

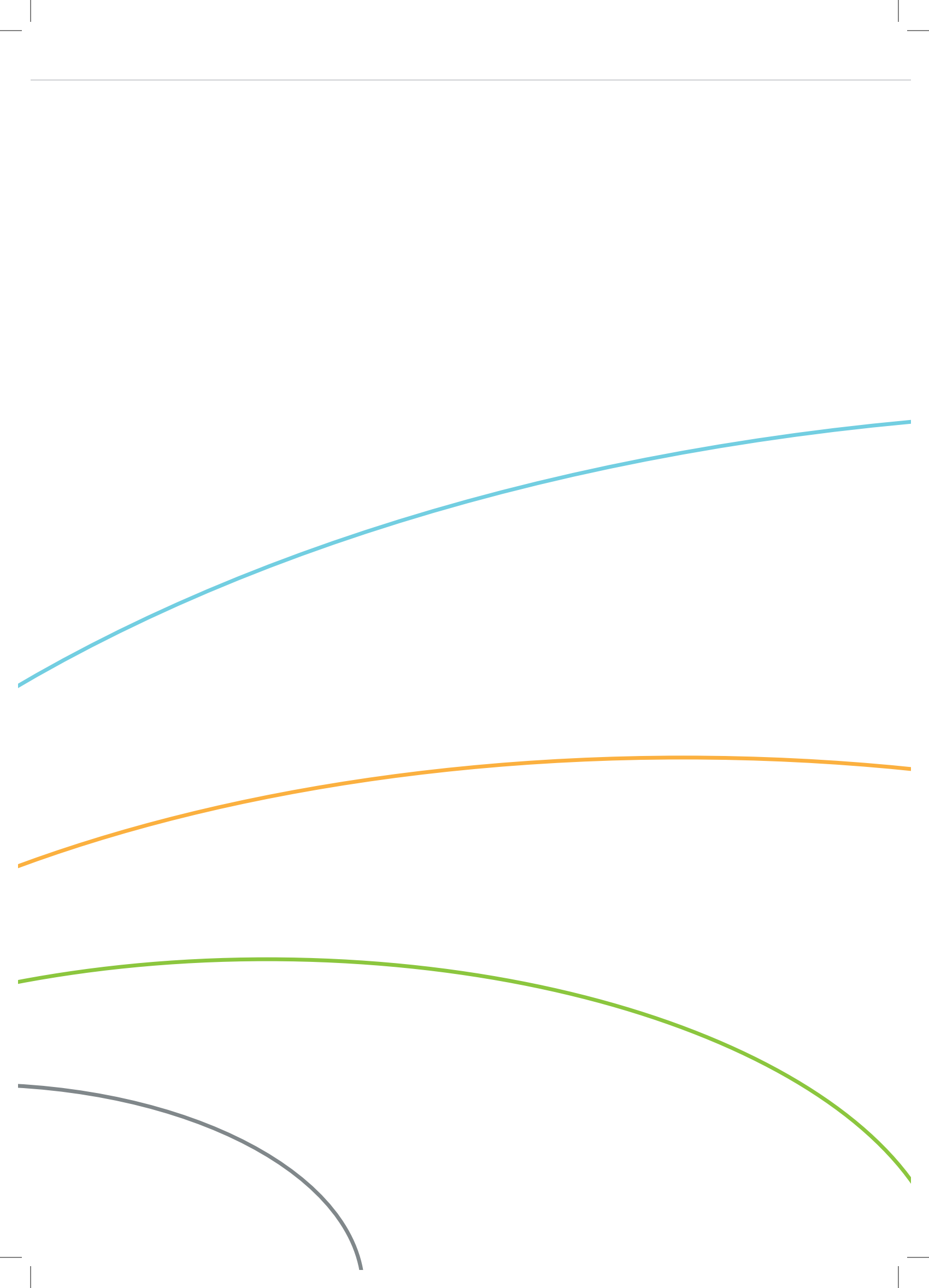
HM Land
Registry



**Annual report and
accounts 2021-22**

Accelerating our digital transformation







HM Land Registry

Annual report and accounts 2021-22

For the period 1 April 2021 to 31 March 2022

Presented to the House of Commons pursuant to Section 6(4) of the
Government Resource and Accounts Act 2000

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Cover: Tottenham Hotspur Stadium, Haringey, London.

The club is working with Haringey Council to redevelop the site of the old stadium, including housing and a new health care facility for the local community. Haringey migrated to HM Land Registry's Local Land Charges Register in December 2021. Image: Alamy/Brian Anthony

Contents: Trafalgar Bridge in Swansea, a 300ft pedestrian and cycle bridge, which crosses the river Towy between the Maritime Quarter and SA1 Waterfront. Swansea became the first Welsh local authority to join the Local Land Charges Register in 2022. Image: Shutterstock/ Leighton Collins

All Director images: Ian Stone

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Performance report

Overview – HM Land Registry at a glance

Our purpose

We protect your land ownership and provide services and data that support an efficient and informed property market.

Our vision

A world-leading property market as part of a thriving economy and sustainable future.

Our strategic objectives

- Providing secure and efficient land registration
- Enabling property to be bought and sold digitally
- Providing near real-time property information
- Providing accessible digital register data
- Leading research and accelerating change with property market partners

Our values

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

Our primary role

Land is our nation's greatest asset and the physical foundation of our lives. The value of land in England and Wales is estimated at around £8 trillion – more than half the wealth of the nation. In the 2020-21 financial year alone, £260 billion worth of property transactions took place in the UK and HM Land Registry is at the heart of the conveyancing process.

Keeping a definitive and guaranteed record of land ownership is essential to a functioning property market and allows transactions to take place securely and with confidence.

For 160 years we have played a key role in the UK's economic stability and growth.

Our register, a piece of Critical National Infrastructure, contains more than 26 million titles, providing ownership guarantees for 88% of land in England and Wales, and has lending in the region of £1-1.5 trillion secured against it.

Access to information about land enables individuals, businesses and the Government to make plans for the future, while meeting the many challenges of today including housing need, climate change and a thriving economy.

Millions of people and businesses rely on HM Land Registry every year for guaranteed information on property ownership and other elements affecting land use, such as planning conditions and listed building status.

HM Land Registry is a non-ministerial department and is a partner body of the Department for Business, Energy and Industrial Strategy.

HM Land Registry in numbers



39.4m
Service requests



£318.9m
Total recognised revenue



36.7m
Digital applications



26,125,710
Registered titles



300,000
Total number of Local Land Charges searches (free and paid)



20%
increase in demand for our services (compared with previous year)



100,000
Daily searches for land and property data



71%
Engagement Index Score on the 2021 People Survey



216,062
Property Alert accounts created



6,677
Employees



63%
Customer satisfaction Rated good/excellent in Q4



14
Our locations

Our role in the property market

Market interest



£8 trillion worth of land and property held



100,000 daily requests to view the register, plans and associated documents



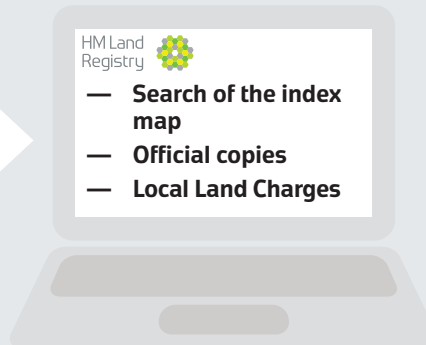
Market interest. We hold one of the largest transactional geospatial property databases in Europe, including all secured loans and other property rights in England and Wales. Since 1990 our register has been open to the public. We receive around 100,000 requests daily to search the register, with the majority answered instantly via our digital business e-services.

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

Property transaction



87,000 daily guaranteed queries



Property transaction. Before you can buy or sell any property, it is critical to check the Land Register for all the information relating to it. Our search of the index map (SIM), official copies and official searches services provide assurance to property professionals and citizens by protecting transactions while they are completed.

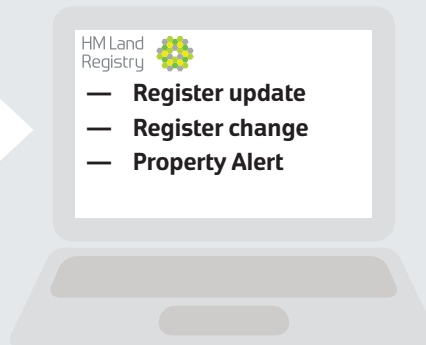
After purchase



446 fraudulent registrations prevented since 2009



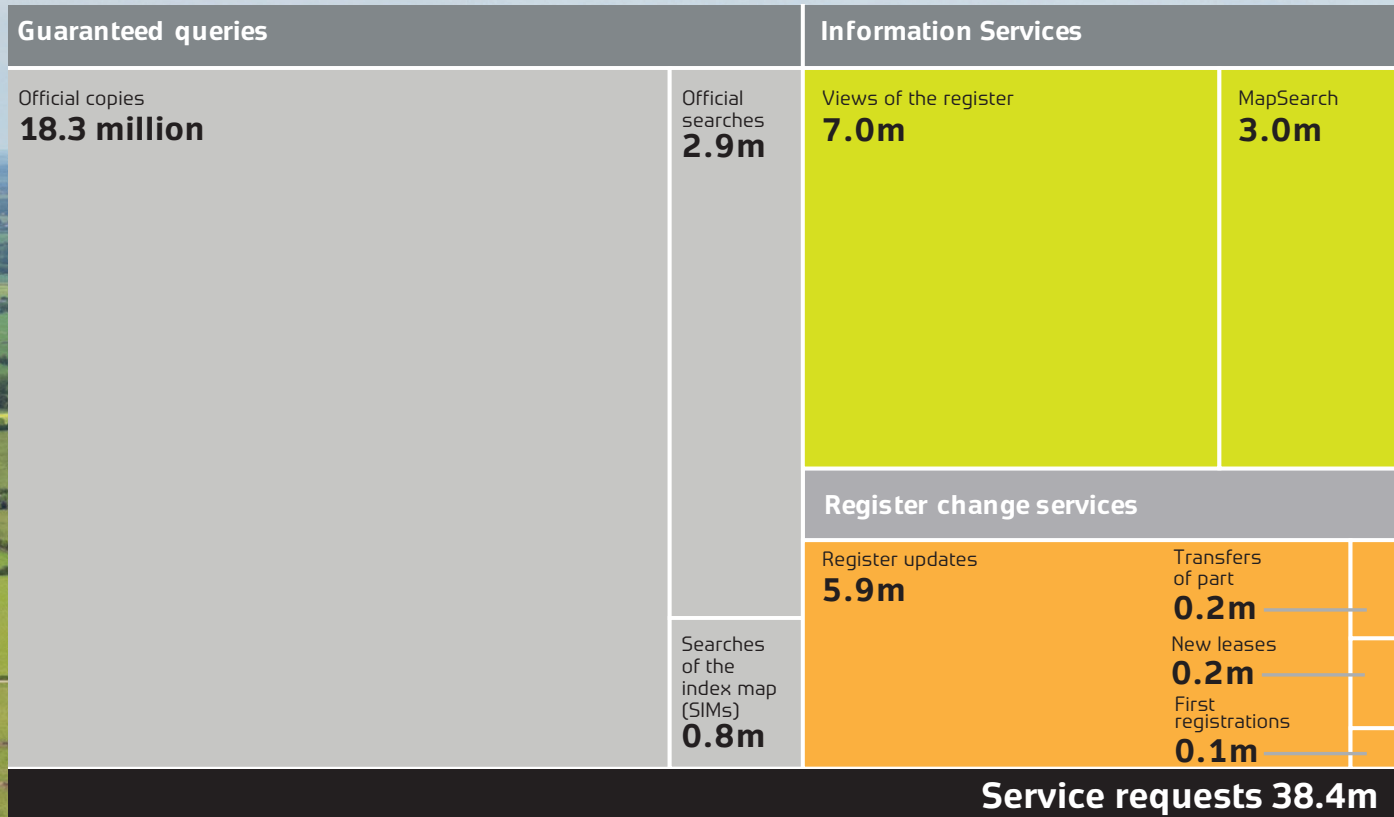
25,000 daily requests to change the register



After purchase. We receive around 25,000 requests per day to change the register to reflect accurately the ownership of property. This usually happens at the very end of the transaction – after items such as stamp duty land tax have been paid and the property has changed hands. Only then do we update the register with new owners and details such as mortgages or other interests. This information is also used by organisations such as the Bank of England to calculate interest rates.

Property Alert is one of our most effective fraud prevention measures, sending email alerts to subscribers whenever there is significant activity on a property they are monitoring, such as a new mortgage being taken out. In addition, our data is regularly used by police agencies to combat fraud.

Service requests



Statutory revenue

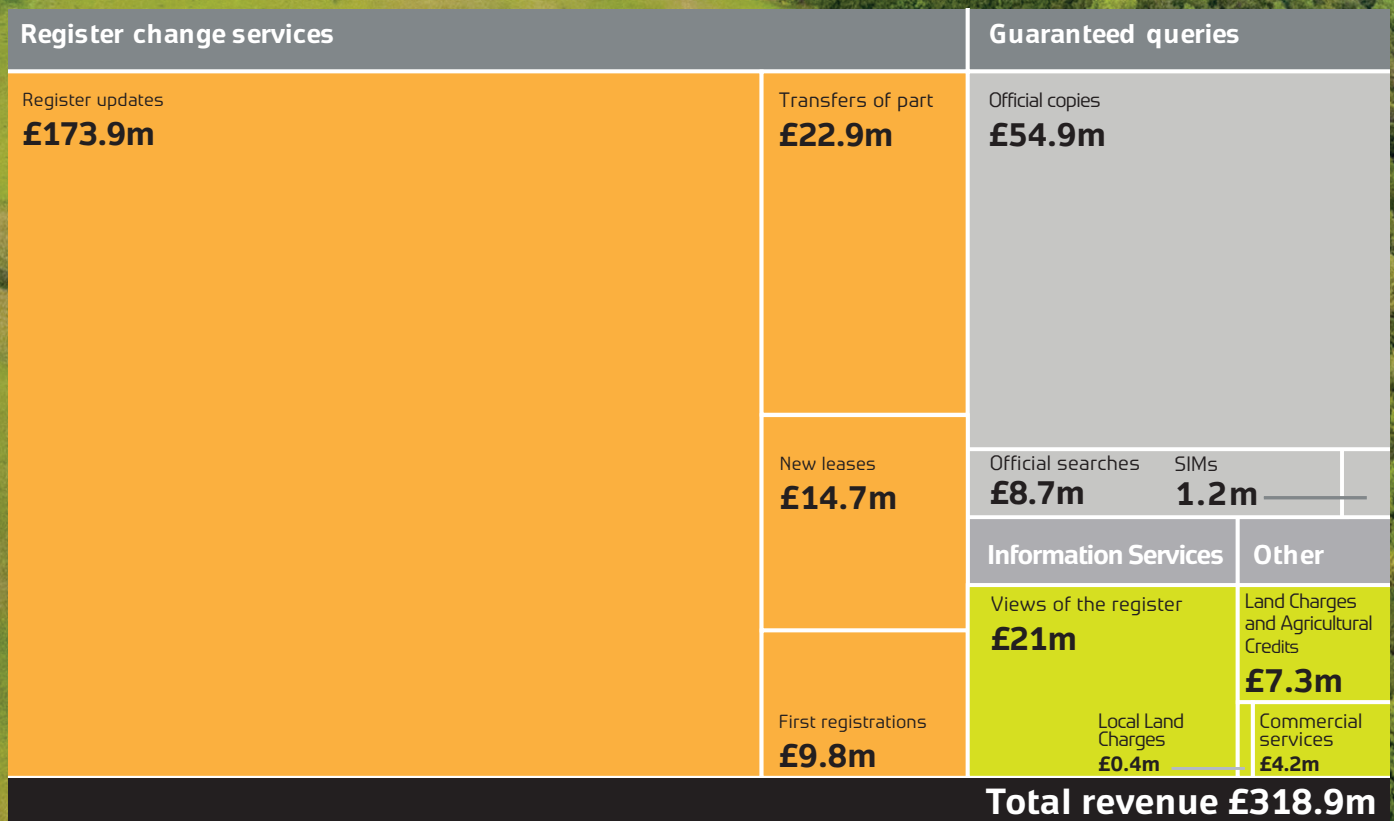


Image: Shutterstock/Matthew Dixon

Note: Revenue is not retained by HM Land Registry, but passes through the Trust Statement and is then surrendered to HM Treasury

Foreword

Interview with **Michael Mire**, Chair



The Gables is an award-winning development of 30 family houses located on a redundant former factory site in Crosby, Liverpool. The development combines affordable and open market homes in a mix of two, three and four bedroom units and benefits from nearby pre-existing public facilities. Those involved set out to build a creative and characterful development that was commercially sustainable, considering population density, differing living circumstances and residents' wellbeing now and in the future. HM Land Registry is working on the transfer applications to register the property title ownership.

Image: Daniel Hopkinson Photography/DK Architects



Michael Mire Chair of HM Land Registry
Michael is also a Non-Executive Director of Aviva PLC and a senior advisor at Lazard.

“My vision is that HM Land Registry will become the place to go for all data about property with a register that is not only digital but 3D as well, has almost real-time information on property values and is also the fastest anywhere at enabling and recording changes in ownership. Our ambition to be the world’s leading land registry will no longer be our ambition but will have become the reality.”

Michael Mire was appointed as Chair of the HM Land Registry Board in 2016, bringing his knowledge and experience as Senior Partner at management consultants McKinsey and Non-executive Director at the Care Quality Commission. After six years and a second term in post, he leaves us in August 2022. As Non-executive Chair, Michael has worked closely with the Chief Executive and Chief Land Registrar in leading the organisation’s development at a critical and exciting time in its 160-year history. As well as taking responsibility for governance and performance, his role as a Board Member has also seen Michael provide independent guidance, support, and constructive challenge to the Executive Board.

During Michael’s tenure, HM Land Registry has focused on and developed its commitment to digital and operational transformation, service delivery and customer care. It has transitioned from paper-based processes to a 21st-century organisation at the cutting edge of new technology. As we accelerate our transition and embrace automation, digitisation and data, our broad-based leadership team, including Non-executive Board Members from FTSE 100 companies, sits alongside and maximises our own expertise from across government and the wider public sector.

As Chair of this exceptional group, Michael has played an extremely valuable part in furthering HM Land Registry’s aims, objectives and future trajectory. He leaves our organisation poised and ready to deliver an ambitious strategy and plan that will see us take our place as the world’s leading land registry. We took the opportunity to ask Michael about his highlights over the last six years at HM Land Registry.

How do you look back on your time as HM Land Registry’s Chair?

It’s been a huge privilege to serve as HM Land Registry’s Chair. All of us at HM Land Registry, and this is also true at the highest levels of government, realise its importance. This is why we are often described as a crucial component of national infrastructure. Citizens, developers, landowners and businesses depend on HM Land Registry and our thousands of expert colleagues to enable them to buy and sell property, often the most important investment they will ever make, and ensure that ownership is recorded accurately. Banks could not take the risk of lending against property without HM Land Registry. We are the ultimate arbiter of who owns what and where. So being the HM Land Registry Chair brings with it this national responsibility and makes the role so fulfilling.

HM Land Registry Chair Michael Mire with Chief Executive Simon Hayes and Non-executive Board Member Ann Henshaw at a HM Land Registry Board meeting at Geovation, London, in 2022. Image: Ian Stone



What have been the biggest challenges?

It's no surprise to say that the pandemic challenge was a unique time for HM Land Registry. Almost overnight we went from an office-based institution to one where nearly everyone worked from home. Other organisations faced a similar challenge but they did not have the same duty to keep the property market functioning and maintain the accuracy of our ownership register. HM Land Registry colleagues rose to the challenge magnificently. Where others struggled, our people ensured that HM Land Registry stayed as responsive to customer needs and maintained our reputation for the highest standards of accuracy. This really was "brilliant teams", as HM Land Registry calls our frontline colleagues, in action every day.

What have been HM Land Registry's most significant achievements?

First, being able to recruit what many would say is one of the best boards in the public sector, is itself a tribute to the national importance of HM Land Registry. What other organisation has managed to attract, for example, the Head of Amazon in the UK, the General Counsel at Aviva, the Chief People Officers at both Land Securities and British Land (the UK's largest property companies), and the Chief Digital Officer at M&S, to name only a few of our outstanding non-executive directors, to its board? This has given HM Land Registry unrivalled corporate governance and a daily source of wise expertise for our executives and for me as well.

Second, it must be our digital migration. When I started as Chair, 'Digital Street', the programme to make HM Land Registry a world-leading land registry, was simply an aspiration. We were a paper and PDF-based organisation, almost unchanged since the day HM Land Registry was founded. Now almost everything we do is at the cutting edge of

digital. And not just for our customers but also for our colleagues who are finally being given the systems that allow them to maximise their skills and minimise the mundane elements that used to be a daily part of their work. HM Land Registry used to visit other land registries to see best practice; now other land registries come to us.

What has been most difficult about the transformation?

Any transformation on the scale of HM Land Registry's has difficulties along the way. Not everything works the first time. And our transformation was not simply an internal one. We were asking an entire industry to change the way it handled property transactions and the way it lent against property. Yet despite these challenges, HM Land Registry's transformation has proceeded much more smoothly than anyone could have envisaged, a testament to everyone involved and especially our people on the frontline who were living in the old world and the digital world at the same time.

What do you see as the future of HM Land Registry?

Some of the future is already with us. Our work with local authorities means that HM Land Registry has now become the source of virtually all important data on property from planning permissions, to restrictions on how property can be used, to small but crucial data for individual homeowners like tree preservation orders in their gardens. But in my mind – this is just the beginning. My vision is that HM Land Registry will become the place to go for all data about property, with a register that is not only digital but 3D as well, has almost real-time information on property values and is also the fastest anywhere at enabling and recording changes in ownership. Our ambition to be the world's leading land registry will no longer be our ambition but will have become the reality.

In discussion at the meeting at Geovation.



Image: Ian Stone



Ocado warehouse, Purfleet. This large, new warehouse is the fifth Customer Fulfilment Centre (CFC) for Ocado Retail, the 50-50 joint venture between FTSE 100 company Ocado Group and Marks & Spencer. The Croydon Office has registered the agreement for lease and further work is ongoing to finalise the transfer of the register. Image: Google Earth

Overview

Chief Executive and Chief Land Registrar's foreword by **Simon Hayes**



Lincoln Square, London. A new ten-storey, multi-million-pound residential development in the Strand Conservation Area in Westminster. A total of 230 apartments, amenities for residents, and a landscaped courtyard have replaced a vacant 1960s concrete office building on an island. The site was the former headquarters of the Valuation Office and opposite HM Land Registry's former headquarters at Lincoln's Inn Fields. The most recent applications for leases in 2021-22 were completed by HM Land Registry experts in our Croydon Office. Image: Pete Sim



Simon Hayes Chief Executive and Chief Land Registrar

This has been another year of record demand in the property market, which has continued unabated since before the pandemic. The central role of the property market in supporting the economy puts particular demands on both HM Land Registry and the property sector as a whole.

Supporting a thriving property sector

It has been a strong year for HM Land Registry. We have seen a 20% increase in demand for our services compared to the previous year, but still met our key performance indicators for customer satisfaction, colleague engagement and protecting the integrity of our registers.

While we aren't quite where we want to be on other key performance indicators, particularly overall speed of service, our deliverables this year have put us well on course to be able to address these issues sustainably moving forward.

This year, we processed around 156,000 service requests from our customers every single day, providing a fast and efficient customer experience for those essential services that enable properties to change hands without delay. Of the applications we receive each day, 130,000 are what we call information services requests – such as an official search, where customers need to see what data is currently held on the register. Over 90% of these requests are automated and available instantly. The remainder require some manual intervention, and we deliver 95% of these within our three-day service standard.

Changes to the register usually take place after a transaction has been completed and each application is protected from the moment it is submitted to us. These can be fast-tracked at no extra charge where there is an urgent need for the registration to be completed. We process around 1,000 of these expedited applications each day, with 96% completed in ten working days.

“It's been a strong year for HM Land Registry. We have seen a 20% increase in demand for our services compared to the previous year but still met our key performance indicators for customer satisfaction, colleague engagement and protecting the integrity of our registers.”

