' or 'fairly satisfied' with Deputyship services is 80%.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This indicator helps us to understand our customers' needs. It also helps us to identify trends so we can continually improve services.	Number responding 'very' or 'fairly satisfied' divided by number of survey responses.	Deputyship customer satisfaction surveys	Customer satisfaction survey score at year end was 77%

Impact indicator: supervising deputies

- a) Target average time to obtain annual reports within 40 working days
- b) Target average time to review annual reports within 15 working days
- c) Target for annual reports outstanding for over 98 calendar days is 4% or less.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
These indicators help us to ensure that we provide proportional and appropriate support for all deputies.	<ul style="list-style-type: none"> a) 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. b) The average number of working days between the date on which an annual report is received and the date it was reviewed. d) The number of cases with at least one report outstanding for over 98 days / The number of cases that have had at least one report due* 100. 	OPG's internal case management systems.	<ul style="list-style-type: none"> a) Average time to obtain annual reports was 38 working days. b) All annual reports were reviewed within 15 days at an average of 11 working days. c) 3% of annual reports were outstanding over 98 calendar days.

Impact indicator: investigations

- a) Target is to risk assess 95% of concerns raised within 2 working days
- b) Target is 95% safeguarding risk assessments to reach final outcome in 5 working days
- c) Target is to conclude all investigations within 70 working days
- d) Target is average time taken to implement OPG owned actions within Public Guardian (PG) recommendations, where court action has been deemed necessary within 35 working days
- e) Target is average time taken to implement OPG owned actions within PG recommendations, where court action has not been deemed necessary within 25 working days

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>These indicators centre on OPG’s responsibility to safeguard vulnerable adults.</p> <p>(a) and (b) OPG will carry out a risk assessment process to determine:</p> <p>i) whether the Public Guardian has jurisdiction to investigate concerns and, if not, signpost the concern to the relevant agency</p> <p>ii) whether the vulnerable person is at immediate risk in terms of their personal welfare or finance/property and what immediate action is required</p> <p>iii) whether the concern can be investigated over a longer period</p> <p>c) An investigation is classed as concluded if:</p> <p>i) a formal written report is signed off by the Public Guardian</p> <p>ii) approval of a court application is agreed (where this pre-date a Public Guardian report)</p> <p>iii) a compliance manager agrees to conclude an investigation as a report to the Public Guardian is deemed unnecessary</p> <p>iv) the client dies (where the compliance manager judges sufficient work had been done on the case to merit classification)</p>	<p>a) Two working days start from the date that the concern is received by OPG. Day 1 is the working day the concern is received.</p> <p>b) Five working days start from the date that the concern is received by OPG. Day 1 is the working day the concern is received.</p> <p>c) The 70-working day period starts the date that the concern leading to an investigation is received by OPG.</p> <p>d) The 35-working day period starts from the date the Public Guardian approves the report. Day 1 will be the day the report is approved.</p> <p>e) The 25-working day period starts from the date the Public Guardian approves the report. Day 1 will be the day the report is approved.</p>	<p>All complaints and concerns are risk assessed and the Public Guardian’s jurisdiction is considered.</p> <p>Referrals are recorded and include:</p> <ul style="list-style-type: none"> • date of concern received by OPG • date of concern received by investigations team • risk assessment date • risk assessment time • investigation completion date • outcome of application to the CoP period (working days) • investigation (pre-report) time period • investigation (post report) time period • recommendations-closure approvals date. 	<p>a) 98% of concerns were risk assessed within 2 working days.</p> <p>b) 99% of concerns reached final outcome within 5 working days.</p> <p>c) Average time to conclude investigations was 74 working days.</p> <p>d) Average time to conclude all recommendations where court action has been deemed necessary was 116 working days.</p> <p>e) Average time to conclude all recommendations where court action has not been deemed necessary was 14 working days.</p>

Impact indicator: investigations Continued

- a) Target is to risk assess 95% of concerns raised within 2 working days
- b) Target is 95% safeguarding risk assessments to reach final outcome in 5 working days
- c) Target is to conclude all investigations within 70 working days
- d) Target is average time taken to implement OPG owned actions within Public Guardian (PG) recommendations, where court action has been deemed necessary within 35 working days
- e) Target is average time taken to implement OPG owned actions within PG recommendations, where court action has not been deemed necessary within 25 working days

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>(d) and (e) A recommendation is classed as concluded if:</p> <p>i) an application is made to the CoP, where this was as a result of a recommendation approved by the Public Guardian</p> <p>ii) a case is approved for closure where:</p> <ul style="list-style-type: none"> • court action is not deemed necessary • the investigator shares the outcome of the investigation and any further requirements to the attorney/deputy. This will not include any subsequent monitoring of the case • the deputy makes an application to the CoP 			

Customer service indicator: complaints

Target is to respond to 90% of all customer complaints within 10 working days of receipt

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>This indicator plays an important part in helping OPG understand to what extent we are achieving our customers' expectations.</p>	<p>Every month the tier 2 complaints manager collate the number of complaints that were due in the month ('total with target in month') and the number of complaints that were completed in target ('total responded to in target').</p> <p>The indicator is calculated with the help of following formula:</p> <p>Complaints completed in target/complaints due x 100</p>	<p>Management information from each individual business area.</p>	<p>88% of complaints were responded to within 10 working days of receipt.</p>

Target is 30% customers choosing to complete their LPA applications using the online service

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>This indicator plays an important part in helping OPG to improve the digital tools to make it easier for users to access our online services.</p>	<p>Percentage of digital intake = Number of online LPAs received in the reporting period/ Total number of applications received in the reporting period X 100</p>	<p>OPG's internal case management systems.</p>	<p>28% of LPA applications were completed using online services.</p>

Customer service indicator: quality measure for LPAs registered

Target is to achieve an error rate of 5% or less from the quality checks completed at registration of the LPAs.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
<p>This indicator is a quality measure and measures the number of LPAs registered without error.</p>	<p>To obtain the error rate percentage the number of cases checked with an error are divided by the total cases checked.</p>	<p>The check is a manual process using information taken from the internal case management system and the physical letters issued to customers.</p>	<p>98% of LPAs were registered without error, leaving the error rate 5%.</p>

People indicator: Staff engagement

- a) Target is to achieve staff engagement score at 62%
- b) Target for % of staff who have experienced bullying or harassment at work is 11% or less
- c) Target for % of staff who have experienced discrimination at work is 11% or less

Purpose	Calculation method	Data source	Achieved to 31 March 2020
These indicators help us to create a great place to work and to support zero-tolerance approach against bullying, harassment and discrimination in the workplace.	<p>a) Each of the five engagement questions in the survey are weighted with a score from 100-0 dependant on their response. The resulting scores are added together and divided by 5 (the number of questions) to create the engagement index score.</p> <p>b) This indicator is calculated by dividing number of respondents declaring experience of bullying and/or harassment by total respondents.</p> <p>c) This indicator is calculated by dividing number of respondents declaring experience of discrimination by total respondents</p>	Annual Survey (staff engagement) and Smart Survey.	<p>a) Staff engagement score was 62%</p> <p>b) 17% of staff experienced bullying and harassment</p> <p>c) 20% of staff experienced discrimination</p>

People indicator: workforce data

- a) Target staff turnover is 10% or less
- b) Target is to achieve a score of 7.5 working days or lower lost to sickness absence.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
These indicators help to assist our decision makers to ensure that OPG is sufficiently resourced, which will enable OPG to achieve its business plan objectives, carry out its vision and strive to live up to the OPG values in everything we do.	<p>a) The indicator is calculated by dividing total number of leavers in 12 month rolling period by average total staff headcount over 12 month rolling period.</p> <p>b) The indicator is calculated by dividing total working days lost in period by staff years in period.</p>	The data is provided by the MoJ Analytical Services team. The Analytical Services team download the data from SOP, the MoJ's HR Case Management System.	<p>a) Staff turnover was 11.4%.</p> <p>b) Average working days lost was 9.5 working days.</p>

People indicator: average time to recruit

Target is 52 working days

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This indicator helps to assist our decision makers to ensure that OPG is sufficiently resourced, which will enable OPG to achieve its business plan objectives, carry out its vision and strive to live up to the OPG values in everything we do.	The total working days to hire are calculated by counting the number of working days between the “vacancy advertised” date and the contract start date for each new starter in the reporting period and then added together. A mean average calculation will be run on the above figure. This will provide us with the average time to recruit (working days)	The Ministry of Justice’s (MOJ) recruitment case management system	Average time to recruit is 42 working days.

People indicator: learning and development

Target percentage of staff who have participated in learning and development opportunities is 90%.

Purpose	Calculation method	Data source	Achieved to 31 March 2020
This indicator helps to create a great place to work and to be supported to develop a broader set of skills and offer more varied careers to help retain the best talent.	The indicator is calculated by dividing respondents declaring L&D activity undertaken by total respondents in the survey	The data will be collected, monitored and analysed via an online Smart Survey platform.	53% of staff participated in learning and development activities.