Together, this has ensured the property market continued to thrive.

Key challenges in a volatile market

Other non-urgent post-completion requests (around 19,000 applications a day) are taking longer than our customers would like. Today, our overall output is higher than it was three years ago, before the pandemic hit, but it has still not been able to keep pace at all times with the rapid increase in applications that we have received.

In the longer term, the challenge we face is to become more flexible, resilient and responsive to a market which will always be volatile. Land registration skills and expertise take time to build, so we cannot easily flex our capacity to meet the fluctuating activity in the property market. Only digitisation and automation of the simpler parts of our processes can meet that challenge. This will be more reliable and predictable, deliver much faster turnaround times and drive down the cost to us all of avoidable requisitions (or requests for information).

Our aim, therefore, is to automate most of the simple applications. We will then be able to refocus our caseworkers on to those applications that require their expert input and judgement, further bringing down service times.

Our new Digital Registration Service on the HM Land Registry portal will be completed in early 2023. To support this, we have developed a new internal casework system and restructured much of the Land Register to make it machine readable.

We're already seeing that the new caseworker system simplifies processing, reducing time taken to process an application by around 30%. We have also seen a 30% reduction on the most simple errors, such as variations in name, on applications submitted using the Digital Registration Service.

Tackling productivity, performance and processes

Alongside our significant progress in digitising and automating our services, we also completed our largest recruitment exercise in over a decade, bringing in 390 new colleagues into our casework teams, supported by our Land Registration Academy, to build more capacity and capability to meet customer needs.

We have strengthened our management information to support operational and strategic decision-making across the organisation. New tools now enable colleagues to self-serve with real-time data that can be used to aid smarter and quicker decision-making.

We have also completed a significant programme of investment to equip our caseworking teams and leaders with the data, tools, skills and support to lead coaching discussions that drive better operational performance. Early results are already showing a 15% improvement in productivity, with more expected as the programme fully embeds into all teams.

In order to continue our transformation toward a more digital land registration process and ultimately improving our customer experience, we have restructured our portfolio of 'change programmes'. We have also begun to explore a wider reorganisation of how we work, reviewing our structure and functions to maximise collaboration and ensure we can continue to deliver our strategic goals.

We have also continued to modernise our organisational culture and ways of working. We introduced a fully hybrid approach to working so that colleagues can work in a way that maximises their productivity, wellbeing and wider contribution to the organisation.

You can read more details about these initiatives within this report.

Senior Leaders Network conference, Birmingham, 2021



Connection, collaboration and capacity in a digital world

The current system of homebuying and selling lacks the basic digital experiences that people expect from professional services in the 21st century. Property transactions are complex, there are many stakeholders and diverse sectors involved, and people find the process confusing and stressful. Many of the inefficiencies in buying and selling residential property are also present when commercial property is traded.

Our previous strategy set us on a course to open up our data and reconstruct our systems to modernise our services. We also began a period of significant investment in our people, rebuilding capacity and capability to keep pace with changing service demand.

More data and new digital services have opened the door to the adoption of digital ID checking and electronic signatures, removing the last strict requirements for paper in a property transaction.

The potential customer and organisational benefits of automation, alongside the wider benefits of property data to the economy, are now much closer to realisation.

What is emerging is a vision of connected digital platforms and services that enable buyers and sellers, their banks, lawyers and others to join together each time a property is bought and sold – all interacting entirely digitally. Customers tell us the system would be most effective if fed by standardised information – data on the property concerned, the parties involved and the progress of the transaction – that is available to all.

Digital leadership – a change of focus

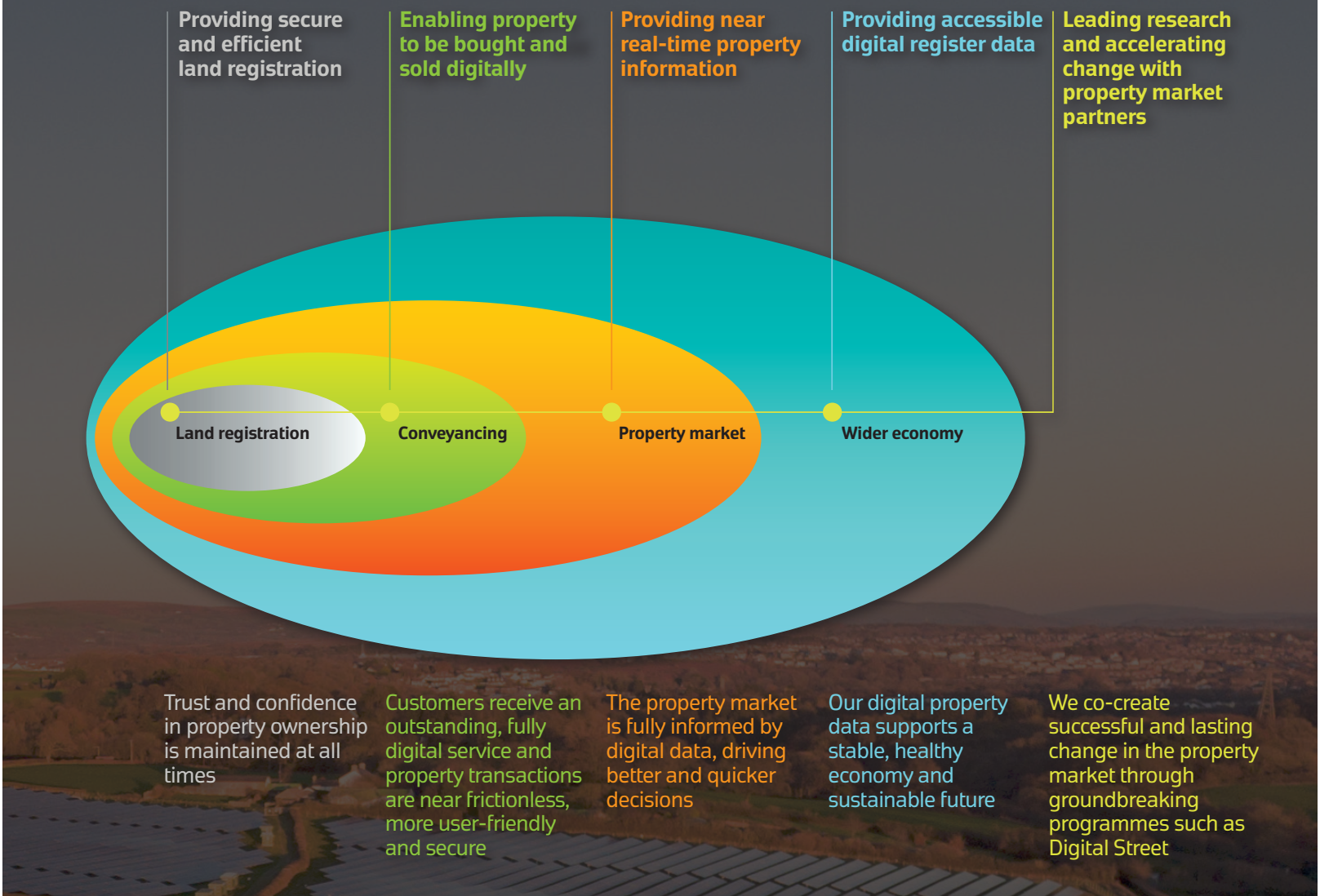
We believe HM Land Registry has a clear leadership role to play, given its expertise, central function and data. We also want to support improvements in the sector as a whole. For example, we can set practice and policy requirements that will influence the adoption of digital technology. We have already had success in this area in relation to digital identification and e-signature standards.

In collaboration with others, we want to improve dramatically the experience for all those involved in the property market, including homebuyers and sellers, and unlock value in a way that has never happened before. Digital technology presents the opportunity to do this, in way that goes well beyond just the property market.

The focus of the organisation and the balance of its effort are changing. Traditionally, HM Land Registry has concentrated on transactional services. While those will remain vital, digitisation of much more information will bring great benefits to a whole range of activities and industries. Property data directly supports land-use planning, environmental policymaking, the national effort to achieve Net Zero and the fast-growing PropTech sector. We will continue to energise innovation in property data usage, in particular through our Digital Street research and development programme, and our Geovation accelerator.

A vision of the future

A world-leading property market as part of a thriving economy and a sustainable future



Transforming land registration in England and Wales

We are preparing to publish our new Strategy 2022+, which will clearly set out our vision and purpose for the future. We want this next phase of our strategy to transform the process of land registration in England and Wales. It has strong support from key stakeholders across the property sector and beyond.

Alongside our Strategy, we will also publish our Business Plan 2022-25, which will outline our investment plan to tackle the current backlog while making the organisation more resilient to market volatility in the longer term.

More broadly, it sets out to do three things:

- deliver an improved speed of service for our customers through investment in digital transformation and caseworker capacity. This will enable us to keep pace with the market and make our service delivery more resilient to future demand. By the end of three years, we will have eradicated the backlog of applications we hold today and significantly increased the speed of our services.

- lay the foundations for our future role in a digital property market and maximise our impact on the wider economy. The digital registers of the future – including the Local Land Charges Register – will help support a more efficient and transparent property market. We are also investing in the accessibility and interoperability of our data to help support wider economic activity and innovation.
- modernise our organisational culture and ways of working so that HM Land Registry remains a great place to work for our current and future workforce.

Our budget settlement from the 2021 Comprehensive Spending Review ensures we have the financial backing from HM Treasury to invest in our people and digital transformation. That investment means we are creating a long-term solution to the challenges created by a cyclical market, making our service provision more consistent and sustainable than it is today.

Providing secure and efficient land registration

Chris Pope Chief Operations Officer



Leeds Beckett University, Carnegie School of Sport. Leeds Beckett University's new £45 million building, designed by architects Sheppard Robson, unites specialist teaching and research facilities, previously dispersed over five buildings, into one 8,300m² complex. Home to state-of-the-art facilities including an Athletics Centre with 60m indoor track, around 40 research and teaching laboratories, and two world-class environmental chambers that can manipulate temperature, humidity and altitude to measure physiological responses to extreme environments, the centre caters for community and professional sports clubs such as Leeds United and Leeds Rhinos, as well as the university. Registration completed by Durham Office. Image: Andrew Heptinstall Photography



Chris Pope Chief Operations Officer

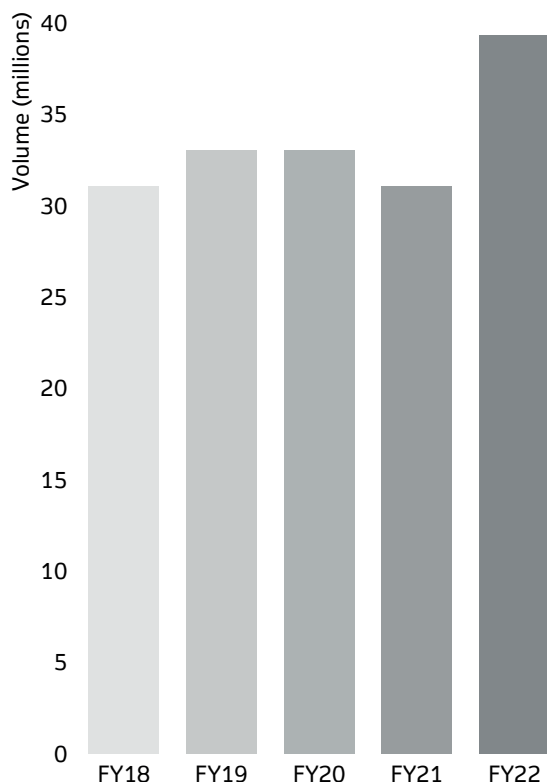
Keeping accurate and fraud-free registers, that maintain trust and confidence in the property market, remains an objective of utmost importance for us both now and in the future.

Capacity to improve speed of service for our customers

With nearly 40 million requests for service in 2021-22, meeting the demand of customers in a market that has remained buoyant has required both organisational resilience and flexibility.

Every day we receive about 14,500 searches and around 25,000 requests for our experts to change the register. We're a vital part of every property transaction and the increased demand we've seen in recent years shows no sign of abating.

Service requests – financial year

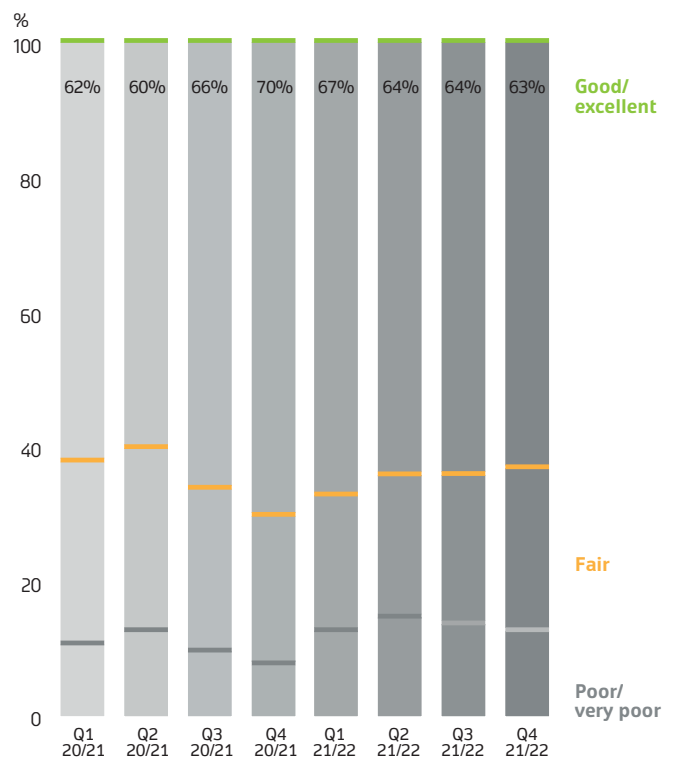


“The expertise, integrity and professionalism of our people is core to the accuracy and security of our registers. Alongside our ambitious digital transformation programme, we have continued to invest in our registration experts.”

While we have continued to optimise and develop our capacity, waiting times are too long for some applications to change the register, and we need to do more to support customers.

In the interim, however, we've been responding to meet customer needs through our fast-track (expedite) service which has seen demand more than double over the year and by 335% since we launched the service in 2020. We have increased our casework capacity with 390 new caseworkers joining over this last year. This continued our five-year programme of recruitment, bringing in well over 1,000 caseworkers in that period. These actions have enabled the property market to thrive and flourish.

Customer satisfaction scores



Building a truly outstanding customer service

We want to build a truly outstanding customer service which is resilient to the volatility in property market transactions. Complete automation of simpler cases and partial automation of others will enable us to maintain service speeds through fluctuations in market activity.

The portal, our primary business channel for more than 85% of customers making applications to change the register, has been substantially overhauled. The channel improvements make it much simpler and more intuitive to use, with new services and features.

Following a successful testing period, in April 2021 we made our Digital Registration Service (DRS) available to all customers who submit applications through the portal. This major enhancement allows customers to make digital applications to change the register. While we are continually improving the platform, the use of DRS has increased steadily throughout the year with nearly 17% of register update applications currently submitted via this service. The ability to validate and check information upfront has also resulted in higher quality applications that can be processed quicker – with basic errors reduced by 30%. DRS impressed the judges in the 2022 Real IT Awards, winning the Delivering Excellent Customer Experience category. As all applications will need to be submitted digitally in the future, either through DRS or a Business Gateway enabled system, we are working to ensure all customers are aware of the options available to them.

We've also added further features to the portal that enable customers to manage their applications. View My Applications, View Colleagues' Applications and Save and Resume services have all been enhanced to make it easier and quicker for customers to access and manage information about a portal-lodged application. The addition of an Estimated Completion Date also gives conveyancers an indication of when they can expect the application to be completed.

Many of our customers, especially those who are submitting high volumes of applications to update the register and information requests, integrate their case management systems directly with our services. We enable this through investment in our Application Programming Interface (API) channel, Business Gateway. Based on customer feedback, we've added both official copy availability and registered proprietor name services, which help our customers in reducing avoidable errors and using easier to integrate APIs. We've also redesigned the developer pack, making it easier to understand how to integrate our services, and launched a Business Gateway Community, where customers can provide their input into our strategy and influence what we work on next. We've had great feedback on how easy our new services have been to use, with examples of customers taking just hours to start accessing our new APIs. We continue to work with the sector to innovate and facilitate, thus ensuring our customers get the services they value most.

Alongside this, we have begun to introduce our new casework processing system, which is already starting to bring efficiency improvements. In March 2022



RITA
REAL INNOVATION TECHNOLOGY AWARDS

RITA 2022
Judging
Charity Partner
Previous Winners

HM Land Registry  **Real IT Awards 2022 winner**
Delivering excellent customer experience
(Digital Registration Service)
Operational efficiency
(Application Processing)

alone, 88,000 applications were processed, with cases completed roughly 30% more efficiently. This is just a small indication of the benefits the investment in our technology systems will bring, the foundations for which have been laid over recent years. It also gives us confidence we will be able to see real improvements in our customer service levels as set out in our new three-year Business Plan.

Since publishing our strategy in 2017, we now stand poised at the beginning of a new era of near instantaneous processing through end-to-end automation. Not only will this enable us to speed up the overall service we provide to our customers, but it will also offer more holistic and personalised transaction services that work in step with the property transaction, which you can read about in our forthcoming Strategy 2022+.

Image: Mike Lister

The expertise, integrity and professionalism of our people is core to the accuracy and security of our registers. Alongside our ambitious digital transformation programme, we have continued to invest in our registration experts.

We have had significant training requirements as a result of increasing the size of the workforce. Our new Land Registration Academy has allowed us to develop our expert colleagues and increase their know-how, while giving recruitment, training and progression the first-class support they require and deserve.

Despite the heavy demand this has placed on our resources, we have maintained output and, in the year's final quarter, we have reaped the benefits of our investment, seeing an almost 15% increase in output compared with the previous quarter. Through our Brilliant Teams, Inspiring Leaders programme, we have made a significant investment in our people, empowering colleagues to problem-solve and have data-driven performance conversations.

By building leadership and continuous improvement skills into our teams at all levels, our aim is to support everyone to improve performance and engagement to deliver more for our customers. Our colleagues have completed the initial investment, with ongoing activity to improve continuously, and build maturity and capability. We are already starting to see the impact with year-end data showing our productivity was 15% higher than the same period last year.

Maintaining trust and confidence

It is more important than ever in the current economic climate for our customers and registered owners to trust the accuracy and integrity of our registers. The data held in our registers is guaranteed with HM Land Registry forming part of the critical national infrastructure and underpinning the buoyant and sometimes volatile property market.

Registered title fraud causes far reaching and sometimes irreparable damage to those who fall victim to it. We are committed to identifying, preventing and detecting the registration of fraudulent applications and continue to invest in this area.

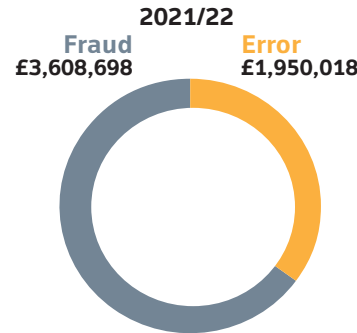
Through the skilful use of extensive knowledge and detection methods we prevented the registration of 44 fraudulent applications in 2021-2022. These affected properties across England and Wales worth an estimated value of just over £31m.

We continued to work with government departments including the Cabinet Office, law enforcement and other external counter-fraud agencies to protect the register and property owners from the ever-evolving threat of registered title fraud.

Security is essential to maintain the accuracy and availability of the register. In order to keep our services and data safe from increasingly sophisticated cyberattacks we have invested in solutions that protect the organisation, including updating and improving our anti-virus, malware and Microsoft Office 365 protection across almost 10,000 devices.

We have also extended the use of our Security and Event Monitoring capability and tools to prevent malicious attempts to disrupt our services across our technology estate, as well as improving our vulnerability management process. This has meant we have been able to block a significant number of threats. We have also instigated improvements in more modern authentication techniques and Privileged Access Management (PAM) in order to further enhance our defences.

Claims received against the guarantee



Expedite service

HM Land Registry's expedite – or fast-track – process is available for applications, either residential or commercial, where a delay would put a property transaction at risk. By the end of the year we processed around 1,000 expedited applications daily, 96% of which we completed or processed as far as they can within 10 working days.

Requests for expedites come to us from individuals as well as conveyancing firms, solicitors and property development companies, and for a wide range of reasons. Our Customer Support colleagues are skilled at steering stressful situations towards a successful resolution and this was very much the case for Dave Smith (not his real name), who recently got in touch.

Dave was trying to move home with his two small children but having sold his own house, complications with the property he wanted to purchase left him with a stark choice: allow his sale to collapse or sell and risk his family becoming homeless. He contacted our Customer Support Centre for help and was delighted when, after requesting an expedite, he was finally able to complete his purchase.

"I couldn't cope with any more time in a 1 bed granny annex with two kids ... thank you so much!!" he said.

Jane Jones (not her real name) had twice been forced to cancel her move across country with an 86-year-old. We were able to tell her the application holding hers up had been expedited and completed, along with her own. "If I could send you chocolates I would," she said. "You've made a very challenging day sunny and bright. Thank you."



Enabling property to be bought and sold digitally

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



The new **Elizabeth Line** stretches more than 100km from Reading and Heathrow in the west through central tunnels across to Shenfield and Abbey Wood in the east, adding around 10% more capacity to central London's rail network. It forms part of the National Underground Asset Register led by the Geospatial Commission, with HM Land Registry as one of six partner bodies. Completion involved the registration of complex subterranean titles, such as one title for a stretch of track at **Farringdon**, which has 72 plan references over differing levels, registered by our Swansea Office. Image: Crossrail Project



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

“We are leading discussions to build a collective vision of a digitally connected sector where estate agents, lenders, lawyers, surveyors, developers, brokers and their various clients are all interacting digitally – sharing the same information about the properties and the transactions.”

The property market is sometimes volatile and always complex. It encompasses diverse economic and social needs, from housing to commercial premises and national infrastructure. It involves many professions and service industries.

In England and Wales more than 1 million residential and around 100,000 commercial property transactions are completed each year. Whilst many sectors, such as finance, have embraced digital technology, property transactions are yet to do so to anything like the same extent. The time it takes to move home has actually increased in recent decades. Creating a digital property market will not only enable transactions to become faster, but unlock the potential for all segments of the market to radically transform for the benefit of businesses and the consumer.

A shared vision

The most rapid and successful transformation of the market will only occur if the various stakeholders come together to all work towards the same agreed goals. Our unique role brings us into contact with almost every facet of the property market. That enables us to see the opportunities and support the sector in a collaborative approach to market development.

We are leading discussions to build a collective vision of a digitally connected sector where estate agents, lenders, lawyers, surveyors, developers, brokers and their various clients are all interacting digitally – sharing the same information about the properties and the transactions.

This promises a much-improved experience for the ultimate consumers – the people and businesses who want to move in or out.

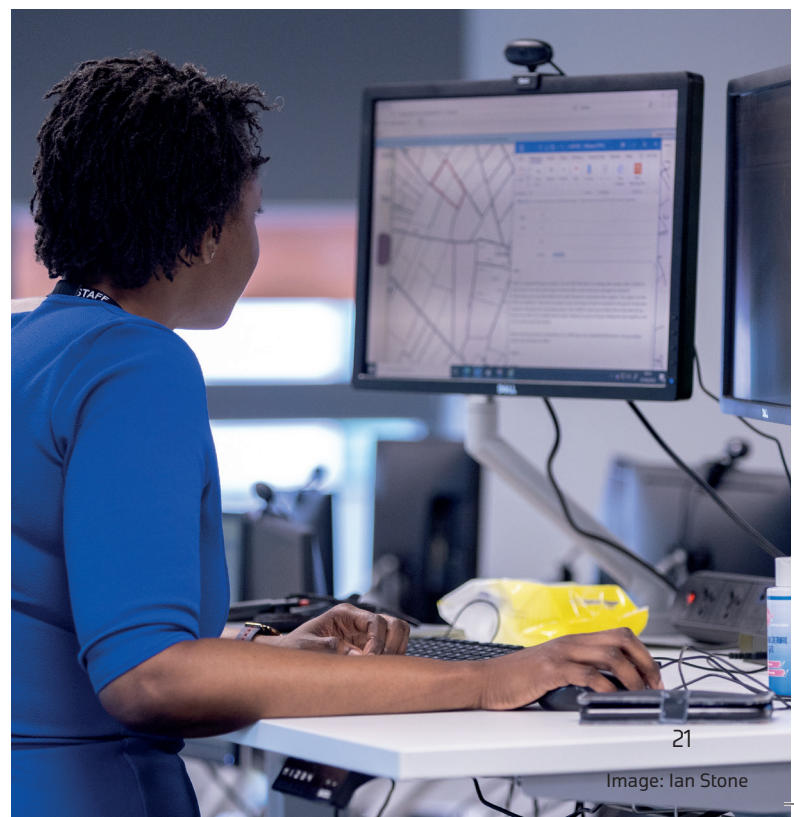
In partnership with all the key organisation, we are exploring options for a potential series of events to bring key players from across the market together to explore

and capitalise on the opportunities that will emerge from a shared vision of how the property market can become much more efficient and better informed.

Standard setter

Obviously, we have several ways in which we can directly contribute to positive market development. We have been investing heavily in the digitisation and machine readability of core property information – the land ownership and local land charges registers, in particular. We have set standards for digital ID checking and electronic signatures and have been working collaboratively on the concept of digital deeds – secure, machine-readable, electronically signed property transfers and mortgages.

Land registration expert, Croydon Office



In a further move to take paper out of the process, we have introduced an entirely digital way of applying to HM Land Registry, which will be complete later this year.

There have been a growing number of customers using electronic signatures throughout the year. We have adapted our guidance in conversation with our customers and are now running a pilot on how conveyancers could use qualified electronic signatures. Using this type of signature effectively eliminates the need for a witness while providing even greater levels of security. As it is new technology, we are working with conveyancers and technology developers to ensure that property buyers can feel the benefits of a quicker, safer document signing process.

Playing our part

Of course, to make a digital property market a reality we have to ensure that we deliver all the components necessary to ensure that land registration can contribute to a vision of a connected market.

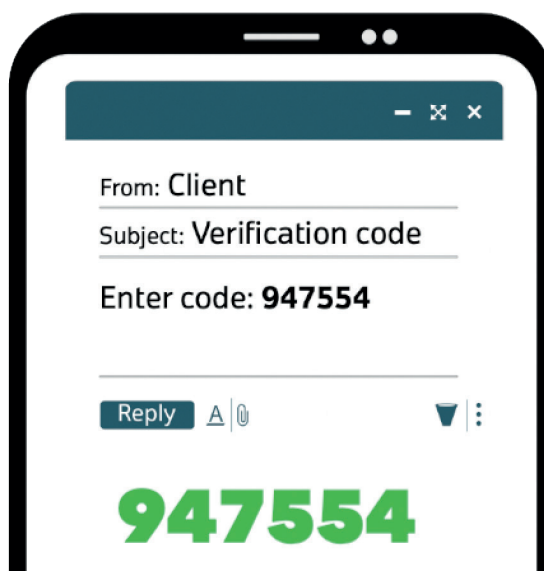
This means that all applications we receive need to be digital. Through our new digital registration service customers can choose to use our services through our free online portal, or to connect via APIs with our services via third party software suppliers.

This means the information we receive can be more easily validated against a machine-readable, digital register and then processed more effectively with a new digital casework system.

We structured 58% of the information within the Land Register, making it machine readable for our digital services and as a provisional step towards the creation of a digital register equating to over 158 million register entries. Between November 2021 and March 2022, when volume applications were enabled and significant users were deployed each day, 272,264 applications were processed through our new processing engine, which is capable of automated processing in the future. We are well underway on our digital journey.

We cannot fully unlock automation, though, without full trust in the information provided to us. We spend time checking applications that come from conveyancers at the moment and that can create a bit of unnecessary to-and-fro. To automate our services we need legal professionals to give us reliable assurance as to what they know about the transaction.

As more applications are received digitally, this assurance becomes the final key in unlocking a truly digital and automated form of land registration – changing the way we deal with our customers and how we interact with them in the future.



One small step for signatures, one giant leap for conveyancing

In August 2021, Hugh James became the first conveyancing firm to complete a transaction with HM Land Registry using a qualified electronic signature (QES). According to DocuSign, whose technology facilitated the transaction, using a QES meant the transfer of title process took just 24 hours instead of the usual six to eight weeks.

Nicola Evered, who led the digital transformation project for Hugh James, said:

“This was an opportunity we grasped immediately, and we welcome the chance to be at the forefront of such an innovative step-change for the entire industry. This has the potential to dramatically speed up transactions and make the whole process more streamlined. It’s exciting for us, our clients and future customers.”

Doug Luftman, Deputy General Counsel at DocuSign, said:

“Our partnership with HM Land Registry and Hugh James demonstrates how an innovative government agency has embraced electronic signatures and can positively impact an entire industry in its digital transformation journey.”

DocuSign[®]

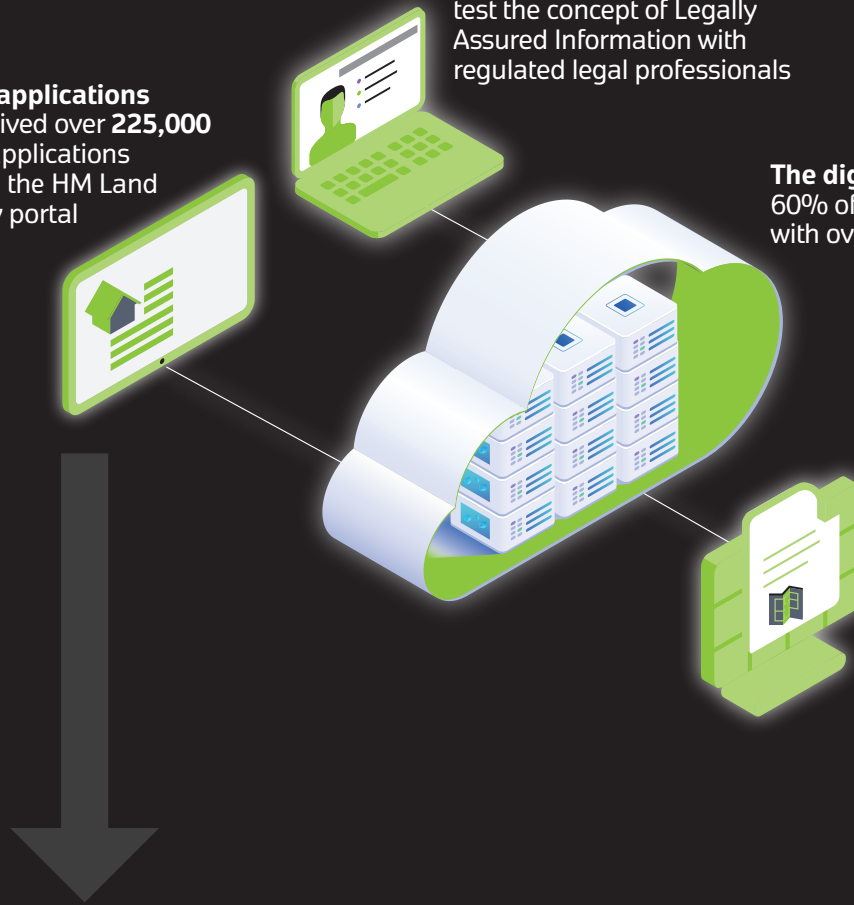
The keys to automating land registration

Digital applications
We received over **225,000** digital applications through the HM Land Registry portal

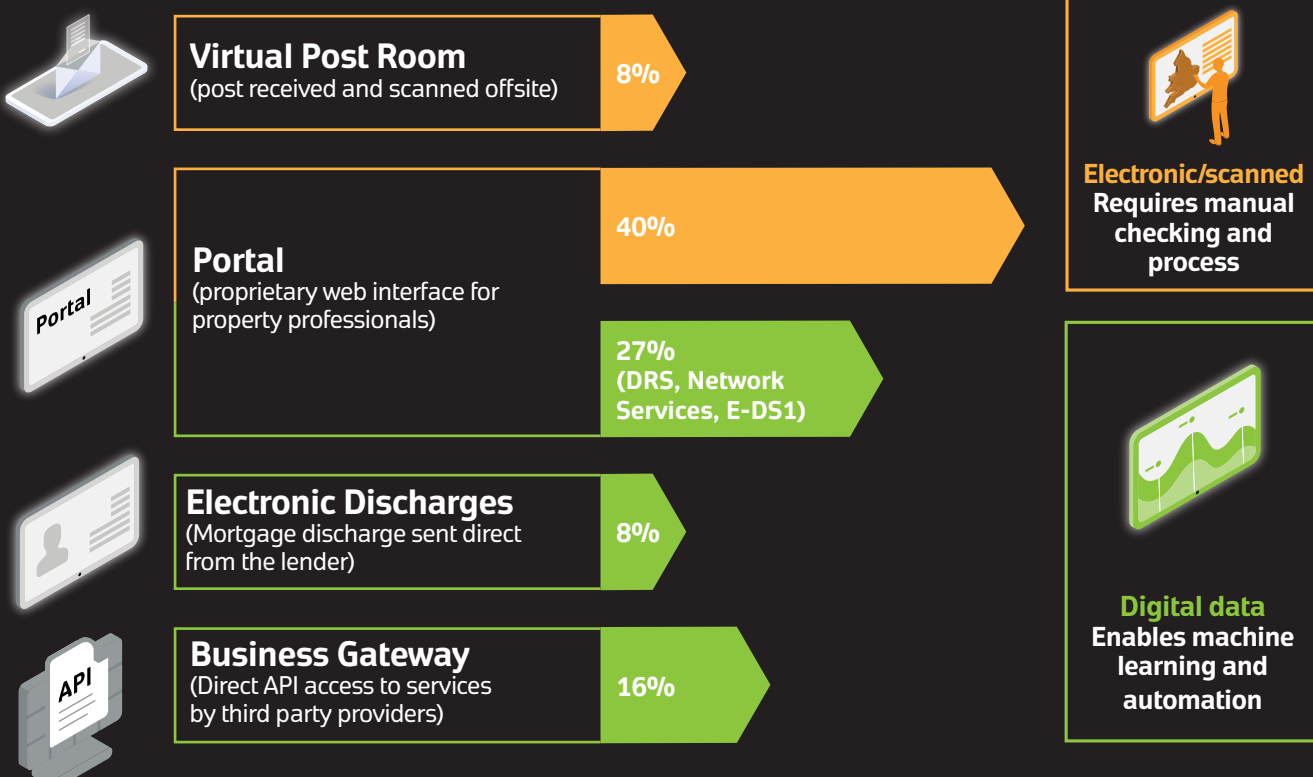
Legally Assured Information
This year we ran a trial to test the concept of Legally Assured Information with regulated legal professionals

The digital register – contains 60% of our migrated register data with over **158 million** data points

Digital casework systems
Over **30,000** applications processed by our new casework systems



How we receive applications to change the register



Providing near real-time property information

Karina Singh Director of Transformation



95 Peckham Road in South London created 33 low-cost apartments with a courtyard behind. The design won the Housing prize at the New London Awards and the RIBA London Award in 2021. A number of flats sold under the Help to Buy scheme were registered by Croydon Office. Image: Morley von Sternberg



87,000

Guaranteed queries daily average
April 2021- March 2022



Karina Singh Director of Transformation

“We’ve delivered almost 87,000 guaranteed queries per day in the last financial year, and around 90% are automated. The vast majority of those that require manual intervention are processed within three days.”

Information is the life blood of the property market. Having access to the right data about a property at the right time is essential for homebuyers in making what is often the most significant purchase of their lifetime. We know that a lack of upfront information can cause up to 8% of property transactions to fall through, which can cost the buyer up to £2,700 per transaction.

Information for property transactions

Our guaranteed information is an essential component of the conveyancing process. Guaranteed queries provide results that can be used as evidence in court and carry an HM Government unlimited guarantee. These services are usually some of the first formal steps in buying or selling land or property. Guaranteed queries include official copies (of the register, plan or a document), official searches (of whole and of part), and searches of the index map. We’ve delivered almost 87,000 guaranteed queries per day in the last financial year, and around 90% are automated. The vast majority of those that require manual intervention are processed within three days, due to the impact this has on ensuring the smooth running of the property market in understanding specific information relating to a property.

Transparent property ownership information for people and businesses

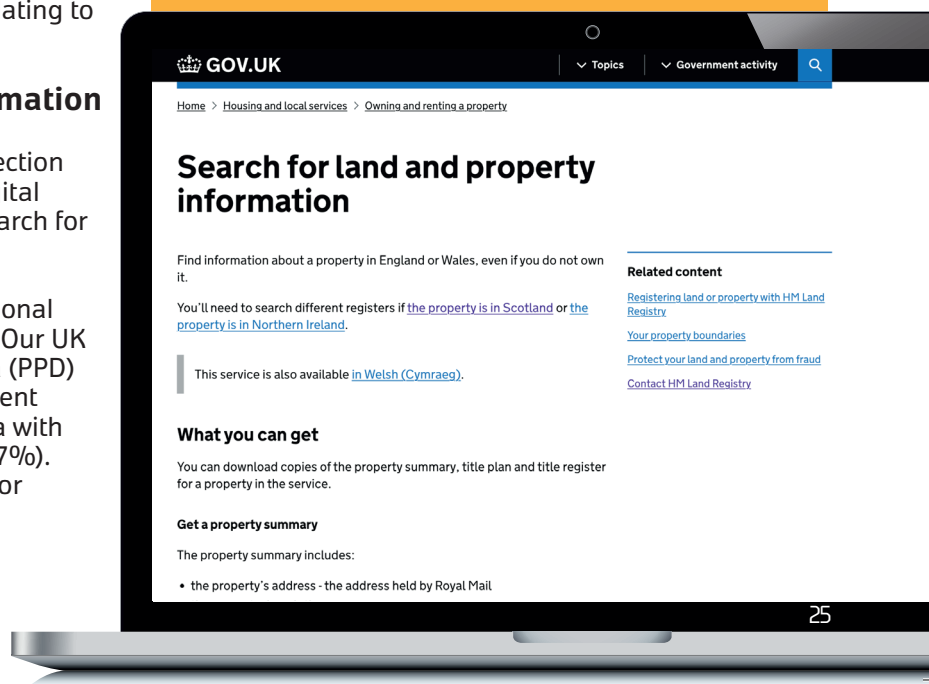
The Land Register has been open to public inspection since 1996. This year we replaced our legacy digital ‘Find a property’ online service with our new ‘Search for land and property information’ service.

Our house price data has continued to drive national conversations and support the housing market. Our UK House Price Index (UK HPI) and Price Paid Data (PPD) datasets have been featured in over 2,000 different articles across online, print and broadcast media with a reach of over 100,000,000 readers (a rise of 17%). A range of users have searched these datasets for information using our tools.

Interest in foreign-owned properties saw a three-fold increase in the total number of downloads of our data on overseas companies that own property in England and Wales, from just over 5,000 in 2020-21 to nearly 15,000 in 2021-22. Downloads of our data on companies that own property in England and Wales also increased, rising from just over 10,000 in 2020-21 to nearly 20,000 in 2021-22.

Search for land and property information

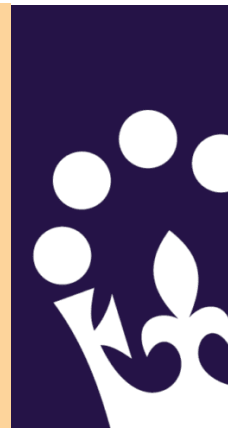
Our flagship service for citizens, Search for Land and property information, meets government accessibility standards and provides a one-stop place for most of the information occasional users need, including access to purchasing title plans and registers. Users can search by ID or by map features. Since going live in February 2020, users have made more than 3 million free register views and nearly 22,000 instant, easy purchases of plans and register copies.



Register of Overseas Entities case study

HM Land Registry quickly took action as part of the UK Government’s response to the Russian invasion of Ukraine. As sanctions against particular Russian individuals were announced, our legal teams worked with colleagues across government to ensure the appropriate restrictions were applied to relevant properties. Reference to data held by HM Land Registry was cited across the media as discussions over sanctions dominated the headlines.

We have continued to work closely with our government partners, such as Companies House, to build the new Register of Overseas Entities. The data held in our registers, and our experience of working with registered property lawyers across England and Wales, meant we were able to guide and support the development of this critical element of transparency on property ownership at a time of significant national interest.



Instant local land charges information

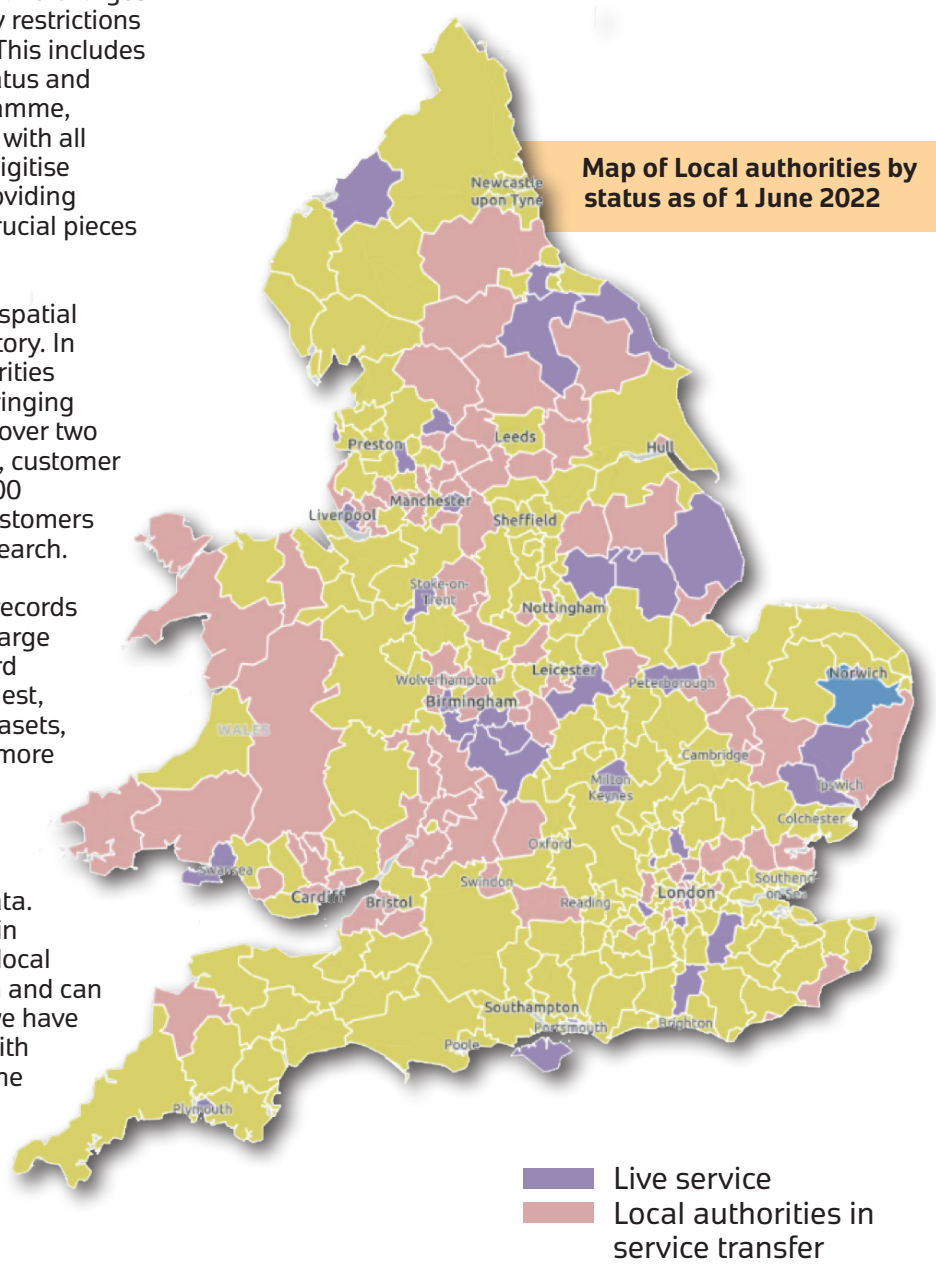
Almost a million homebuyers rely on local land charges (LLC) information annually, to highlight any restrictions or obligations that affect land or property. This includes tree preservation orders, listed building status and planning consents. Through the LLC Programme, HM Land Registry continues to collaborate with all local authorities in England and Wales to digitise and centralise their LLC services. This is providing customers with a single source to access crucial pieces of property information instantly.

The programme is the most ambitious geospatial data transformation in UK government history. In the financial year 2021-22, 21 local authorities were transferred to the national register, bringing the total number of charges transferred to over two million. Since the service launched in 2018, customer satisfaction remains high, with over 300,000 searches made (both paid for and free). Customers are saving on average 9 days and £9 per search.

Transforming textual data into geospatial records with digital maps of the land makes the charge information more transparent. The standard format makes the information easier to digest, search, compare and merge with other datasets, enabling decision-makers to make faster, more informed judgements about their projects.

We have been continuously refining how we work with local authorities to assess, correct, standardise and transform their data. This is allowing us to transfer LLC services in an efficient and repeatable way. The more local authorities we work with the more we learn and can share best practice with others. This year we have held seven webinars and training events with local authorities to help them prepare for the data cleansing and migration process. Local authority advocates continue to work with the programme and support neighbouring councils to anticipate and tackle issues.

Overall, a modernised LLC service will drive transparency and innovation in the UK property sector through earlier access to high quality geospatial data. The future benefits are untold, with LLC data providing a platform from which innovators will create solutions which we haven’t imagined yet.



Geospatial award winner

The Digital Leaders 100 awards celebrate those who demonstrate a pioneering and sustainable approach to UK digital transformation.

The Local Land Charges (LLC) Programme won the Digital Leaders 100 Geospatial Innovation of the Year award 2021.

Collaborative engagement with our stakeholders has united central and local government with the private sector. By harnessing resource across the programme, we have created several bespoke analytical tools to analyse, evaluate and fix data. This is providing significant time savings per local authority migration and accelerating our delivery capacity. We've also conducted user research to improve the service, for example by incorporating accessibility functionality for visual and mobile impaired users.

These factors and more enabled the judges to recognise the programme as cutting-edge. We are incredibly proud that industry has recognised the importance and long-term benefits of the programme and the national register.



Members of the LLC Programme celebrating industry recognition at the Digital Leaders 100 awards ceremony. This is LLC's first award and a significant milestone for the programme.

“Over the last two years, we have witnessed a gradual shift in the processing of conveyancing searches. HM Land Registry’s digital LLC Register enables InfoTrack’s software to validate, electronically request and get results within seconds of the conveyancer selecting ‘order’. It’s a secure, accurate, and instantaneous exchange of property information.”

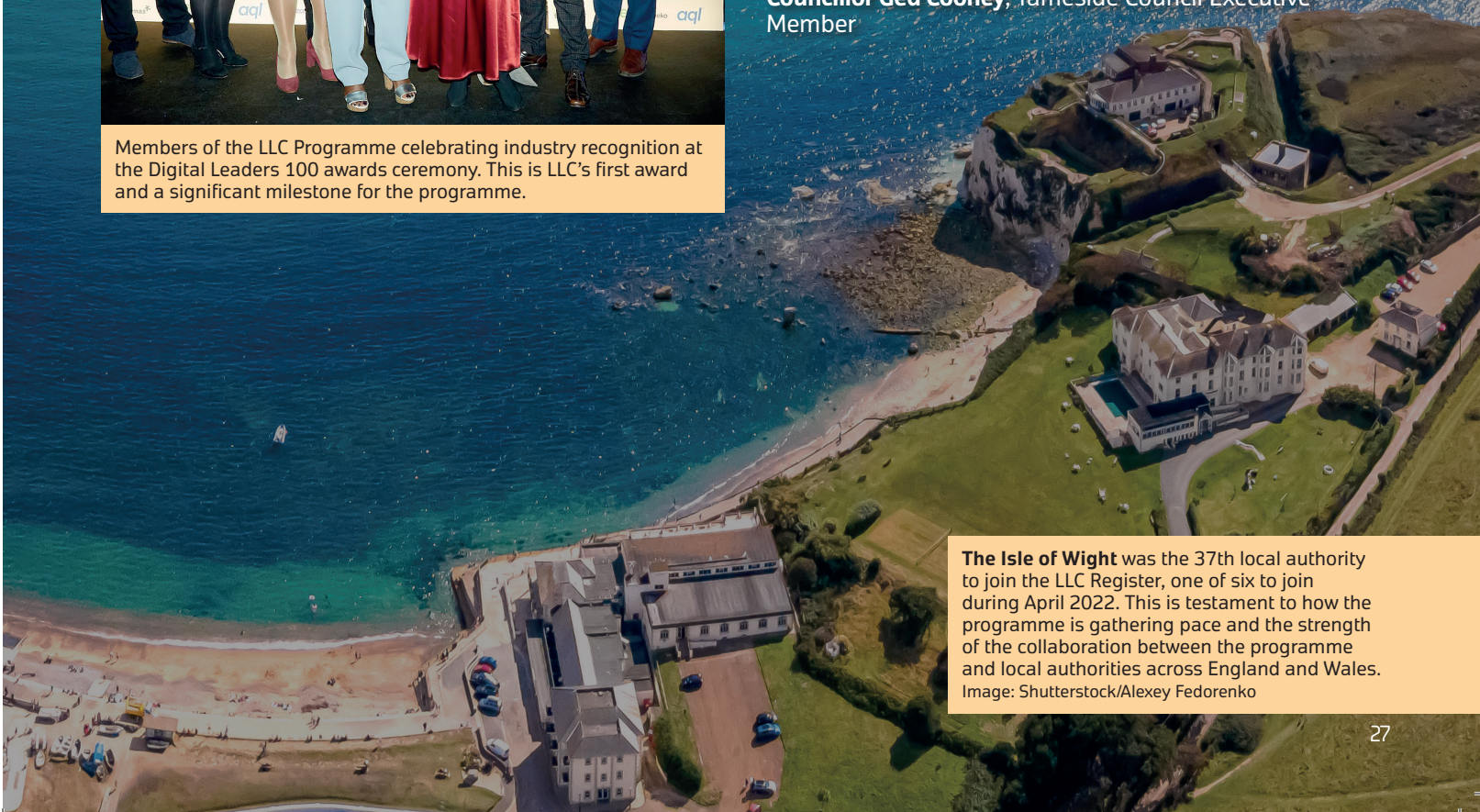
Christina Varidel (InfoTrack’s Alliances Analyst)

“Tameside now has a truly digital service, helping streamline local conveyancing and homebuying processes. This places us at the forefront of change within the city, region, and country.

“Anyone can now access LLC records immediately online through a digital search by map. This is allowing for earlier, important investment decisions, benefitting Tameside’s 225,000+ citizens, our local economy and housing market.

“It’s a brilliant example of how technology can transform and deliver better services, reduce costs and support economic ambitions.”

Councillor Ged Cooney, Tameside Council Executive Member



The Isle of Wight was the 37th local authority to join the LLC Register, one of six to join during April 2022. This is testament to how the programme is gathering pace and the strength of the collaboration between the programme and local authorities across England and Wales. Image: Shutterstock/Alexey Fedorenko

Providing accessible digital register data

Jon Parry Interim Director of Digital, Data and Technology



Toronto Square, Leeds. This recently refurbished, landmark building provides more than 88,000 square feet of prime contemporary office space in the heart of the city's vibrant business district. The freehold became Grosvenor's third regional acquisition of 2021 when it was sold to the property developer and investor, renowned for its historic role in the creation of London's Mayfair and Belgravia. This year, Leicester Office registered the lease of part of the ground floor to Reed, whose specialist recruitment team matches individuals with jobs across West Yorkshire in sectors from education, health and human resources to aerospace, cyber crime and defence. Image: Grosvenor



Jon Parry Interim Director of DDaT

Digital data underpins our ability to make digital and automated land registration services possible (see pages 22 and 25). From our early ventures into digital mortgages, the work undertaken by our Digital, Data and Technology (DDaT) teams is making the vision of near instant land registration services available to our customers within the next year.

The data we hold about places, known as geospatial data, is a crucial part of our nation's infrastructure. We are committed to providing open access to as much of our data as possible in order to contribute to a world-leading, data-driven economy.

Releasing the value of our data

More accessible geospatial data has many potential and important uses – as a key foundation of a data-driven economy it is vital information in land use planning and the response to Net Zero targets.

We've always instinctively known that the reuse of our data creates significant economic value but haven't previously been able to measure objectively how much. In response to this challenge, our data team and economists have developed an innovative methodology to estimate the economic value created by our data, which has attracted attention and praise across government from those trying to solve the same problem. An initial valuation of just four of our 12 published datasets estimated that they add around £300 million to the economy each year.

We must also remember that we form part of a much more comprehensive data landscape. The National Data Strategy and National Geospatial Strategy set out the Government's ambition to build a world-leading data economy across all sectors. The strategies are focused on ensuring that government can deliver products, services and technologies which generate economic, social and environmental value. They also set out the Government's intention to unlock the value of the data that it holds, making it open, transparent and easy to use. HM Land Registry has been in the vanguard of open data publication in the public sector and our forthcoming Strategy 2022+ will ensure we remain there.

“We are committed to providing open access to as much of our data as possible in order to contribute to a world-leading, data-driven economy.”

More accessible and easier to use

Our published datasets are available via our groundbreaking publication platform 'Use land and property data' service. Between the launch of the platform in March 2020 and March 2022, there have been more than 420,000 downloads of the data.

Following the publication of the UK Geospatial Strategy in 2020, we have been investigating how we can improve the quality of our geospatial data. By evaluating the Quality, Findability, Accessibility, Interoperability and Reusability (QFAIR) of our published data and engaging with stakeholders and customers to understand their needs, we have considered what improvements we could make. We have now set out an ambitious commitment to making enhancements to our data over the next three years in our business plan.

Finding the next generation of data uses

We continue to promote innovation in the data arena through the Geovation Accelerator Programme, in collaboration with Ordnance Survey. Since its inception, Geovation has advocated the value of open innovation in the public sector, working with a community of more than 1,500 entrepreneurs, investors, developers, academics, students and corporate innovators.

For the past five years we have welcomed new cohorts of start-ups, encouraging and supporting PropTech companies that are revolutionising the property industry with new products and services. Start-ups receive up to £20,000 grant funding and the equivalent of over £100,000 in benefits on the programme.

To date, HM Land Registry has provided grant funding of £483,000 to 30 new PropTech start-ups. These have gone on to raise more than £39 million in additional funding and created 140 jobs.

Several of our sponsored companies are now used by law firms, lenders, property companies and local authorities, such as HomeFinder and Skyroom (see case studies).

We look forward to seeing what further creative and beneficial ways the PropTech sector can use our data to benefit the property market and beyond.



“Having these kinds of datasets available provides us with real time insight on current market conditions, helping us to make better, data-driven decisions and provide intelligence-led advice to our clients and customers.”

Adem Certel, Partner, Data Engineering Lead, Knight Frank

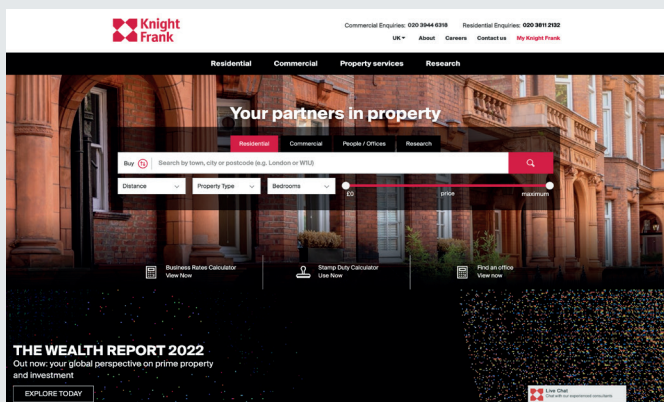
Knight Frank is a global independent property agency, providing professional advice on anything from country homes to city offices, retail, public sector, planning and development. It has clients and customers across the commercial, residential and rural sectors, and currently comprises an international network of 384 offices in 51 countries and territories.

They use several HM Land Registry datasets including the National Polygon Service, UK companies that own property in England and Wales, overseas companies that own property in England and Wales, Price Paid Data, Registered Leases and UK House Price Index.

Using these datasets separately and in combination with third party datasets, they can analyse market trends such as sales volumes, average prices, price trends, average lease lengths, corporate ownership types and geospatial analysis of properties.

Knight Frank recently used our data when approached by the Church of England to help it lead by example in solving the housing crisis.

Using HM Land Registry’s National Spatial Dataset and Commercial and Corporate Ownership Data, Knight Frank mapped out all land owned by the Church of England. The ability to identify the land they own means the Church is able to bring forward a clear vision of how these assets support housing, education and community need.



“We work closely with HM Land Registry and other forward-thinking organisations to revolutionise the experience of buying and selling property.”

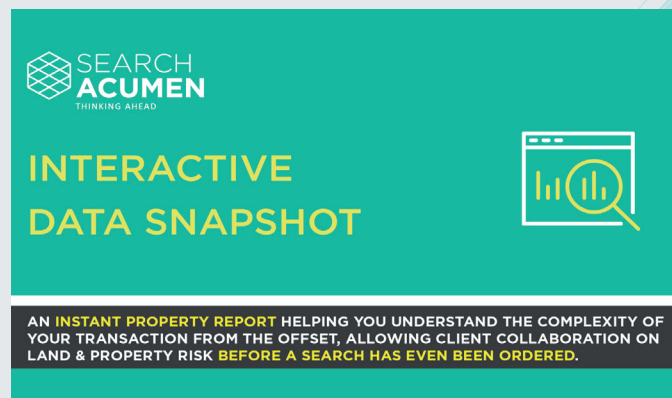
Christian Woodhouse, Strategic Projects Manager

Search Acumen is a property data insight and technology provider to conveyancers and commercial property lawyers across England and Wales. Their vision is to transform the property market through upfront digitised data and get people ready for the next generation of property law.

“Three of HM Land Registry’s datasets that we use are the National Polygon Service, UK companies that own properties in England and Wales and overseas companies that own properties in England and Wales. By linking these three datasets together, we are able to provide an initial appraisal of a site or title before the purchasing process has even begun. This provides early warning indicators and upfront risks as well as offering an overview of ownership structure of any title, including how titles are spatially located in relation to other titles around them.

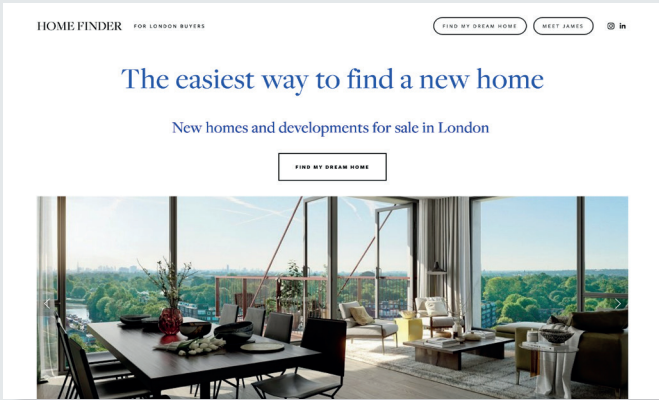
“Having access to HM Land Registry datasets allows us to create innovative products, such as our Illustrative Map, a digital colour coded fully interactive map highlighting individual titles by Proprietor or Class, and our Interactive Data Snapshot, an instant property report allowing client collaboration on matters of land and property risk before a search has even been ordered. In 2021, approximately 95,000 unique visits were recorded on our technology platform, specifically accessing National Polygon Service data via our mapping solutions. This indicates an industry desire for such developments.

“Our partnership with HM Land Registry is a highly regarded and longstanding relationship, with a vision for digitisation and future thinking innovation.”



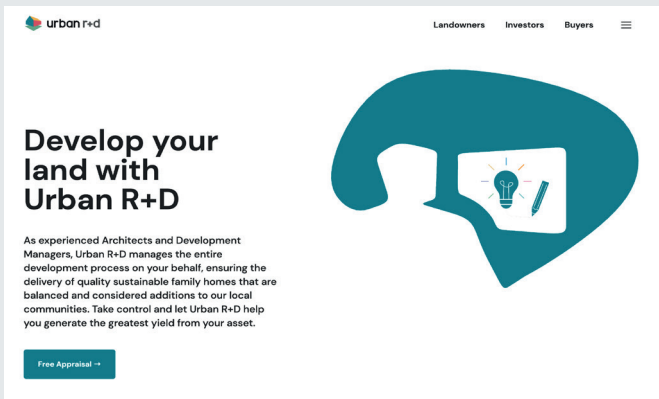
Next generation of data uses

Autumn 2021 cohort



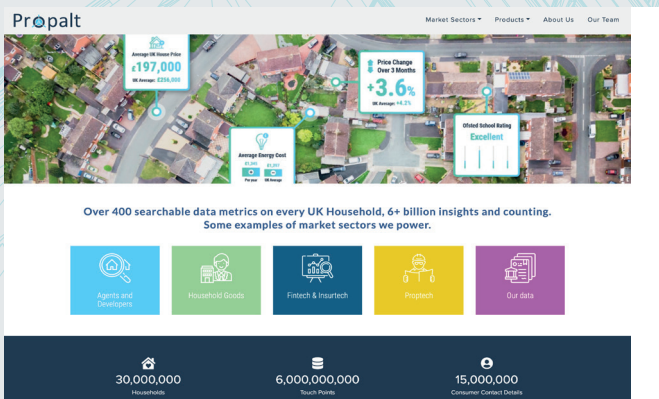
HomeFinder

An online marketplace which makes it easy to find new homes and developments for sale. HomeFinder searches for the best new homes and developments in London including off-market properties. Using algorithms, they tailor searches according to clients' likes and dislikes.



Urban R+D

A development management platform that helps landowners of small urban sites develop that land for development. Urban R+D offers a complete package-deal from inception to completion to enable landowners to deliver quality homes on underutilised land. Their devolved property development™ process is the only market access route for un-financed landowners with no property development experience.

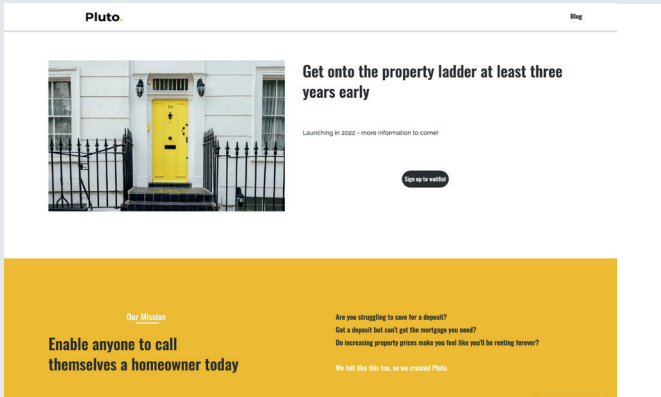


Propalt

By combining over 200 datapoints on the UK's 27 million homes into one place, Propalt helps buyers, sellers and investors. They are able to help movers and investors make smarter property searches by using machine learning and AI (artificial intelligence) to understand values and opportunity, then overlaying this with which properties are on the market in real time.

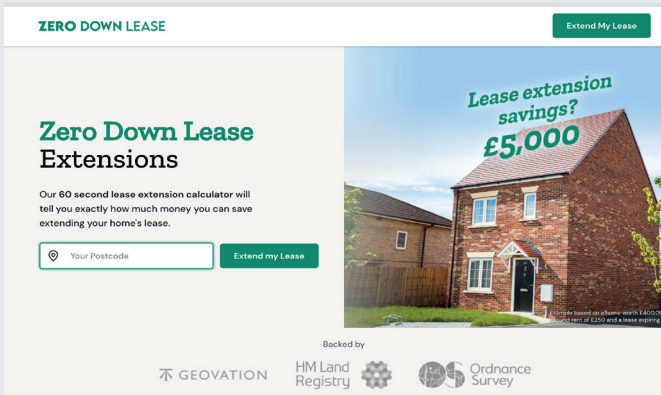
Meet the new Geovation cohort

Spring 2022 cohort



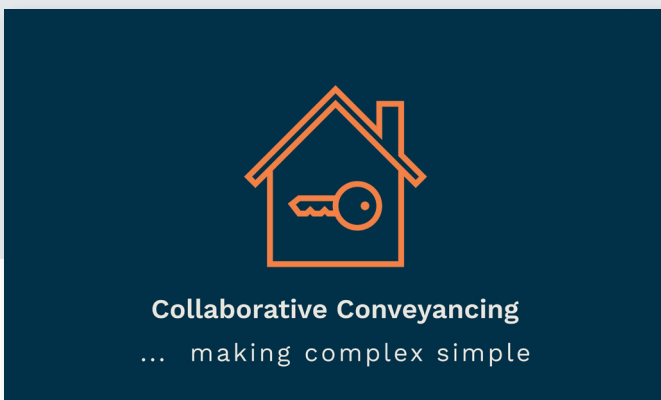
Pluto

Providing the technology to allow any real estate company to offer part rent, part buy solutions, Pluto paves the way for millions more people around the world to call themselves a homeowner years earlier.



Zero Down Lease

Offering the only guaranteed price lease extension, Zero Down Lease handle the process from end-to-end. From valuation to negotiation they give customers a fixed price for the whole process, and even lend them the money to pay for it.



Collaborative Conveyancing

Making the complex simple, to improve the conveyancing process for all involved. Through the innovative use of AI and workflow automation, Collaborative Conveyancing seeks to facilitate better collaboration between legal representatives involved in the enquiries stage of the conveyancing process to improve efficiency, compliance and customer service.



Geovation success stories

HOME FINDER

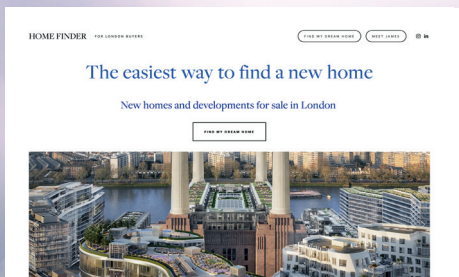
“The benefits of the Geovation programme are endless – the contacts, reputation, equity-free funding and workshops are invaluable. My favourite part is ultimately the people – everyone wants you to create an amazing company and goes the extra mile to help make this happen. HM Land Registry has been invaluable with their support.”

James Nightingall, founder and CEO of HomeFinder

HomeFinder is an online service which makes it easy to find new homes and developments for sale in London. Buyers receive personalised suggestions from experts who have access to an extensive database of properties.

James Nightingall, founder and CEO of HomeFinder, previously worked as a buyer’s agent for celebrities, including Chelsea football players, actors and a few billionaires to cite a few.

To help James start his business he joined the PropTech track of the Geovation Accelerator Programme in autumn 2021. Being part of the programme allowed James to kickstart his business with equity-free grant funding and access to industry experts, which was invaluable at such an early stage.



SKYROOM

“Participating in the Geovation Accelerator Programme meant we benefitted from funding and six months of intensive support which allowed us to fast-track our growth.”

Skyroom CEO **Arthur Kay**

Skyroom is a technology, design and airspace development company whose mission is to deliver affordable, sustainable homes for London’s key workers. They participated in the Geovation Accelerator Programme in 2018.

Working in partnership with London’s major landlords, Skyroom aims to provide key workers with 10,000 homes by 2030.

CEO Arthur Kay said:

“HM Land Registry data helps us identify buildings in a landowner’s portfolio which are suitable for airspace development. We then help landowners originate, design and deliver homes in that space. By building upwards rather than outwards, we achieve a more sustainable model of urban development and prevent urban sprawl.”



Research, development and accelerating change



100 Liverpool Street at Broadgate is a 32-acre central London neighbourhood. Nineteen million people visit Broadgate each year to work, shop, dine and attend events, with £1.5 billion invested into its future. The development boasts 433,000 sq ft of light and airy office spaces built to support wellbeing and productivity, 90,000 sq ft of new retail spaces, 20,000 sq ft of outdoor terraces on five levels, restaurants, and outdoor spaces. The eco-friendly building was built to be energy efficient, water saving and waste reducing and support local wildlife. Croydon Office completed a lease of the 6th floor to the Bank of Montreal. Image: Alamy/Robert Evans

Over the last five years, collaboration and partnerships have been a vital ingredient in our continued progress, alongside developing and improving our services thanks to insight from thousands of customers. We have also partnered with hundreds of local authorities, property and technology experts, and with other government departments, in matters relating to property.

In addition, supporting and collaborating with innovation leaders, entrepreneurs and creative disruptors has helped us to push the boundaries of property market expectations.

We are central to all property transactions and our engagement across the market and beyond has provided us with unique insight and influence. Our new strategy empowers us to be a key role in leading, influencing and driving innovation and change in the property market, taking action where HM Land Registry is best placed to deliver positive change.

Convening industry experts to meet a new generation of customer needs

Our upcoming strategy reflects significant collaboration with customers and stakeholders, including those in the property market and across government organisations. We consulted widely with industry voices, including Land Registry Industry Forum members and our Land Registry Advisory Council. We have worked closely with colleagues across government, including the Department for Levelling Up, Housing and Communities (DLUHC) and the Geospatial Commission, to ensure alignment with broader government policies.

A shared understanding of sector practices, expectations and challenges is allowing HM Land Registry to implement measures that support customers, stakeholders and the wider property market. Together, we have explored different solutions such as e-signatures, digital deed technology and automation to make conveyancing simpler, faster and cheaper longer term.

Not all digital transformation requires the development of new HM Land Registry services, and we have continued to work with technology providers, the industry forum and our e-signatures working group on developments to our practice that enable the wider use of digital signatures and encourage the adoption of digital identity checks that meet our standard.

Land Registry Advisory Council

The 13 members of our advisory council represent a cross-section of industry voices who act as a key forum for representative organisations involved in the property market. The advisory council works together to identify opportunities to align strategies and policies across their membership to ensure the interests of stakeholders are considered in the development of HM Land Registry’s policies, services and channels.

The council met three times during 2021-2022. The most recent discussion focused on the forthcoming strategy and views on HM Land Registry’s interactions with the property market, open data, the move to digital applications, automation and removing obstacles to innovation.

The council members are:

- Building Societies Association
- Chartered Institute of Legal Executives
- CILEx Regulation
- The Conveyancing Association
- Council for Licensed Conveyancers
- Council of Property Search Organisations
- The Law Society
- Local Government Association
- PropertyMark
- The Royal Institution of Chartered Surveyors
- The Society of Licensed Conveyancers
- Solicitors Regulation Authority
- UK Finance



Land Registry Advisory Council meeting, Geovation HQ



Image: Ian Stone

Partnering across government

We have worked closely and collaboratively with DLUHC to investigate what could be done to improve the homebuying and selling process. This work has provided a strategic analysis of the entirety of today's home buying and selling socio-economic system, setting out potential roadmaps for government action, based on extensive engagement with a wide range of stakeholders.

We collaborated as a strategic partner of the Geospatial Commission on several initiatives. These included the development of a standardised methodology for valuing geospatial data across government, and evaluating our data against Quality, Findability, Accessibility, Interoperability and Reusability (QFAIR) standards. We continue to work together to explore how geospatial data captured by government bodies might most effectively be made available to help unlock opportunities and potential value.

We continued to align closely with the Department for Digital, Culture, Media and Sport's National Data Strategy *Unlocking the value of data across the economy*, exploring the potential opportunities for the property market that use of digital identity verification and qualified electronic signatures might bring.



Department for Digital, Culture, Media & Sport



Geospatial Commission



Department for Levelling Up, Housing & Communities

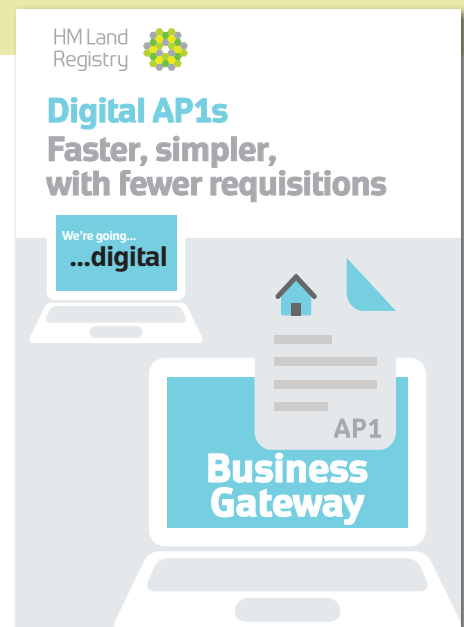
Building a community of customers to share ideas

“The style and level of engagement that HM Land Registry have started with Business Gateway is something that a lot of organisations should aspire to.”

Access Group, member of the Business Gateway Community

We have created a Business Gateway Community for the companies and software developers who use our Application Programming Interfaces (APIs) to access HM Land Registry services and data. Almost 300 customers are part of the community. It meets virtually every two months as an open forum where HM Land Registry shares updates relevant to Business Gateway users. Customers can share their issues and ideas for service improvements. As part of the community, customers are able to suggest and vote for new service ideas to inform our planning and prioritisation of work. More than ever before, HM Land Registry is able to give advance notice of planned changes and new service development and elicit early customer involvement in research and testing of service and schema designs. This means we are more likely to deliver services that meet customer needs and they can plan and schedule their own development work.

A good illustration of the community's success is our switch to new technology for our latest APIs. Customers told us that the technology we had been using in Business Gateway was becoming difficult to build with and putting some of them off using our APIs. After implementing the new tech, however, our first new service saw one customer learn about the new service, perform some initial testing, and make their first request against our live service in just three hours!



Fuelling innovation through Digital Street

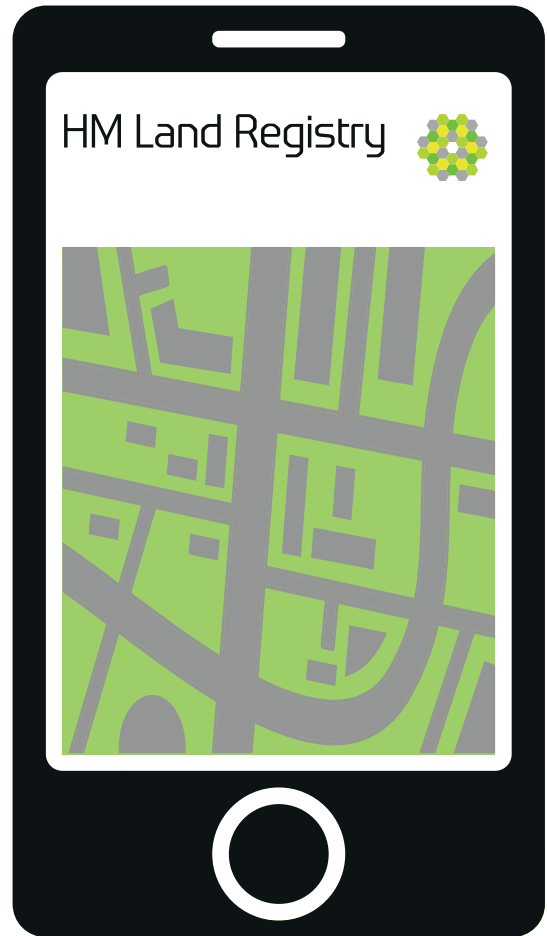
Over the last five years we have continued to support the PropTech industry through our Geovation Accelerator Programme, welcoming new startups onto the programme each year (see page 32).

In 2017, we launched Digital Street, our pioneering research and development programme. We have engaged with over 250 market participants to explore the use of Blockchain technologies and tokenisation in property ownership, the response and interest across the world was astonishing (details in Annual Report 2018-19). We intend to build upon and reinvigorate Digital Street. This will help us explore how market participants might continue to exploit emerging technologies and propose truly disruptive solutions and business models that can deliver transformational, personalised experiences for customers and the communities we serve.

Digital Street

Digital Street is HM Land Registry's research and development project, exploring what land registration might look like in the future.

The Digital Street community is made up of people from across the land and property sectors, discussing how emerging technologies might impact their and our work.



Our people

Simon Morris HR Director



Images: Simon Russell, Mike Lister, Kate Sim



Simon Morris HR Director

We've made real progress in creating a great place to work by focusing on an ambitious and healthy culture where all our people can thrive and develop. Our new people strategy builds on our successes and helps lay the foundation for our forthcoming Business Strategy. Enabling our people to progress and develop has maximised and improved our organisational performance, within a supportive and flexible environment. Our approach has been to empower teams and individuals to deliver an exceptional service for our customers.

Organisational agility and flexibility

To focus on performance and the needs of our customers, we need to ensure our colleagues have the tools and skills they need to adapt to changing customer requirements and are able to move at pace.

We have fully embraced hybrid working through collaborative team discussions and using a clear framework to support decision making. The framework emphasises effective team and individual contribution to meet business need with a focus on performance and customer outcomes.

Our approach blends the best elements of working in the office and remotely and aims to transform our workspaces, technology and practices, putting our customers, our people and our culture at its heart.

We continue to focus on building digital skills capability, supporting colleagues with a comprehensive learning package to reach the organisation's goal of becoming a digitally fluent workforce.

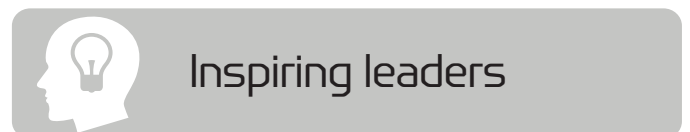
“Enabling our people to progress and develop has maximised and improved our organisational performance, within a supportive and flexible environment. Our approach has been to empower teams and individuals to deliver an exceptional service for our customers.”

Our Brilliant Teams, Inspiring Leaders programme has seen a wholesale transformation of how our casework teams operate and are led. It is the largest and most significant investment in Operations for over a decade, and puts us in a good place to ensure we have the skills and capability to deliver secure and efficient land registration well into the future. The emphasis is on local problem solving and collaboration, data-driven performance conversations and creating a healthy culture in line with our aspirations, and this high-performing, customer-driven mindset is at the centre of our approach to managing and developing our people.

Operational productivity from January to March 2022 is 15% higher than for the same period last year and engagement levels have shown an uplift in those offices that have completed and embedded the programme's principles.



Operational productivity
↑15%
 (January-March 2022 compared with previous year)



Attracting and retaining talent

Our national centre of excellence, the Land Registration Academy, teaches the fundamentals of what we do, and it is those skills which form the foundation of the expert services we deliver. It was launched in 2021 and we now have a nationwide network of trainers and a comprehensive suite of learning interventions which will ensure that expert knowledge is secured and passed on to future generations. We're focusing on accreditation for our trainers, offering casework progression courses, developing career and development pathways, and expanding our operational approach to lawyer technical training as well.

We have a strong cultural focus on diversity and inclusion. In April 2021, we published our Diversity and Inclusion (D&I) Strategy based around three themes: improving representation, creating an inclusive culture and embedding D&I.

Our highly active inclusion networks provide support for those who wish to join them, as well as providing a way for allies and supporters to engage on inclusion topics. Together they support HM Land Registry's objective to be a fully inclusive employer of choice and drive a wide range of organisational activities. For example, the disability network has been supporting user testing for assistive technology as new business systems are developed as part of digitisation and transformation programmes and projects. We raise awareness of inclusion through stories and blogs on topics ranging from menopause, grief and autism. The networks are developing a digital inclusion hub to encourage more collaborative campaigns and provide support for all colleagues and line managers. They have all supported our campaign to collate accurate and comprehensive diversity data to ensure we have the right information to plan effective inclusion policies and actions

We continue to push to improve representation through our recruitment practices. We recruit as widely as possible to attract the most talented people for the job and use standard methods to reduce bias, such as the removing of candidate names and any other identifying factors at the shortlisting and selection for interview stages. We offer the Disability Confident guaranteed interview scheme and ensure all our panel members are trained on supporting disabled and neurodiverse colleagues. A recruitment video has been produced to supplement the employee blogs along with candidate packs that highlight the networks and Disability Confident scheme.

We have an ongoing programme of work to reduce the gender pay gap. Measures include the use of inclusive language in our vacancies, offering flexibility of working hours and patterns as standard, and responding positively to the challenge of COVID-19 through policies supporting home-schooling parents. In 2021 our median gender pay gap (the middle point between our highest and lowest paid) reduced from 13.7% to 0% while our mean gender pay gap (or our average pay overall) reduced from 8.5% to 7.5%. While more work is needed on diversifying our workforce, our indicative ethnicity pay gap is encouraging, with a median gap of 0% and a mean gap of 2.1%.

Our commitment to fairness and inclusion was recognised in our latest People Survey with an 88% positive score in inclusion measures, a 2% increase on the year before. We also maintained our Disability Confident leader status.

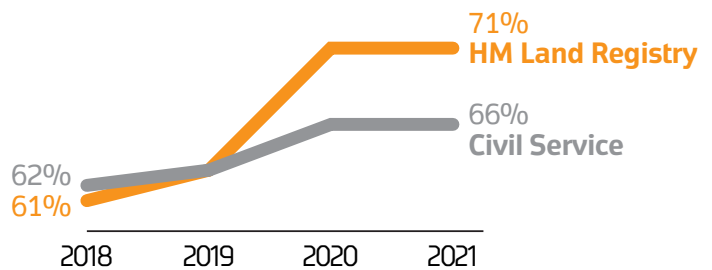
Making HM Land Registry a great place to work

We maintained our highest-ever engagement scores in the 2021 Civil Service People Survey which ran throughout October 2021. Overall, our Engagement Index score of 71% meant we rose from 20th to 17th out of the 101 Civil Service organisations that took part, and were the highest performing operationally focused Civil Service organisation of a similar size.

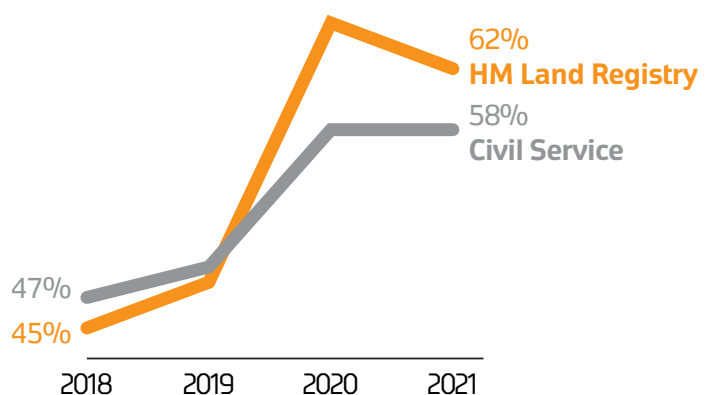
Our approach to visible leadership and championing the employee voice, wellbeing and development, strong employee relations and building a healthy culture have all contributed to our robust position.

We have regularly exceeded the ambitious engagement targets we set ourselves over the period of our previous People Strategy 2017-2022, and for Leadership and Managing Change we have seen our scores double from 33% in 2016 to 62% in 2021.

Engagement Index Score



Leadership and Managing Change



PERMA Index Score 74%
(Civil Service Average 74%)

Land Registration Academy – passing on expertise to future generations



The launch of the Land Registration Academy last year has provided a new national technical training framework and infrastructure to secure the expert knowledge of our caseworkers for future generations. This year 950 colleagues have received training.

Becky Davis (above) joined HM Land Registry as an Apprentice in 2016 and has also recently become an academy trainer based in Swansea. She says:

“I want to help deliver the same level of high-quality training that I have received since I started here in 2016. The academy is now delivering consistent training across the department using standardised syllabus and support material, but also encouraging continuous improvement by the trainers in order to deliver effective training for our new colleagues.”

Tracey Cutler (below) is one of our new academy trainers. She says:

“As an experienced caseworker for 30 years it’s important to pass on what I have learned. This is why I have loved being involved in training, coaching and mentoring. I was recently asked to review some training material and enjoyed it so much I successfully applied for the role of Training Instructor. I now contribute material to support future courses.”



Accelerated Development Programmes

We launched two pilot leadership talent programmes in 2021: ‘Step into Team Leadership’ for our team leaders of the future and ‘Step Up to Senior Leadership’ for our senior leaders. Thirty-five colleagues were successful at gaining places on these programmes and both will equip participants with the knowledge, skills and behaviours to become great leaders. They offer participants a unique opportunity to step outside their comfort zones as part of their learning and encourage them to understand better themselves, others and the collaboration required to be part of a successful team.

Award-winning mental health support

Supporting mental health and wellbeing remains a cornerstone of our healthy HM Land Registry culture and this year we gained a Gold award in the 2020-2021 MIND Workplace Wellbeing Index. It was recognition of our long-term commitment to mental health and the strength of our policies and practices – from our thriving network of mental health first aiders to the holistic approach we take to supporting our people to perform and stay healthy. We were 14th out of the 114 organisations that took part and one of only three Civil Service organisations to be recognised.



LR Leisure: fostering a sense of community

“We have an amazing group of people here and an incredibly supportive leadership at HM Land Registry. Together we have been able to tackle an unprecedented time, kept everyone connected and hopefully steered our way through to an exciting future.”

Paul Hayden, Secretary of LR Leisure

Our sports and social organisers, LR Leisure, have played an important role in fostering a sense of community both online and in person, with dozens of events taking place to join people together from football tournaments to online talent contests. These events have only taken place thanks to a network of volunteers who have helped organise them.

Supporting our HM Land Registry family and wider community

Our move to hybrid working has been mirrored by our inspirational social and sports network, LR Leisure. They have supported our community through a mix of virtual and real-life events ensuring that no-one feels left out.

This year the LR Leisure Council introduced lapel pin awards to recognise outstanding achievement by our unflagging volunteers. This is in addition to our annual People Awards, which celebrate the work our people do to develop and encourage our community spirit. The awards ceremony too became a hybrid affair, the live event being complemented by virtual streaming. In fact, it's been a bumper year for such activities, with the continuation of virtual events introduced during the pandemic being supplemented with the return of our live sports competitions.

A small number of colleagues received short-term financial assistance from the HM Land Registry Benevolent Fund, which has been entirely reliant on employee contributions for the last 83 years. Twelve requests for grants or loans supported individuals with personal debt, and the ongoing impact of the COVID-19 pandemic on household incomes and living arrangements.

Our local office committees have continued to support and entertain everyone through their range of charity and social events, sports and arts competitions, and the work of volunteers and charity committees. In 2021, £21,571 was raised for good causes, and we introduced a new national tier to our charity efforts this year running virtual national fundraising events for causes such as Comic Relief and Macmillan. We are proud of the work our people do to ensure everyone feels supported to be a member of our family.

From top to bottom: LR Leisure Awards, Leicester 2021; LR Leisure 5km runners, Battersea Park, 2022; Alix Jones, Telford Office, winner of L'euRevision song contest; Golf champions from our Durham Office, 2021



POD working is reaping rewards in Leicester

The Brilliant Teams, Inspiring Leaders programme is changing the way our teams of caseworkers are organised and led. Teams are called PODS and with a focus on local problem solving, there is a greater emphasis on effective daily conversations around tasks, performance and support.

Sarah MacLeod (below), Registration Officer OS1 Searches Team, Leicester Office, says:

“We have regular discussions about resourcing and performance but blended with celebrating our achievements and our wellbeing. We take time to ask people how they are and to celebrate team and individual successes. It is a lovely surprise to see a ‘star’ added to our success board from a colleague.”



700 apprentices in 7 years

Over the past seven years, HM Land Registry has offered over 32 different apprenticeships. Now our award-winning apprenticeship programme has reached another milestone. **Caroline Walters (below)**, our 700th apprentice, is completing a Level 5 Coaching Professional Apprenticeship. She says:

“With the encouragement and support of colleagues I applied and was accepted on the programme. When I complete it, I will have achieved a recognised qualification, improved my coaching practice and will now be able to offer coaching to others within the organisation.”



Unity and strength through inclusion

Our Disabled Employee Network has continued to support us through user testing of our systems to ensure they are accessible for all, and exploring the needs of neurodiverse colleagues. Members have worked with the Women’s Network to consider how neurodiversity affects women in particular. The Women’s Network has also been active in ensuring we have made good progress with our actions to close our gender pay gap.

Our Pride Network created events and information for LGBTI+ History Month around the theme of history of LGBTI+ art, including a collaborative art timeline, a music playlist and a roundtable discussion. Its members also joined together with our Faith and Belief Network to explore the complex relationship of sexuality and religion. The Faith and Belief Network has held a range of events with prominent outside speakers to develop understanding between people of all faiths and none.

Our network for colleagues from minority ethnic backgrounds has continued its campaign to improve workforce diversity. Colleagues have been supported to attend both external and internal workshops to increase awareness of ways to make recruitment and internal progression open and fair for all.

The age and carers networks have joined their counterparts in working to ensure all colleagues feel supported in holding proactive conversations with their line managers to remove barriers, allowing everyone to reach their full potential at HM Land Registry.



HM Land Registry has supported national campaigns celebrating diversity such as Autism Awareness Month and International Women’s Day, plus featured personal stories to bring to life and celebrate difference.

Performance analysis and financial review

Iain Banfield Chief Financial Officer



Caban Coch dam on the River Elan in Wales, built over 100 years ago to supply water to Birmingham. Our Bulk Applications team amended the register for this and over 4,000 other properties to show the new address of the owner Dŵr Cymru. Image: Shutterstock/Allen Paul Photography



Iain Banfield Chief Financial Officer

Financial review

HM Land Registry has been funded through the Parliamentary Estimates process since the revocation of trading fund status on 1 April 2020. HM Land Registry's costs are set out in the Statement of Consolidated Net Expenditure (SoCNE) and our Statement of Financial Position (SoFP) sets out our balance sheet position as at 31 March 2022. All fees, charges and commercial income are captured through our Trust Statement and surrendered to HM Treasury (HMT). Detailed financial statements for both can be found on pages 98 to 101 and pages 125 to 127.

Although this is the second year of our new reporting framework, 2021-22 still saw some significant accounting changes following the introduction of a new technical international financial reporting standard (IFRS 16). The new standard means all leases are, essentially, recognised as financial leases and as such recognised on HM Land Registry's Statement SoFP. This accounting treatment has resulted in a one-off Capital departmental expenditure limit (CDEL) expenditure of £67.7m in 2021-22, which primarily related to freehold and long-leasehold properties transferred to the Government Property Agency (GPA) in 2020-21.

Financial summary

Our main financial objective going into 2021-22 remained that of continued investment in the short-term capacity and capabilities we need to service the day-to-day demand for our services in a buoyant housing market, alongside the longer-term transformation required to make sure those services become more resilient to market volatility.

The year saw a significant increase in demand for our services with 5m applications submitted to update or change the register, a 24% increase on last financial year. We have invested significantly in our capacity and capability to try to keep up with this demand. We have increased our casework capacity by 390 over this last year. We have improved the effectiveness of our systems through innovations such as the Digital Registration Service (DRS) £4m and Application Processing (AP)

“Our main financial objective going into 2021-22 remained that of continued investment in the short-term capacity and capabilities we need to service the day-to-day demand for our services in a buoyant housing market.”

£9.7m. These systems will improve the accuracy of applications coming into HM Land Registry, increase the efficiency with which they can be processed, and lay the foundations for greater end-to-end automation of our services. We have also continued to invest in the training and development of our people through programmes such as Brilliant Teams, Inspiring Leaders and the progression of 180 caseworkers to enable them to tackle more complex cases.

This investment has been managed within our overall parliamentary control totals with underspends against both Resource departmental expenditure limits (RDEL) and CDEL. The primary reasons for this are some recruitment delays, underspends driven by the adoption of the new technical accounting standard IFRS 16, changes in the useful economic lives of some fixed assets and some changes to the schedule of local authorities migrating to the Local Land Charges Register (LCC). This meant we underspent against RDEL and CDEL control totals by £14.2m and £19.4m respectively. However, our RDEL cash outturn, our largest budget which accounts for our day-to-day operational expenditure, was within 1% of our budget.

Summary table 2021-22	Outturn	Estimate
In £000	Total	Total
Departmental Expenditure Limit (DEL)		
Resource – cash	352,819	356,044
Resource – non-cash	11,774	22,710
Total resource	364,593	378,754
Capital	109,507	128,868
Total	474,100	507,622
Annually Managed Expenditure (AME)		
Resource	(307)	12,000
Capital	-	-
Total	(307)	12,000

Resource Accounts (RDEL) financial review

	2021-22	2020-21
	£m	£m
Staff costs	269.2	243.7
Purchase of goods and services	76.6	70.5
Depreciation and amortisation charges*	11.8	11.8
Indemnity payments including legal costs**	5.8	5.6
Total operating expenditure	363.8	331.6
Finance income/expense	1.2	0.6
(Profit)/Loss on disposal of non-current assets	-	-
Net resource expenditure for the year	364.6	332.2
Other provisions utilised	-	0.5
Total resource DEL	364.6	332.7

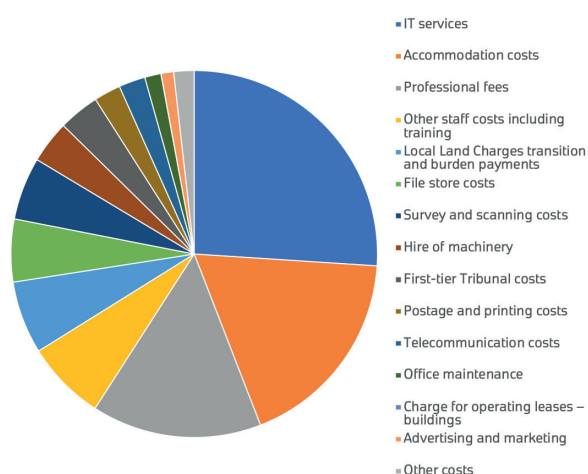
* Excludes impairment charged to Annually Managed Expenditure (AME).

** Excludes movements in the indemnity provision (classified as AME).

Staff costs

We recruited more expert colleagues and funded increased overtime to help manage demand for our services. Our average full-time equivalent headcount increased from 5,503 to 6,072 at 31 March 2022. This contributed to an increase in staff costs for our business-as-usual activity, rising from £243.7m in 2020-21 to £269.2m in 2021-22.

Purchases of goods and services



The key areas of spend and their movements from 2021-22 were:

- IT services, including maintenance of equipment and licences, increased from £16.1m to £19.9m in 2021-22, which reflected the additional costs associated with delivering our transformation programme and ensuring our back office systems would support our frontline colleagues;

- professional services, which have increased from £10.2m to £11.5m in 2021-22 in line with additional transformation activities. This largely relates to spend through our digital delivery partners; and
- a reduction in accommodation costs of £3.5m from £17.3m which relates to the change in IFRS 16 and the recognition of all leases as finance leases, as opposed to operating leases.

Depreciation, amortisation, finance costs and indemnity payments

Depreciation increased by £3.3m as a result of new Government Property Agency leases alongside continued investment in our systems and fixed assets. Amortisation decreased by £3.3m as a result of the net effect of reviewing the Useful Economic Lives of our intangible assets. We also incurred £1.3m of costs relating to interest on finance leases as part of the adoption of IFRS16. Finally, our non-staff costs also include the impact of our state-backed guarantee of title, which helps to underpin the integrity of the register. It provides protection for victims of fraud or error. In 2021-22, £5.7m (including HM Land Registry legal costs) was paid out against 598 claims, a small increase of £0.2m when compared with 2020-21.

IFRS16 Finance Leases Implementation

HM Land Registry adopted the new leases accounting standard IFRS16 from 1 April 2021. This standard requires that all leases which meet the recognition criteria be brought onto the balance sheet, alongside the associated lease liability.

The impacts on our financial statements this year are as follows.

- Four of our existing operating leases have been recognised as finance leases, bringing £4.6m of lease assets onto our Statement of Financial Position. This balance is shown as a restatement to our financial statements using the 'cumulative catch-up method'. This means that prior year comparatives are not restated, and the change is shown by adjusting opening balances. This has no budgetary impact as per the HM Treasury IFRS 16 implementation guidance.
- On 31 March 2021, HM Land Registry entered into an agreement with the GPA to transfer our freehold and leasehold properties at nil consideration but with a resulting removal of assets valued at £52.7m from HM Land Registry's Statement of Financial Position (SoFP). These properties are now leased from the GPA with rent payments commencing on 1 April 2021. The new leases are recognised as finance leases bringing 'right to use' assets of £67.7m onto the SoFP. The capitalisation of these leases is shown as an addition in year and the capital funding for this was provided by HMT.
- There is a corresponding lease liability of £74.2m recognised which relates to both the existing leases and the new GPA leases outlined above.

The expenditure recognised under IFRS16 for these leases includes a £6.1m depreciation charge relating to the right to use assets and a £1.3m finance charge.

Capital expenditure (CDEL)

Total capital expenditure in 2021-22 was £109.5 million. A total of £67.7m of this relates to new leases for the properties transferred to the GPA in March 2021.

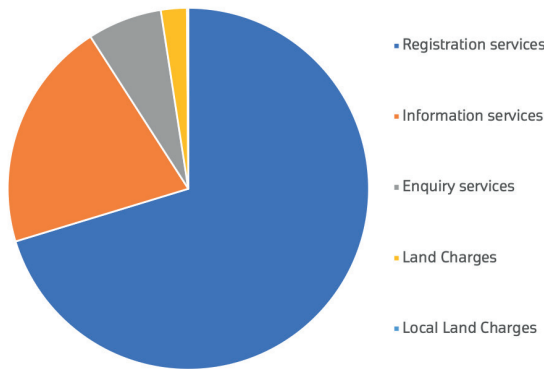
The remaining capital expenditure was £41.8m, including £35.9m on our transformation programme. This mainly related to IT, software and capitalisation of Local Land Charges (LLC) development costs.

Annually managed expenditure

In 2021-22 we incurred a credit of £0.3m relating to the downward revaluation of the indemnity provision by the Government Actuary’s Department offset, in part, by an impairment against an IT mainframe asset.

Further information on outstanding claims and Incurred But Not Reported (IBNR) provisions – including sensitivity analysis that reflects the estimated nature of the IBNR liability and susceptibility of the provision to fluctuation – can be found in note 14 to the accounts.

Fees and charges



HM Land Registry collects all fees and charges and surrenders them to HMT upon completion of the work. In accordance with a direction from HMT, this income is now reported in a separate annual Trust Statement. The property market in England and Wales remained buoyant for the whole of 2021-22 following the outbreak of COVID-19 and changes to stamp duty land tax rules. In 2021-22 we collected fees of £366.1m from customers with £314.7m worth of applications processed during the year. As a result, over 2021-22, balance of Fees Received in Advance (FREDA) has increased by £51.4m, taking the total to £148.4m million as at 31 March 2022. This balance will be worked down as we increase our daily capacity above the number of applications that are received each day.

54.5% of our fees related to updates to existing titles in the register (for example change of ownership), which accounted for £173.9m. 14.9% related to the creation of new register entries (such as first registrations, transfers of part and new leases) which accounted for £47.4m.

This year we increased some of our land registration fees for the first time since 2009. On 31 January 2022 fees increased for first registration and for the registration of transfers, leases and mortgages of property (scales 1 and 2) applications. In the majority of cases the fee increased by 11% for those submitted electronically and 21% for those submitted by post.

Our other major income stream came from guaranteed query services, which are critical steps in every property

transaction and where we see our largest volume of demand. These are pre-completion services which are vital to the running of the property market and are largely delivered instantaneously. In 2021-22, guaranteed query services accounted for £64.7m.

Information services enable users to go online to get a snapshot of any registered plot of land or property. These generated £21.0m in 2021-22.

We also provide other land and property services. Our digital Land Charges service protects interests in unregistered land and we maintain the bankruptcy index for England and Wales. Our Agricultural Credits Department maintains a register of short-term loans secured on farming stock and other agricultural assets. Together these generated £7.3m. In addition LLC provided £0.4m of income in 2021-22.

Other income

Additionally, we offer commercial data services for customers in the property market and wider economy. Income from the commercial release of our data generated £4.2m in 2021-22.

Aside from income derived from our services, we received rental income of £2.7m from investment properties held by HM Land Registry. This income is reported in our resource accounts, but is surrendered to HMT rather than being retained by HM Land Registry.

2022-23 onwards

Following on from the Autumn Spending Review HM Land Registry has received a three-year settlement for both RDEL and CDEL. The longer-term certainty allows HM Land Registry to continue to invest in frontline capacity and transformation while accelerating the rollout of the LLC Programme. HM Land Registry has been allocated RDEL (excluding depreciation) of £393.5m in 2022-23, £389.2m in 2023-24 and £383.7m in 2024-25. The department’s Capital Departmental Expenditure Limits (CDEL) will be £65.6m in 2022-23, £60m in 2023-24 and £59.1m in 2024-25.

Improving our services – Transformation

In order to achieve our ambitions, our strategy depends on investment in transforming the services we provide and how we provide them. In 2021-22, we invested £24.8m (excluding LLC) of RDEL in our ambitious change programme, an increase of £2.1m from 2020-21. In addition we spent £25.1m on transformation CDEL.

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

We continued to accelerate the progress of the LLC Programme with 21 new local authorities migrating to the service (as set out on page 26) which incurred costs of £8.8m (RDEL) and £10.8m (CDEL). The programme continues to deliver more, in line with the Government’s ambition, and plans to migrate the remaining local authorities in the next three years.

Business planning summary 2021-22

Following the unprecedented challenges imposed by the COVID-19 pandemic on HM Land Registry and the property market, the 2021 Business Plan was established to support both the UK's economic recovery and the delivery of our longer-term ambition to improve service standards.

Overall, we have successfully delivered 17 of our 27 key deliverables on time during the year. Of note:

- we have increased our caseworker capacity;
- our Customer Support Centre achieved accreditation from the Institute for Customer Service for customer service excellence;
- we continued to invest in our people through the launch of a Diversity and Inclusion strategy and the rollout of the Brilliant Teams, Inspiring Leaders programme;
- we have made more data available to our teams to enhance performance-led conversations and drive continuous improvement; and
- we structured 60% of our register title data, laying the foundations for future automation.

We have carried over/progressed the remaining 10 deliverables through the business planning cycle for 2022-23+ where we expect to deliver the remainder in the first few months of 2022-23.

Corporate performance framework

Internal health of the organisation

Outcome focus of the organisation

Outcome-focused KPIs

Output-focused KPIs

There is trust and confidence in land ownership

The conveyancing process is quick, easy and secure

Property data support a stable and innovative UK economy

1 Customer trust in the integrity and accuracy of the registers

Do our customers trust the information held in the Land Register?

2 Customer satisfaction

Are we delivering a service that aligns with our customers' needs?

3 Staff engagement
How connected do our colleagues feel towards their work and our organisation?

4 Cost of our services
How efficiently is our organisation being run?

5 Accuracy of new entries in the register
How are changes to the register impacting register integrity?

6 Applications completed
Does HM Land Registry have the right capacity and capability to deliver its services in a timely manner?

7A Speed of our services
How long do applications spend in HM Land Registry (excluding time spent awaiting a customer response and other third party action)?

7B Time taken to change the register
How long does it take for the register to accurately reflect ownership?

Edenbrook Village in Fleet. A number of new houses were registered by Weymouth Office this year. When complete, the development will include 600 new homes, an 82-acre country park, a brand new leisure centre, sports pitches and BMX track.
Image: Alamy/Sam Oaksey

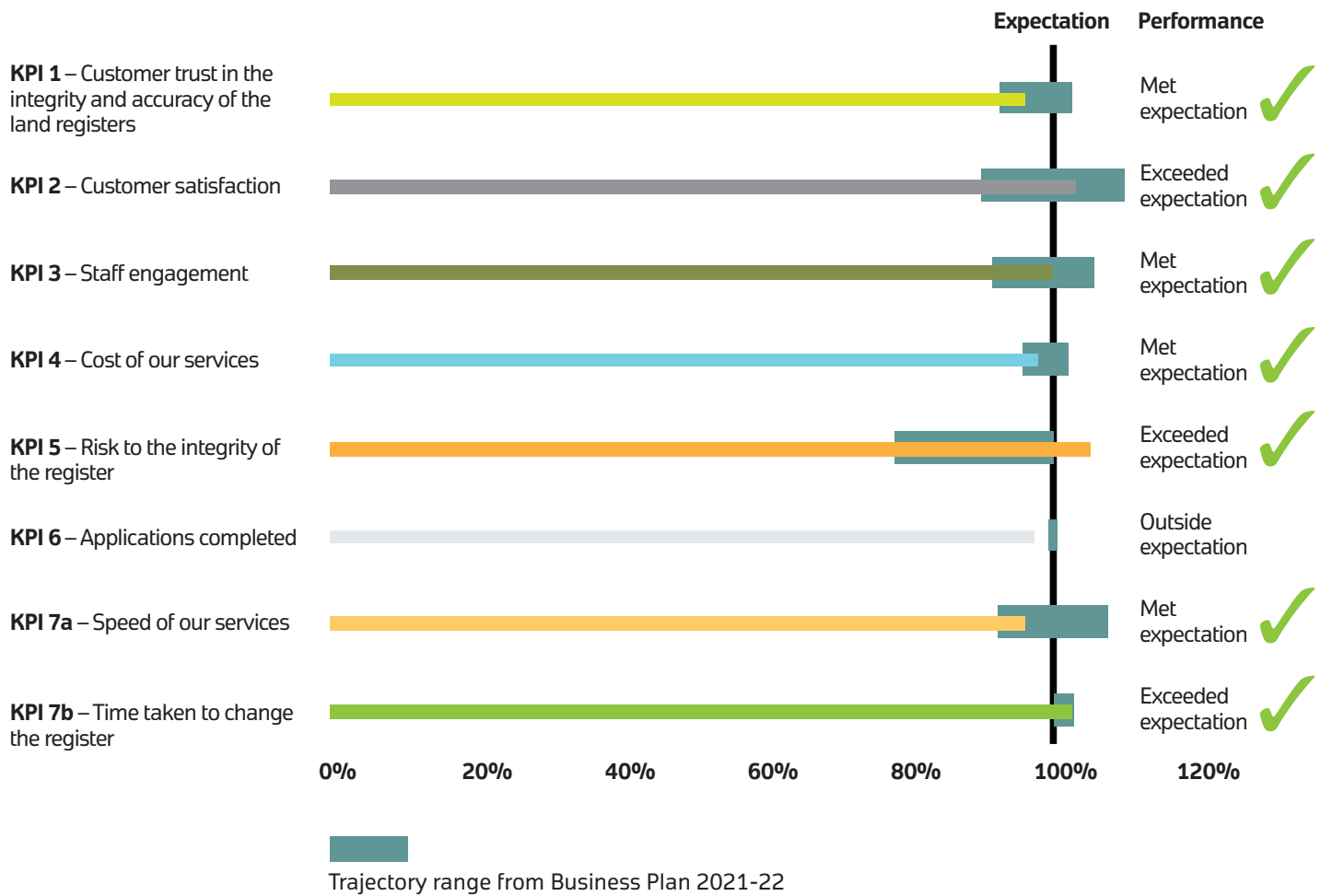


Strategic planning and performance

Key Performance Indicators Assessment

Performance on the whole has been strong this year. We consistently delivered the services necessary to keep the market moving and increased our output of post-completion services (updating or changing the register) over the past year.

We introduced a new corporate performance framework at the start of this year to ensure we were monitoring a balanced scorecard of performance indicators. The diagram below illustrates how our end-of-year performance compares against the expectations set out in our Business Plan. Performance was within (or better than) expectations for seven of our eight Key Performance Indicators, details of which have been provided below.



KPI 1 Customer trust in the integrity and accuracy of the land registers	Our ability to ensure the integrity and accuracy of the registers was rated as good to excellent by 77% of customers (Q4 2021-22). This is within the trajectory range set out in our Business Plan. Performance against this KPI is strong and has been broadly consistent over the years, 80% for 2020-21 and 78% 2019-20.
KPI 2 Customer satisfaction	Our service was rated as good to excellent by 63% of our customers (Q4 2021-22), within the trajectory range set out in our Business Plan. This is down 7% on the same period last year, though critically satisfaction varies by different users of our services and is considerably impacted right now by the speed of our services (see below) for applications to update or change the register. Satisfaction levels for customers who only use pre-completion services, including requests for information, remains high at 85%.
KPI 3 Staff engagement	Our People Survey results are among the best in Whitehall with a 71% engagement score. These results are equal to those we achieved last year and have shown considerable resilience over the COVID period, reflective of the investment in our people over the past five years.
KPI 4 Cost of our services	The rolling 12-month Cost of our Services was £47.90, down £4.70 on last year. The positive improvement in our output over the past year has driven down the average cost of delivering our services, though it remains outside of the trajectory range set in our Business Plan as output did not quite reach the levels anticipated (see below explanation under KPI 6).
KPI 5 Risk to the integrity of the register	This KPI looks at the quality of new entries to the register and quantifies the impact of any errors found in terms of their frequency and impact. Our ambition is always to reduce the risk profile, which is baselined at 1.0 at the beginning of each year. Ongoing improvement activities around critical check points have contributed to an end-of-year score of 0.95, which represented a positive reduction in risks to the integrity of the register and is well within the trajectory range set out in the Business Plan.
KPI 6 Applications completed	Over the 12-month period as a whole, we output 97.9% of the applications we received to update or change the register, which is outside of the trajectory range but up 0.3% on last year. Output levels rose throughout the year, and in the last quarter output equated to 99.8% of intakes. There are several reasons performance in this area was below expectations. The first is the market has been buoyant this year, and while the provision of these services is largely manual today, our ability to track changes in market demand is limited. Our automation plans should limit this sort of impact in the future. Progress with digital transformation was slower than expected in the year, which impacted our overall productivity. We increased our operating capacity by 145 full-time equivalent over the last year and invested in developing the skills of 978 caseworkers, with a focus on more complex post-completion services. As we build the capability of our people, we have seen fluctuations in casework efficiency, but overall productivity improved over the last quarter in particular.
KPI 7a Speed of our services	HM Land Registry processed over 134,000 service requests every day in 2021-22. Approximately 85% were information services requests. These are the pre-completion services that are vital before housing transactions complete and people can move into their new homes. The vast majority of these are automated with customers receiving a response on the same day, and the remainder are delivered within three days. Applications to change or update the Land Register make up the other 15% of requests. These are post-completion applications which, while important to the overall accuracy of the Land Register, do not hold up housing transactions. The average time in which we processed an application over the past six months was 27 working days, which is within the trajectory range set out in our Business Plan. We also offer an expedite service with over 95% of requests for expedition delivered within ten days. While average processing times remain consistent with the end of last year, we are conscious that average is too high and there is a wide range of customer experience meaning some applications are taking almost ten times the average. This past year was about increasing our operating capacity so output reached intakes (KPI 6), and the years ahead will be about improving the speed of services for our customers as outlined in our 2022-25 Business Plan.
KPI 7b Time taken to change the register	Our final operational measure reflects the accuracy of the register as a dataset at a given moment. At the end of Q4, it was taking 206 working days for the register to reflect 95% of all known changes (that is those lodged by a conveyancer), including the time that an application spends back with customers to correct errors. This metric will become increasingly important as we look to maximise the value of our data as set out in the 2022-25 Business Plan. We have a large number of metrics and measures that support this performance framework, updates on which are provided to HM Land Registry's Executive and Non-Executive Boards (as well as other committees) on a regular basis.

Business planning deliverables 2021-22

Delivering what our customers are telling us they most need right now

Deliverable	Achieved 2021-22	Carried over 2022-23
Implement the agreed Operations Resourcing Plan, including recruitment, progression and in-grade development to increase capability and capacity (net additional caseworker capacity of 320 full-time equivalent by March 2022).	Green	
Continue to develop the Land Registration Academy, designing and implementing high-quality, accessible training and professional development to build critical/key capability by March 2022, and delivering a range of continuous development options to enhance land registration expertise by March 2024. Agree proposed approach to professional accreditation by March 2022.	Green	
Enhance Management Information (MI) to support operational and strategic decision-making, by developing more granular availability data to allow us to understand productivity and utilisation, and by developing tools to automate more of our MI production. Develop tools to allow managers to self-serve and recombine a wide range of data, supporting data-driven decision-making throughout the organisation through establishing tools to enable real-time availability and reducing time on developing MI packs by January 2024.		Orange
Get the Customer Support Centre accredited by ServiceMark from the Institute of Customer Service, demonstrating best in practice in the UK by September 2021.	Green	
Conclude the initial roll out of Brilliant Teams, Inspiring Leaders, an initiative to invest in developing our people, equipping managers and leaders with the skills to devise a coaching and outcome-focused culture, driving engagement, performance and a positive customer experience, across 13 locations by the end of March 2022 and all offices by the end of May 2022. Develop internal operational excellence capability and embed Brilliant Teams, inspiring leaders.	Green	
Progress the Comprehensive Registration Strategy, creating a more definitive record of property ownership in England and Wales by 2030.	Green	
Forty per cent of all applications received via the Digital Registration Service by the end of March 2022.		Orange
Sixty per cent of all register update applications processed in our new Application Processing system, providing a more efficient service and supporting digitisation and opportunities for future automation of casework by March 2022.		Orange
Progress the Digital Register, which aims to enable digitisation and automation of internal processes by making data machine readable, with 60% of title data structured by the end of 2021-22.	Green	
Eighty per cent of register update applications handled through workflow; our internal work allocation tool, by January 2022.	Green	
Launch 'Search for land and property' tool (currently in private beta), enabling customers to apply for official copies and monitor property within our new service, removing the need for Property Alert by 2021-22.	Green	
Introduce a new API Gateway making it easier for customers to access and consume business-to-business services by the end of 2021-22.		Orange

Enabling and driving change, pace and innovation in the property market

Deliverable	Achieved 2021-22	Carried over 2022-23
Collaborate with the Geospatial Commission to understand how we can improve the quality, findability, accessibility, interoperability and reusability (the QFAIR principles) of our data, to enable future development and new use cases for unlocking additional value. Review to be completed in 2021-22		
Migrate local authority (LA) data into the Local Land Charges Programme according to the schedule below:		
2021-22 – migrating over 30 LAs across England and Wales		
2022-23 – migrating over 70 LAs across England and Wales		
2023-24 – migrating over 70 LAs across England and Wales		
Publish three further datasets and enhance existing datasets in accordance with FAIR principles (FAIR data are Findable, Accessible, Interoperable and Reusable) and reviewed by April 2023.		
From 75-85% of approved publishable datasets available on our new data publication service, making it easier for our customers to access our data by April 2024.		
Pilot a new lawyer certification scheme in 2021-22 to support its introduction across all application types to change the register (a key to automation).		
Introduce Qualified Digital Signatures, which will reduce the burden on our customers by making the signing process simpler by the end of 2021-22.		
Deliver a Spending Review settlement that secures the budget and flexibility HM Land Registry needs to deliver against its priorities over the planning period, autumn 2021.		
Deliver an incremental fee uplift as required within HM Land Registry's SR20 settlement, Q2 2021.		
Deliver a longer-term review of fees and charging strategy, including a public consultation planned for December 2021.		

Modernising our organisational culture and ways of working

Deliverable	Achieved 2021-22	Carried over 2022-23
Launch our Diversity and Inclusion Strategy in 2021, measured against associated governance and delivered against agreed associated action plans.		
Develop and embed apprenticeship programmes that provide high-quality entry routes and development programmes that support our Business Strategy and People Strategy objectives by October 2023.		
Launch a Culture Model using the Leadership Group as the key dissemination route for embedding principles and to ensure team and directorate action plans are in place by June 2021 and measurable from Q2, with assurance and reporting through to the People and Estates Committee.		
Progress the Smarter Working Programme, which seeks to establish a hybrid approach to how our people will work in the future. This will be an iterative process, enabling our expert people to meet the needs of our customers while driving efficiency. The internal capability to deliver this will be established by the end of 2021-22.		
Enable our people to work seamlessly and flexibly across locations, including home, by replacing all desktop personal computers with laptops and investment in modern workplace technologies by the end of 2021-22.		
Close all HM Land Registry's privately operated data centres as part of a strategic move to government-shared hosting over the next three years.		

Although we did not deliver all of our business plan deliverables during 2021-2022, they were either re-prioritised and did not impact on our operational ambitions for the year (launching our 'Search for Land and Property' tool, the postponement of the second phase of work on our fees, release of more publishable datasets) or have been carried over and will be delivered through our Business Plan 2022-25.

Sustainability



Carbon
42%
reduction



Water
49%
reduction



Waste
66%
reduction



Paper
31%
reduction



Waste
recycled
71%



Waste to
energy
process
29%



Sustainability governance

Compliance with environmental legislation is managed through the Environmental Management System and internal meetings within HM Land Registry and with the facilities management provider. This is administered by the Sustainability Manager in conjunction with our senior facilities business partners and Total Facilities Management provider.

HM Land Registry has appointed a new Head of Sustainability to oversee all aspects of delivery.

Overall delivery of additional requirements of Greening Government Commitments

The Greening Government Commitments (GGC) targets continue to drive central government to be more sustainable and ensure the requirement of the Climate Change Act (2008) that a reduction in greenhouse gas emissions is delivered by 2024.

Climate change adaptation

Climate change impacts are considered during the implementation of building works and projects. We use information collated in building condition surveys and forward maintenance plans as part of our sustainability reduction strategy while carrying out major

refurbishments, relocations or when delivering significant building plant replacement. A review of climate change adaptation is planned for 2022.

The delivery of the Government’s Net Zero programme forms part of the considerations across several areas of business delivery in HM Land Registry, including Commercial, Digital, Data and Technology and Facilities Management. Facilities Management delivers reductions as part of maintenance and wider property management decisions. Activity has continued through the Government Property Agency on several major Net Zero works. We are working across the organisation to deliver a Net Zero plan in line with GGC and the Department for Business, Energy, and Industrial Strategy.

Risk assessments and action plans to be reviewed and implemented where required during the 2022-23 financial year.

Biodiversity and the natural environment

We recognise the importance of biodiversity in the built environment. Biodiversity plans have been created and are being implemented at Telford and Weymouth. This process will continue as sites are identified as benefiting from future enhancements.

	Achieved	Target for 2022	On target/achieved?
Carbon	42% reduction	62% reduction	On target
Waste arising	66% reduction in waste generated 71% recycled 0% landfill 29% Waste to Energy process	Reduce the amount of waste generated by at least 25% Recycle or compost at least 70% of waste and landfill less than 10% of waste	Achieved
Water consumption	49% reduction	Reduce the amount of waste generated by at least 8%	Achieved
Paper consumption	31% reduction	Reduce our paper use by 50% from 2017/18 baseline	On target



Area		Performance	
		Actual (£'000)	2022 reduction target
Energy: greenhouse gas emissions, all areas within scope	carbon emissions (tonnes)	3,416	4,834
	expenditure (£)	1,626	
Waste	consumption (tonnes)	354	979
	expenditure (£)	84	
Water	consumption (m)	20,978	39,645
	expenditure (£)	100	

Carbon

We have increased consumption of electricity against last year's use by 48% and reduced against the baseline year 2017/18 by 4361 KWh. This reflects the reduced use of our buildings while remaining open to deliver essential services.

Gas consumption has continued to increase, this year by 1,075 KWh over last year and increased against the baseline year by 1,325 Kwh which is a 17% increase.

Our overall carbon emissions have reduced since 2017/18 and are at 3,416 tonnes, a reduction against the baseline year of 42%. See Appendix C for historic trend data.

Carbon from domestic flights to be reduced by 30% by end of March 2025 is a new target set in the current GGC. In the baseline year HM Land Registry had a total of 351 domestic flights with a carbon impact of 18.03 tonnes. Current financial year had 25 domestic flights with a carbon impact of 2.44 tonnes resulting in a carbon reduction of 86%.

No international flights were undertaken by colleagues in this financial year.

A review and update of the Travel Policy will include the requirement to use lower carbon options for all reasons of travel as set out in the GGC requirements.

Waste

The target set is to reduce the overall amount of waste generated by 15% from a 2017/18 baseline and strive to reduce it further, recycle or compost by 70%, and send less than 5% of waste to landfill.

In partnership with our waste providers, we have moved over the year to achieving zero waste to landfill and this has continued throughout this financial year.

We are currently meeting the above targets, with the amount of waste generated reduced by 66% and 100% of all waste is recycled or incinerated for energy conversion (29%) rather than going to landfill.

Waste management is delivered through two routes. Paper is managed through a confidential disposal contract outside of the facilities management

arrangements. Other waste is delivered through the facilities management contract.

Paper equates to 58% of waste arising and 130 tonnes was sent for recycling. Our overall reduction in waste generated since 2017/18 is 66%. See Appendix C for historic trend data.

GGC targets also require the removal of consumer single use plastics (CSUP) from the government estate. HM Land Registry is aiming to set the baseline use of CSUP across the estate in the current financial year. Stationery suppliers are yet to advise on the number of items used in financial year 2021/22. The Facilities Management contractor has advised that 28,385 items of CSUP were used across the estate in the financial year.

Water consumption

The target is to reduce water consumption by 8% from a 2017/18 baseline.

A 49% reduction in water consumption has been achieved against a target of 8%. This reduction continues to be measured against a lower occupancy than was evident in the baseline year due to the COVID restrictions still in place for most of the year and the move to hybrid working from September 2021.

Paper usage

The GGC reduction target to reduce our paper use by 50% from a baseline year of 2017/18 shows a current improvement of 31% of A4 equivalent. Our digital services programme and our move to on-request printing are continuing to have a significant impact. Paper consumption has increased on the use in 2020/21 reflecting higher demand for HM Land Registry services and more on-site printing by colleagues as office attendance increased.

Sustainable procurement

HM Land Registry's purchasing policy pays proper regard to sustainability, including environmental issues, and still securing best value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment. Through our investment choices around technology and the workplace we will contribute directly to achieving GGC targets. Details of

any social, economic or environmental requirements that suppliers need to be aware of will always be included in our invitation to tender documents and we are committed to engaging with our suppliers to ensure they recognise and understand their role in supporting sustainability.

Information and communications technology and digital

Our commitment to Government’s Net Zero carbon requirements includes ensuring upgrades or replacement of any information and communications technology (ICT) and digital equipment, hosting or supporting mechanical and electrical infrastructure, must perform better than the equipment being replaced. We comply with all relevant environmental legislation and key Government objectives, including reporting annually to the Sustainable Technology Advice & Reporting (STAR) Team. We ensure 100% of all decommissioned ICT equipment is reused, recycled or disposed of environmentally and ethically.

We aim to run our data centres as efficiently as possible. Currently we run at an annualised PUE (Power Usage Effectiveness) of 1.8 across our on-premises data centre estate. This is an improvement over the past 12 months from an annualised PUE of 2.2. We achieved this by using a mix of deploying energy efficient ICT equipment and smarter utilisation of data hall space, including raising the operating temperature of the data centre rooms in line

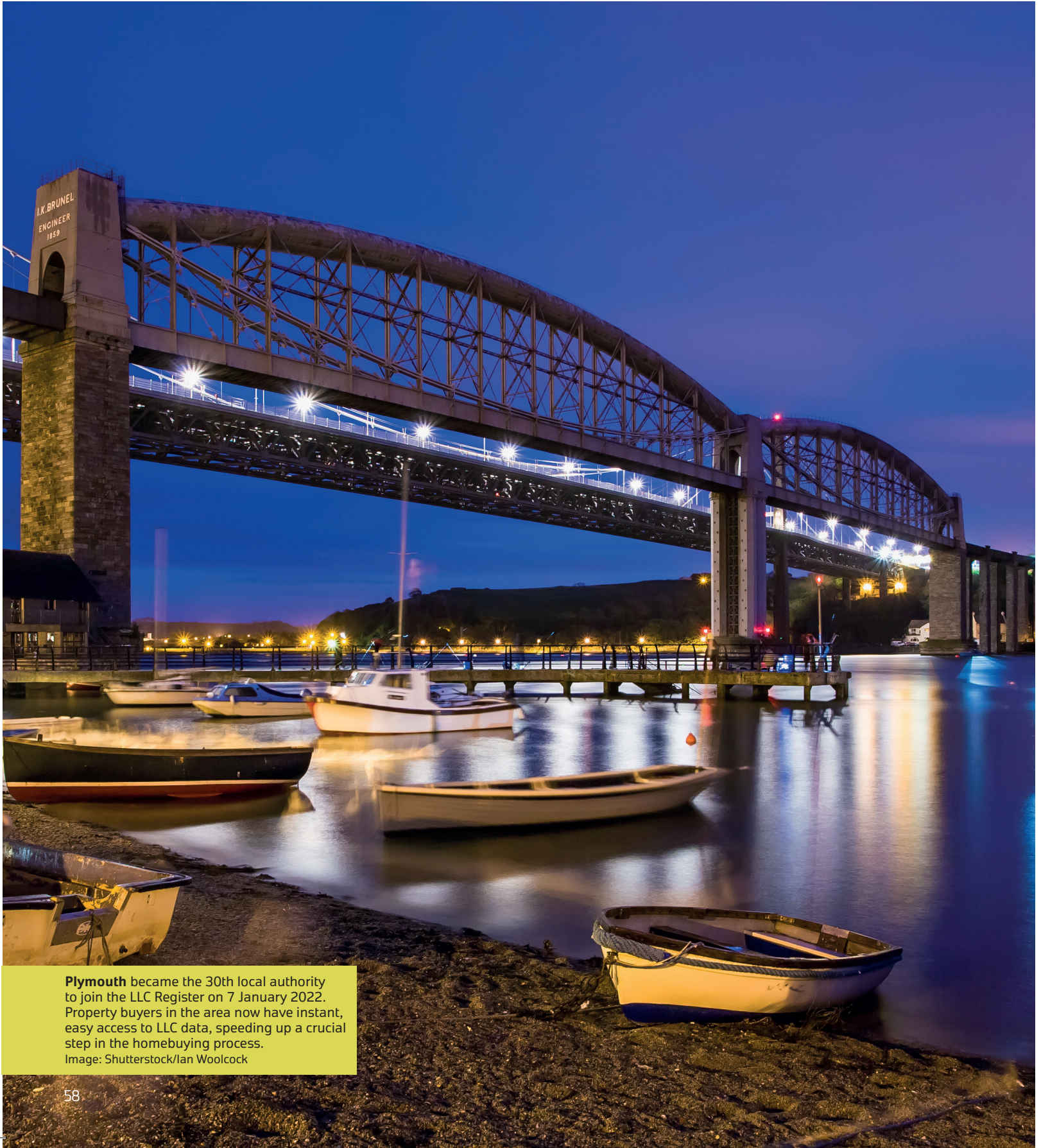
with ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) best practices. We have reduced our ICT power consumption by over 15% in the last 12 months.

Our ICT and digital hosting model is both virtual and physical. For our virtual hosting model we aim to be Cloud first. As well as assessing the ICT requirement, we assess the business, economic and environmental impacts. We also consider the reuse and redeployment of existing on-premises ICT. For our physical hosting model, our strategy is to migrate away from an on-premises data centre to a crown-hosted data centre model. Last year we migrated one of our three data centres to a crown-hosted facility that has an annualised PUE of 1.2, reducing our environmental impact and demonstrating HM Land Registry’s commitment to Government’s Net Zero carbon target.

Plasdwr, Cardiff. 21st century living inspired by the original garden city principles of ‘fresh air, sunlight, breathing room and playing room’. Built on the historic Plymouth Estate, the new garden city is designed with sustainability and wellbeing at its core. More than 40% of its 900 acres has been given over to green space to support residents in adopting healthier lifestyles and a cleaner, greener way of life with walking or cycling the easiest, safest and most efficient ways to get around. A number of registrations in Pentrebane Drive, St Fagans, have been registered this year by Swansea Office.
Image: Plasdwr



Other corporate information



Plymouth became the 30th local authority to join the LLC Register on 7 January 2022. Property buyers in the area now have instant, easy access to LLC data, speeding up a crucial step in the homebuying process.

Image: Shutterstock/Ian Woolcock

Public sector information holder

We fulfil our role as a public sector information holder, which we take very seriously, through adherence to UK data protection legislation and the Freedom of Information Act. HM Land Registry is exempt from the application of some individual data protection rights where the application of legislation would conflict with the Land Registration Act and Rules. The Information Rights Team is leading on a privacy compliance programme to help ensure we meet our legal obligations under relevant legislation.

We received 477 Freedom of Information requests in 2021-22, of which 415 were answered within the statutory timescale of 20 working days.

Our new Knowledge and Information Management (KIM) strategy has delivered a new Information Management Policy that supports the delivery of HM Land Registry's aims and objectives through enabling and sustaining the creation, organisation and exploitation of corporate information and knowledge. Our assurance activities support the effective management of information assets and information-related risks via the corporate information asset register.

In the provision of our data services, HM Land Registry complies with the Reuse of Public Sector Information Regulations 2015.

Personal data-related incidents

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

Business impact target

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

Health and safety

We have continued to deliver an agile and proactive approach to managing health and safety including arrangements to ensure our offices remained COVID-19 secure. We appointed a new Head of Health, Safety & Sustainability in the latter part of the year to focus on moving towards business as usual and support our future ways of working.

We have provided a range of support to those working from home, alongside ensuring those who needed to attend our offices worked in a COVID-19 secure environment. We have continued to follow England and Wales government guidance throughout, responding to the national and local changes to ensure our colleagues' and other building users' health, safety and wellbeing remain a priority.

As we moved to increased occupancy of our offices and introduced a new hybrid-working model, our focus has

been adapting policy, guidance and our health and safety arrangements to support new ways of working.

We have continued to focus on compliance with all aspects of legislation and have successfully maintained our accreditation to the ISO 45001 standard following external audits.

Our suite of health and safety policy and arrangements has been delivered with the support of our facilities management provider to ensure compliance, risk assessments, adverse event investigations and training and information are undertaken on all aspects of work activities.

Health and safety arrangements are delivered in collaboration with our stakeholders and champion groups, and in consultation with our trade union groups. This has been a key contributor in maintaining a positive and proactive profile in health and safety.

During the financial year 2021/22, we recorded a total of 20 accidents, two of which we reported to the Health and Safety Executive as required under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). This is broken down as:

Office workplace

- 16 accidents relating to HM Land Registry colleagues
- 0 accidents relating to contractors
- 0 accidents relating to visitors

Home workplace

- 4 accidents relating to HM Land Registry colleagues
- 0 accidents relating to contractors
- 0 accidents relating to visitors

The two RIDDOR incidents were:

1. A slip in the office car park – resulting in a bone injury/fracture to wrist.
2. A fall from a chair – resulting in a bone injury/fracture to arm.

Complaints

We recorded 9,566 complaints in 2021-22 compared with 5,169 in 2020-21, an increase of 85%. This reflects an increase in the number of customer contacts and applications overall as a result of the stamp duty land tax (SDLT) holiday, which increased activity in the housing market. Additional factors were internal training and engagement around complaints and further moves to centralise complaint resolution and customer contact. These have resulted in greater consistency in the identification and recording of complaints.

Another significant factor in the increase was feedback recorded prior to the end of the subsequent temporary reduced rates of SDLT for residential purchases on 30 June 2021 and 30 September 2021. This mainly related to application progress where a dependent transaction needed to be finalised before the SDLT deadline. Also, following the suspension of our cancellation policy at the start of the coronavirus pandemic to allow customers additional time to reply to requests for information, we gradually resumed the policy which resulted in increased feedback in this area.

In terms of recorded complaints, 48% were upheld or partially upheld. Customer feedback about delays with registration applications and associated customer enquiries was the most common area of upheld complaint, comprising 27% of the upheld total. This reflects the fact that some of our processing times for non-automated services remain subject to significant delay.

The other main areas of upheld complaints related to the requests for information (requisitions) we ask customers for when their applications lack the required information (7% of the upheld total).

The Parliamentary and Health Service Ombudsman investigated two HM Land Registry complaints during the year, which were not upheld.

We conduct analysis of all complaints received throughout the year to capture and act on learning points. For example, our customers said they would like:

- an improved service on fast-track applications where earlier outstanding applications need to be considered or completed first. We have improved our processes for fast-track applications, including better monitoring of these applications and being more proactive in dealing with earlier outstanding applications that are causing a delay;
- when complying with restrictions – an entry in the register that potentially prevents or regulates the making of certain further entries – the third party consents or certificates provided to us are often defective and customers then have difficulties getting these amended by third parties to meet our requirements. We have introduced an optional form RXC that applicants can use when providing consents or certificates. The RXC form helps customers to explain to third parties what consent or certificate they need to provide and avoids our requisitions by getting it right first time;
- more clarity in our guidance on using electronic signatures. We have adopted a single certificate for all deeds and documents signed using a conveyancer-certified electronic signature. The guidance in this area has been consolidated into a new Practice guide 82: Electronic signatures;
- improved communication when registration applications have gone beyond the Projected Completion Date Calculation (PCDC) that we provide. Customers informed us of an issue with the follow-up process on applications that have gone beyond the PCDC, which was resolved to ensure that customers are kept informed of the position when applications are delayed, and their expectations managed;
- our Digital Registration Service available to Business e-services customers to be developed and enhanced further to assist customers in improving application quality and reducing requests for information (requisitions). The service is being used by an increasing number of customers who can already submit a wide range of applications to change the register. It is due to replace our electronic Document Registration Service in November 2022;
- us to resolve an issue where customers do not receive our emailed requisitions and requisition reminders which can result in the cancellation of applications. We have set up a working party which identifies and deals with the reasons why this is happening, including fixing system issues, and ensures that any issues continue to be reported and taken into account;
- us to retain sufficient correspondence records when applications are cancelled to enable us to answer customers' follow-up queries. We published an internal article for colleagues on the importance of retaining correspondence following cancellation and signposted the relating internal guidance on the retention of documents; and
- us to contact customers by telephone to resolve simple issues with an application. These points are often straightforward to resolve and do not always require a written request for information (requisition). We have let customers know that we are trialling telephone requisitions and are monitoring the results.

Our Independent Complaints Reviewer (ICR) provides a free and impartial review and resolution service for any customer dissatisfied with how we have handled their complaint. Throughout the year, her reports and recommendations arising from the complaints she has reviewed have continued to provide a valuable source of insight and identification of areas where we might need to improve. The ICR also publishes an annual report.

We continue to review our customer feedback processes aimed at improving the way we recognise and deal with complaints and helping us more effectively identify insights and improvements arising from customer feedback. The planned change to the commercial software provider of our Customer Relationship Management (CRM) system was implemented in November 2021 and we plan to build further enhancements into that system.

Modern slavery

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

Land Registration Rule Committee annual summary of activities

The Land Registration Rule Committee was constituted under the Land Registration Act 2002 and the Cabinet Office has confirmed its classification as an Expert Committee. The committee's role is to provide advice and assistance, originally to the Lord Chancellor but now to the Secretary of State for Business, Energy and Industrial Strategy, in making land registration rules and fee orders under the Act.

In April and September, the committee scrutinised and advised on HM Land Registry's new fee order, which changed some land registration fees. The order was laid before Parliament on 2 November 2021 and came into effect on 31 January 2022.

After 12 years as Chair of the Committee, Sir Paul Morgan retired from the role and in December Mr Justice Edwin Johnson was welcomed as the new Chair. In December 2021, Jenny Holt came to the end of her second and final four-year term as the consumer affairs committee member. Anne Pardoe of Citizens Advice has taken on the role for a four-year term.

Service standards

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

Welsh Language Scheme

We remain committed to our obligations under the Welsh Language Scheme to treat the English and Welsh languages equally when dealing with the public in Wales. Chris Pope, Chief Operations Officer, is the senior responsible owner for the scheme. Our current scheme containing our four-year action plan was approved by the Welsh Language Commissioner on 27 September 2019. Further to the UK House Price Index service going live in January 2021, we achieved several successes during the year to further the action plan, including introducing two Welsh language services:

- Search for Local Land Charges in April 2021; and
- Search for land and property information's citizen account in November 2021.

The Welsh version of LLC Maintain (which enables local and other authorities to register new local land charges and amend existing charges on our LLC Register) went live in March 2022.

The featured links on our GOV.UK home page are now available in Welsh and lead directly to Welsh language pages.

We have a dedicated Welsh language team in our Swansea Office and a Welsh language telephone line for general enquiries – 0300 006 0422. Further information on our Welsh language services can be found at <https://www.gov.uk/government/organisations/land-registry/about/welsh-language-scheme>

Government and stakeholder coordinated engagement

The Chief Land Registrar's Office fulfils a range of functions to uphold the reputation of HM Land Registry with government and key stakeholders.

The Chief's Office is responsible for HM Land Registry's corporate governance coordination and management including its Board Secretariat and support to both executive and non-executive senior teams. The Chief's Office leads our partner relationship with the Department for Business, Energy & Industrial Strategy (BEIS), which is underpinned by a published Framework that also establishes the formal relationships with HM Treasury and the Geospatial Commission. The Chief's Office works closely with UK Government Investments, which acts as the agent of BEIS in representing the Government's interest in the governance and performance of HM Land Registry as an organisation. Much of the Chief's Office corporate governance activities are reflected elsewhere in this Annual Report.

The Chief's Office is also responsible for ensuring that HM Land Registry contributes effectively to wider government policy delivery in a coordinated way. We take an active approach to policy horizon scanning to enable timely engagement. We have drawn on expert land registration knowledge in supporting a number of policy initiatives. We have supported ministerial departments with parliamentary questions including drafting answers to eleven BEIS parliamentary questions and we considered over 50 government and other consultations. Particular collaborative policy highlights over the last year include:

- working with BEIS and Companies House in the Bill work that has culminated in the Economic Crime (Transparency and Enforcement) Act 2022, paving the way for a new Register for Overseas Entities;

- working closely with the Department of Levelling Up, Housing and Communities on a range of initiatives to improve the current housing landscape, including their proposals to improve the transparency of contractual mechanisms used to exercise control over land; planning reform; leasehold reform; and identifying how the homebuying and selling process could be improved;
- securing an opportunity to showcase our industry-leading work on data improvements (QFAIR) with the Geospatial Commission;
- aligning our digital identity innovations with wider policy on digital identity and the national data strategy through effective collaboration with the Department for Digital, Culture, Media and Sport;
- contributing to an industry working group on digital signatures facilitated by the Ministry of Justice; and
- joining a cross-government group to share information on Environmental stewardship as part of our developing focus on Net Zero.

The Chief's Office coordinates external stakeholder relationships for HM Land Registry so that stakeholder engagement is integral to HM Land Registry's customer delivery, with insight and experience widely shared. We optimise opportunities to track sentiment, gathering and sharing intelligence to inform effective planning and delivery across the organisation as well as to inform policy development and interventions. Our Land Registry Advisory Council brings together key representative organisations involved in the conveyancing process and has met three times to share views and contribute to HM Land Registry's strategic delivery by sharing industry-wide perspectives.

Our Land Registry Industry Forum, first set up in April 2020, gives us a well-rounded view of our stakeholders' and customers' experiences from a cross-section of industry voices. It serves an important role in identifying and testing approaches to operational changes and facilitates collaborative development of potential future transformation plans. The forum also explores wider property market issues and what solutions might improve the efficiency and effectiveness of the property market. The forum is one of our key engagement mechanisms and we continue to work with members to find out how we can best support our customers, stakeholders and the wider property market.

HM Land Registry maintained an important connection with the land registries of Scotland, Northern Ireland, Ireland and the Isle of Man by having three online meetings. The Chief's Office has also ensured HM Land Registry adopted an appropriate international presence to share best practice, including through participation at the annual Registrars of Title Conference in November 2021 and as a member of the United Nations Economic Commission for Europe Working Party on Land Administration. The working party has met online throughout the year, contributing to webinars and studies on selected topics in land administration and management. The Chief's Office has also coordinated HM Land Registry's involvement with the Foreign, Commonwealth & Development Office in providing advisory services to support international development commitments.

Glossary

Agile	A method of project management that uses collaborative efforts to evolve solutions which achieve its goals.
Agricultural Credits Register	A register against which provides a means of ensuring security for lending over farm assets such as livestock and equipment.
Application	Applying for the registration of unregistered land, updating registered land or property titles, or applying for information from HM Land Registry.
Application Programming Interface (API)	Enables companies to open up their applications' data and functionality to external third-party developers, business partners and internal departments within their companies.
Artificial intelligence (AI)	Intelligence and learning demonstrated by machines.
Blockchain	A distributed, decentralised public ledger.
Business Gateway	The Business Gateway Application Programming Interface allows customers to seamlessly access our services from within their case management systems and automate repetitive processes.
Capital Departmental Expenditure Limit (Capital DEL, CDEL)	Investment in internally-generated software, IT equipment and estates.
CO2/carbon footprint	The total amount of greenhouse gases (including carbon dioxide and methane) generated by our actions.
Common data standards	Data standards set a clear and common understanding of how the government must describe, record, store, manage and access data in consistent ways.
Critical National Infrastructure	A term used to describe processes, systems, facilities, technologies, networks, assets and services essential to the nation's health, safety, security or economic wellbeing and the effective functioning of government.
Customers	Individuals and businesses who use our services, including conveyancers, financial institutions, intermediaries, property businesses, land and property owners and data users.
Data economy	A global digital ecosystem in which data is gathered, organized, and exchanged by a network of vendors for the purpose of deriving value from the accumulated information.
Dataset	A collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer.
Department for Business, Energy and Industrial Strategy	The ministerial department leading economy-wide transformation by backing enterprise and long-term growth, generating cheaper, cleaner, homegrown energy and unleashing the UK as a science superpower through innovation.
Department for Digital, Culture, Media and Sport	The ministerial department responsible for driving growth, enriching lives and promoting the UK abroad.
Department for Levelling Up, Housing and Communities	The ministerial department responsible for supporting communities across the UK to thrive, making them great places to live and work.
Digitisation	The process of converting information into a digital (computer-readable) format.
Digital identity	A virtual form of identity which reduces the time, effort and expense that sharing physical documents can take when people need to provide legal proof of who they are.
Digital transformation	The adoption of digital technology by a company. Common goals for its implementation are to improve efficiency, value or innovation.

Digital Registration Service	An HM Land Registry portal service allowing applications to be submitted digitally where the data is automatically checked before it is lodged.
Digital Street	An existing research and development approach, collaborating with a strong community of innovation leaders, entrepreneurs and creative disruptors to push the boundaries of property market expectations.
Expedites/expedite services	Customers can request HM Land Registry processes an application urgently.
FAIR	Findable, accessible, interoperable and reusable data.
First registration	The requirement to register unregistered freehold and leasehold estates in land.
Geospatial Commission	An expert committee, sponsored by the Cabinet Office, that sets the UK's geospatial strategy and promotes the best use of geospatial data.
Geospatial	Data and information associated with a particular location or place.
Geovation	The practice of using location data and intelligence to help identify opportunities and create solutions.
Geovation Accelerator Programme	A scheme supported by HM Land Registry and Ordnance Survey providing grant funding, access to data, geospatial expertise and property insight to location-data and PropTech start-ups.
Greening Government Commitments	The actions UK government departments and their agencies will take to reduce their impacts on the environment in the period 2021 to 2025.
Guaranteed queries	Services that provide information and results which come with a state guarantee.
Land Charges	Interests in unregistered land that are capable of being protected by entry in the Land Charges Register.
Land Charges Register	A register that contains the following information: a register of land charges, a register of pending actions and pending actions in bankruptcy, a register of writs and orders effecting land and writs and orders in bankruptcy, a register of deeds of arrangement affecting land and a register of annuities.
Land Register	Records the ownership of land and property in England and Wales.
Land Registration Academy	The staff training centre of excellence at HM Land Registry.
Land Registry Advisory Council	An advisory board that ensures stakeholders' interests are considered when developing policies, services and products. It provides an opportunity for information exchange and discussion, drawing on the collective knowledge and expertise of the members.
Land Registry Industry Forum	A cross-section of customers and stakeholders within the property market who work together to find new ways to improve the conveyancing process.
Local Land Charges (LLC) Register	A statutory register that contains local authority information about the use and enjoyment of properties. It includes things such as listed building status, tree preservation orders and other environmental protections.
Machine learning	The study of computer algorithms that can improve automatically through experience and by the use of data.
Machine readable	Data structured and coded in such a way that it can be processed by a computer.
National Data Strategy	An ambitious, pro-growth strategy that drives the UK in building a world-leading data economy while ensuring public trust in data use.

National Geospatial Strategy	Promotes and safeguards the use of location data to provide an evidenced view of the market value of location data, set clear guidelines on data access, privacy, ethics and security, and promote better use of location data. Owned by the Geospatial Commission.
Net Zero	Achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.
Official copy	Copies of deeds and documents filed with us, including title registers and title plans, which are guaranteed as being accurate and are admissible as evidence as if they were the original.
Official search	Allows people such as homebuyers or mortgage lenders to have their purchase, lease or charge prioritised for completion over applications lodged subsequently
Open data	Data that can be freely used, re-used and redistributed by anyone.
Ordnance Survey (OS)	Great Britain's national mapping agency.
PropTech	The use of technology to help individuals and companies research, buy, sell and manage real estate.
Register create application	Any application that leads to the creation of a completely new register, such as a transfer of part of an existing title, a new lease or registration of land for the first time.
Register of Overseas Entities	A public register of beneficial owners of non-UK entities that own or buy land in the UK, operated by the Companies House registrar.
Register update	Any application to change the register of the whole of an existing property title, including new mortgages, name changes, transfers and discharges.
Register view	Viewing the current version of the register.
Requisition/request for information	Where HM Land Registry has to make enquiries to the applicant on an application because information or evidence is missing or incorrect and so cannot be processed.
Restrictive covenant	A contract between two landowners. One landowner promises the other landowner not to carry out certain acts on their own land
Restriction	An entry that limits HM Land Registry from updating the register unless specified conditions are met.
Title	The evidence of a person's right to property.
Tokenisation	The creation of a blockchain-based, digital representation (token) of a real-world asset such as property.
Use land and property data	Datasets about all registered land and property in England and Wales.
United Nations	An international organisation founded in 1945. Currently made up of 193 member states, the UN and its work are guided by the purposes and principles contained in its founding charter.
View Applications	A free-to-use service within the HM Land Registry portal which allows users to view all the applications made using the portal, as well as checking the status and downloading all relevant documentation relating to each application.

Simon Hayes

Simon Hayes
Chief Executive and Chief Land Registrar
8 July 2022

Accountability report

Corporate governance report

Directors' report

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

Our governance structure

HM Land Registry has a two layered system of governance:

- HM Land Registry Board (comprising non-executive board members and executive directors)

- HM Land Registry Executive Board (comprising executive directors)

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



HM Land Registry Board

The role and responsibilities of the HM Land Registry Board (LRB) are set out in the Framework agreed with the Department for Business, Energy and Industrial Strategy (BEIS). The purpose of the Board is to support, constructively challenge and provide advice and guidance to the Chief Executive and Chief Land Registrar and their senior management team on performance, operation and development. The LRB supports senior management on setting the strategic vision of HM Land Registry, ensures the Secretary of State receives appropriate information, and assists the Chief Executive and Chief Land Registrar in their responsibility as Accounting Officer of HM Land Registry. This includes ensuring it operates within statutory and administrative requirements and within the limits of its authority and any delegated authority.

In line with Cabinet Office guidance, the LRB is tasked with advising on, challenging and supervising five main areas:

- Strategic clarity
- Talented people
- Management information
- Commercial sense
- Results focus

The LRB, supported by its Audit and Risk Committee, also ensures HM Land Registry is working within a framework of prudent and effective governance arrangements and controls that enable risk to be appropriately assessed and managed. As part of that function, the LRB agrees the key activities that HM Land Registry will need to undertake to meet strategic objectives as set out in its published Business Strategy. The LRB supports the Chief Executive and Chief Land Registrar in ensuring the necessary financial and human resources are in place for us to meet

objectives. It agrees HM Land Registry's risk appetite, approves the annual budget and business plan and regularly reviews performance in relation to agreed targets.

The LRB contains a mix of executive directors and non-executive board members. The non-executive board members of LRB are highly skilled, with appropriate experience in relevant fields to support and challenge the Executive Board. Following a recruitment process two new non-executive board members joined in June 2021. In addition, there was a change in representation of the non-executive board member representative from UK Government Investments (UKGI).

The non-executive board members are independent of management. All board members are required to sign an annual statement recording any potential conflict of interests and declare any new interests in the interim. A central 'Register of Interests' record is retained. See note 17 to the accounts on page 120 for related party disclosures.

Between February-March 2022, the LRB underwent an independent external assessment of its effectiveness. The results were discussed at a Board meeting in March. The assessment showed the LRB to be broadly effective, but with opportunities for continuous improvement in strategic forward planning and strengthening Board dynamics following the past two years of mostly remote working. It also concluded that LRB committee and working groups have a valuable role to play in enabling LRB to fulfil its role. The Board will give consideration as to whether these continue to have the right areas of focus going forward. Actions from the final report will be implemented throughout 2022-23.

HM Land Registry Board



Michael Mire

Non-executive Chair

Michael was formerly a Senior Partner at McKinsey, where he specialised in financial services and e-commerce, and is now a non-executive director at the Department of Health and Social Care and at Aviva. He is also a Senior Advisor at Lazard. Michael was educated at the University of Oxford and the Harvard Business School from which he has a Master's in Business Administration (MBA) and was a Baker Scholar.



Kirsty Cooper

Non-executive Board Member and Senior Independent Board Member

Kirsty is General Counsel and Company Secretary for Aviva. She established Aviva's first global leadership team and has responsibility for public policy and corporate responsibility. Kirsty is on the General Counsel Legal 500 Powerlist and is also a trustee of the Royal Opera House.



Elliot Jordan

Non-executive Board Member and Chair of Audit and Risk Committee

Elliot is Chief Financial Officer and member of the Executive Board of Farfetch, the leading global platform for luxury fashion. He is responsible for the finance, legal, strategy and human resource teams across the global operation. He is also the executive sponsor of Diversity and Inclusion. Prior to joining Farfetch, Elliot held positions at ASOS plc, J Sainsbury plc, Credit Suisse and KPMG.



Ann Henshaw

Non-executive Board Member and Chair of the Remuneration and Nominations Committee

Ann has extensive experience in human resources (HR), having worked at several major companies across a variety of sectors, including property, both in the UK and internationally. She is HR Director at British Land and a member of their Executive Team. Previous roles include serving as Group HR Director at Clear Channel International and HR Director at EDF Energy.



Katy Baldwin

Non-executive Board Member, UKGI (nominated representative of the BEIS Secretary of State)

Katy joined the Board in 2021 as an Executive Director at UK Government Investments (UKGI), the Government's centre of excellence in corporate finance and corporate governance. She is a civil servant, previously with the Department for Levelling Up, Housing and Communities, with significant experience of public spending, local government finance and housing and planning policy.



Jeremy Pee

Non-executive Board Member

Jeremy is the Chief Digital Officer at Marks & Spencer. Previously he was the Senior Vice President of Loblaw Digital, the digital unit of Canada's leading retailer. Jeremy has a Master's in Business Administration (MBA) from Harvard Business School and a degree in engineering from University of Waterloo.



Angela Morrison

Non-executive Board Member

Angela is Chief Operating Officer at Cancer Research UK (CRUK) where she is responsible for Finance, HR, Technology and Corporate Services. Prior to joining CRUK Angela was Retail, Supply Chain and Technology Director at Debenhams as well as holding roles at J Sainsbury plc, Direct Line Group and ASDA Walmart.

Executive Board



Simon Hayes

Chief Executive and Chief Land Registrar

Simon joined in November 2019. Previously Simon held several senior positions at the Home Office, including the UK Border Agency's first Regional Director for the Americas, the UK Visas and Immigration (UKVI)'s International Director and finally the Director of Visas & Citizenship at UKVI. Simon's responsibilities included setting up the EU Settlement Scheme for European citizens residing in the UK.



Mike Harlow

General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar

Mike joined in February 2018. He graduated from Imperial College in mechanical engineering before converting to law. He then worked as a solicitor in London for 15 years, acting for commercial property clients, and 11 years at English Heritage as its Legal Director and Corporate Secretary. He gained board-level experience of organisational change and heritage law and policy reform.



Iain Banfield

Chief Financial Officer

Iain joined in February 2019. Prior to this he spent two and a half years in the Department for International Trade, first as Deputy Director for Strategic Finance and then acting Finance Director. Previously Iain has been the Finance Director for UK Trade & Investment and held roles in the Shareholder Executive and the Department for Business, Innovation and Skills.



Chris Pope

Chief Operations Officer

Chris joined in October 2017. He spent 27 years as a Royal Engineers officer. Following private sector experience as Group Projects Director at Tribal and Head of Operational Engineering Services at Laing O'Rourke, Chris moved to Merton Council as Director of Transformation. He has also been Commercial Director at the Department for Business, Innovation and Skills and Operations Director at the Department for Business, Energy and Industrial Strategy.



Karina Singh

Director of Transformation

Karina joined in 2017. Her career has spanned a range of roles in HM Revenue and Customs and HM Treasury, where she was Head of the VAT Policy team. She has been involved in change delivery for the last 15 years, including leading a national transformation programme for a private sector engineering firm. More recently, Karina was Transformation Director at the Valuation Office Agency.



Simon Morris

Director of Human Resources

Simon was appointed in June 2020. He began his career as a graduate trainee for Boots before moving on to management roles at Heathrow Airport, BUPA Health Insurance and Danone. He became a Chartered Member of the Chartered Institute of Personnel and Development in 2016. His most recent role was as Group HR Director for DDD Limited.



Jon Parry

Interim Director of Digital, Data and Technology

Jon joined HM Land Registry in August 2021 as Interim Director of Digital, Data and Technology. He began his career as a Software Engineer after graduating with a degree in Computing Information Systems in 1989. Since then Jon has held senior positions as a Management Consultant for Ernst & Young and Capgemini and as eCommerce and Multichannel Director for Argos.

LRB membership**Non-executive**

Michael Mire	Non-executive Chair
Katy Baldwin	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State) (from 6 October 2021)
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member, Interim Chair of Remunerations and Nominations Committee (RemCo) (to 31 May 2021)
Ann Henshaw	Non-executive Board Member (from 1 June 2021)
Elliot Jordan	Non-executive Board Member and Chair of Audit and Risk Committee
Angela Morrison	Non-executive Board Member
Jeremy Pee	Non-executive Board Member (from 1 June 2021)
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State) (to 13 August 2021)

Executive

Simon Hayes	Chief Executive and Chief Land Registrar
Iain Banfield	Chief Financial Officer
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Chris Pope	Chief Operations Officer

A year in focus

During 2021-22 matters covered by the LRB included:

- response to COVID-19 and impact on performance, risk and finances;
- business planning, budget and performance framework, including revision of priorities throughout the reporting year, strategic oversight of the Spending Review 2021 and annual business planning;
- the development of an ambitious new business strategy for HM Land Registry to be launched in 2022;
- accessibility and potential of HM Land Registry's data assets;
- HM Land Registry's contribution to improving the conveyancing market and customer experience of that market;
- operational improvement and performance;
- transformation progress, prioritisation and planning;
- consideration of HM Land Registry's risk appetite;
- Civil Service People Survey 2021 results, evaluation of the culture and development of future ways of working across the organisation; and
- internal governance arrangements.

Board meetings

The LRB met 13 times in 2021-22. In light of the COVID-19 pandemic LRB met mostly virtually and the Board meeting schedule had been reorganised to meet more frequently to enable LRB to keep pace with the changing environment. Longer board meetings were held every six weeks, with shorter meetings, focusing on performance and risk, held in between. As the situation of the pandemic and accompanying restrictions changed, LRB felt confident to combine the shorter and longer meetings and return to their previous schedule of meeting every six weeks. In line with Government guidance the Board met in person when it was safe to do so.

In November the LRB held an organisation-wide virtual question and answer event with colleagues. The event saw a high level of colleague engagement and the Board plan to hold further events in 2022-23.

Engaging with stakeholders

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

- The Chair continued to engage regularly with the Geospatial Commission and Board members meet regularly with the six core Geospatial Commission partner bodies.
- The Chair and Chief Executive and Chief Land Registrar regularly engage with the Department for Business, Energy and Industrial Strategy (BEIS) Minister.
- Quarterly meetings took place between the Chair, Chief Executive and Chief Land Registrar and Chief Financial Officer with UK Government Investments (UKGI), including informal meetings in between, to discuss governance, financial performance and other relevant matters as set out in the Framework.
- Members of the Board engaged with their counterparts at other government departments such as HM Treasury and the Department for Levelling Up, Housing and Communities as required.
- Members of the Board regularly met market stakeholders who are members of the Land Registry Advisory Council and Industry Forum and drew upon their knowledge and expertise, tested ideas, shared information and discussed land and property related issues.
- Among many meetings HM Land Registry holds with other land registries around the world, Board members participated in a virtual information exchange with counterparts from Kadaster, who deliver land registration services in the Netherlands.

Committees of the HM Land Registry Board
Audit and Risk Committee

The Audit and Risk Committee met four times in 2021-22. The Audit and Risk Committee supports the LRB and the Accounting Officer by reviewing and seeking assurance on the risk management framework, the control framework, governance, compliance with policies, procedures, external standards and statutory requirements. It reviews the Principal Risks of the organisation and provides oversight and challenge in the preparation of the annual report and accounts. The Audit and Risk Committee updates the Board on progress of the committee's work.

At every meeting, the Audit and Risk Committee sees an overall risk report incorporating the risk register and detailed reporting on issues like cyber security. The committee also receives a more detailed risk management report of at least one Principal Risk, so that over time all the Principal Risks are given a detailed review.

During 2021-22 matters covered by the Audit and Risk Committee included:

- oversight and input into the development of the risk and assurance framework, maturity plans, risk taxonomy and the risk appetite statement;
- monitoring and challenge of HM Land Registry's Principal Risks;
- oversight and input into the development and monitoring of a three-year internal audit plan;
- oversight of and challenge to internal governance structures;
- oversight of and challenge to data and register quality;
- oversight of and challenge to the indemnity fund provision;
- monitoring and challenging fraud controls and the counter fraud strategy; and
- consideration and challenge of key financial judgements.

Audit and Risk Committee membership

Elliot Jordan	Non-executive Board Member and Chair of Audit and Risk Committee
Katy Baldwin	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State) (from 6 October 2021)
Angela Morrison	Non-executive Board Member
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State)

Attendees

Simon Hayes	Chief Executive and Chief Land Registrar
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Iain Banfield	Chief Financial Officer
Harnaik Dhillon	Head of Internal Audit (from 5 April 2021)
Joanna Horrocks-Potts	Deputy Director, Risk and Assurance
Representative of the National Audit Office	National Audit Office

Remuneration and Nominations Committee

The Remuneration and Nominations Committee met twice in 2021-22. The committee ensures that remuneration and nomination arrangements support HM Land Registry's aims and oversees the recruitment, retention and performance of the executive team and other Senior Civil Servants in line with Civil Service pay policies.

During 2021-22 the main matters covered by the Remuneration and Nominations Committee included:

- performance of the Chief Executive and Chief Land Registrar;
- senior Civil Service performance and pay; and
- senior leadership structure, development and succession planning.

Remuneration and Nominations Committee membership

Kirsty Cooper	Interim Chair of the Remuneration and Nominations Committee (from 8 January 2021) Non-executive Board member
Ann Henshaw	Chair of the Remuneration and Nominations Committee and Non-executive Board Member (from 1 June 2021)
Katy Baldwin	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State) (from 6 October 2021)
Ed Westhead	Non-executive Board Member, UK Government Investments (nominated representative of the BEIS Secretary of State) (to 13 August 2021)
Simon Hayes	Chief Executive and Chief Land Registrar

Attendees

Simon Morris	Director of Human Resources
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Attendance schedule for LRB, Audit and Risk Committee and Remuneration and Nominations Committee

Name	Title	Period*	Board LRB	Committee	
				Audit	Remuneration
Non-executive board members					
Michael Mire	Non-executive Chair		12/13	–	–
Katy Baldwin	Non-executive Board Member, UKGI representative	From 6 October 2021	5/5	3/3	1/1
Kirsty Cooper	Non-executive Board Member and Senior Independent Board Member		11/13	–	2/2
Ann Henshaw	Non-executive Board Member	From 1 June 2021	10/10	–	1/1
Elliot Jordan	Non-executive Board Member		12/13	4/4	–
Angela Morrison	Non-executive Board Member		12/13	4/4	–
Jeremy Pee	Non-executive Board Member	From 1 June 2021	10/10	–	–
Ed Westhead	Non-executive Board Member/ UKGI representative	To 13 August 2021	5/6	1/1	–
Executive directors					
Simon Hayes	Chief Executive and Chief Land Registrar		13/13	4/4	2/2
Iain Banfield	Chief Financial Officer		13/13	4/4	–
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar		13/13	4/4	–
Chris Pope	Chief Operations Officer		13/13	–	–
Simon Morris	Director of Human Resources		–	–	2/2

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

Executive Board

The Executive Board (EXB) is chaired by the Chief Executive and Chief Land Registrar and its members are HM Land Registry's executive directors. Through the mechanism of individual letters of delegation, members of the EXB handle the day-to-day running of HM Land Registry. During 2021-22 the EXB met twice a week. Most meetings have taken place virtually but the EXB has been able to meet in person on several occasions.

The EXB is responsible for leading and managing the delivery of HM Land Registry's approved Business Strategy, annual business plan, agreed performance targets and for the day-to-day operational management of the organisation, including compliance with the Framework.

Every month the EXB holds a focused session to monitor progress against delivery of the transformation portfolio. The purpose of these meetings is to oversee the delivery of operational and digital change within the organisation through oversight of delivery programmes and projects, their strategic alignment, benefits, risks and finance. The Transformation Portfolio Office oversees the programme and project boards which report into these monthly sessions. Significant progress has been made across programme areas on digital and data, service improvement, customers, local land charges, IT infrastructure and people and team development.

On a quarterly basis the EXB reviews the principal risks of the organisation. The outcomes of these discussions are then reported to and considered by the Audit and Risk Committee of the HM Land Registry Board.

The EXB has continued to work with the wider 'Leadership Group' to develop a broader leadership team by establishing weekly performance discussions and 'lunch and learn' sessions to pick up specific topics. All the EXB members and members of the wider Leadership Group have taken part in 360 feedback to inform development. As restrictions from the pandemic eased the Leadership Group were able to meet in person twice in 2021-22.

The EXB underwent an internal review in 2021 to consider the effectiveness of its structures, including committees and operational methods. The outcome of the review resulted in the implementation of actions to streamline the running of the EXB.

Executive Board membership

Simon Hayes (Chair)	Chief Executive and Chief Land Registrar
Iain Banfield	Chief Financial Officer
Mike Harlow	General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar
Simon Morris	Director of Human Resources
Jon Parry	Interim Director of Digital, Data and Technology (from 2 August 2021)
Chris Pope	Chief Operations Officer
Karina Singh	Director of Transformation
Andrew Trigg	Acting Director of Digital, Data and Technology (to 31 July 2021)

Attendees

Joanna Horrocks-Potts	Deputy Director, Risk and Assurance (from 1 June 2021)
Cathy Jenkins	Chief of Staff
Ronal Patel	Head of Corporate Communications
Alastair Vella-Sultana	Interim Deputy Director, Risk and Assurance (to 31 May 2021)

Other executive committees and panels

Four committees report to the EXB. These were reviewed and refreshed during 2021-22 to bring them in line with best practice, to ensure clear accountability and to meet the needs of the EXB better. They now comprise:

- Investment, Commercial and Finance Committee: Advises the EXB on the overall commercial and financial frameworks that are used by HM Land Registry, including scrutiny of and provision of advice on business cases, contract management and advice to the Accounting Officer on the Financial Delegation Framework;
- People and Estates Committee: Develops recommendations for the EXB on people and estates strategies and policies. Provides assurance on the effective application of these strategies and policies, including workforce planning, cumulative impact of change on people, engagement, culture and health and safety;
- Performance and Performance Data Committee: Oversees the monitoring of performance and performance management information including making recommendations to the EXB for future performance monitoring and key performance indicators and providing assurance that performance related data is collected and managed appropriately; and
- Risk and Integrity Committee: Supports HM Land Registry's objective of maintaining trust and confidence in the data that HM Land Registry holds in its registers and to understand, monitor and coordinate effort to control risks across the organisation including reviewing risk data, considering emerging trends and risks, periodic reviews of strategies and audit reports and has oversight of practice change proposals with a material risk impact.

All the EXB committees meet at least ten times a year and report back to the EXB after every meeting. Each committee is chaired by an Executive Director and membership comprises senior leaders drawn from across the organisation. Committees are supported by a number of working groups on specific items such as diversity and inclusion, health and safety, counter-fraud and security and resilience.

In addition to the EXB Committees, HM Land Registry also has a Tactical Implementation Group. This group meets as required, at the EXB's direction, to plan and implement events/activities that require cross-organisation coordination beyond that which is readily achievable via normal management arrangements. In 2021-22 they met in response to changing work from home guidance.

Personal data-related incidents

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

Statement of Accounting Officer's responsibilities

Resource Accounts

Under the Government Resource and Accounts Act 2000, HM Treasury has directed HM Land Registry to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department 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 requirement, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

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

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

Governance statement by Simon Hayes, Chief Executive and Chief Land Registrar

Scope of responsibility

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

I was appointed Chief Executive and Chief Land Registrar from 11 November 2019. I have received a ministerial letter of appointment pursuant to the Land Registration Act 2002 and a letter from the Permanent Secretary to HM Treasury, appointing me as Accounting Officer.

HM Land Registry became a Non-Ministerial Department on 1 April 2020. My duties as Accounting Officer are set out in Managing Public Money, which are to ensure public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

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

Purpose of the governance framework

The governance framework is designed to give assurance that HM Land Registry carried out its duties in a manner that fulfils the appropriate standards of effective internal control and risk management. The framework is based on processes designed to identify and prioritise the opportunities and risks to the delivery of HM Land Registry's strategy, its strategic objectives and performance targets. It aligns with our statutory duties and is designed to support the governance and strategic aims of HM Land Registry's sponsor department, the Department for Business, Energy and Industrial Strategy (BEIS). The governance of HM Land Registry and its relationship with other government bodies is set out in a Framework which was agreed with Ministers in November 2020 and published on GOV.UK on 8 January 2021. Our approach to governance is in line with HM Treasury's Corporate Governance in Central Government Departments: Code of Good Practice. HM Land Registry's governance team attend BEIS Partners Governance Network meetings to share and learn from best practice.

Central controls

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

In managing its business more generally, HM Land Registry operates within the delegations framework as defined by the Cabinet Office for arm's length bodies, the

specific delegations authorised by officials at BEIS and HM Treasury and the Framework. The Framework sets out the relationship HM Land Registry has with the Geospatial Commission. Separately, there is also a requirement to work with the Government Digital Service to ensure that product releases conform to standards in terms of security, effectiveness and consistency.

Government functional standards guide people working for and with the UK Government and promote consistent and coherent ways of working. HM Land Registry has embedded relevant Government functional standards and introduced a system to monitor compliance and continuous improvement.

In 2021-22 an internal audit provided reasonable assurance of HM Land Registry’s organisational governance structures. These structures were considered compliant with best practice and predominantly effective. Work to implement recommendations for improvement is already underway.

Business Strategy 2022+

During 2021-22 HM Land Registry Board and the Executive Board have worked on refreshing the 2017-22 Business Strategy as referenced in the Performance report.

HM Land Registry has set an ambitious new Business Strategy to be published this year. Secure and efficient land registration will always be our priority. HM Land Registry’s strategy over the next three years will build on this by seeking to improve our speed of service and by contributing to the transformation of the property market by becoming an exemplar service provider of useful and usable property data that will support a sustainable and innovative national economy.

Risk management and assurance

Our approach to risk management

To deliver our objectives it is vital we manage our principal and other organisational risks effectively. Everyone in HM Land Registry, from board level down, has a clear role to play in both identifying and managing risks.

Principal risks are risks to the management of HM Land Registry and the delivery of our strategic objectives. These risks are managed across all levels of HM Land Registry, from decision making on individual cases through to delivering large-scale change and strategic policy making.

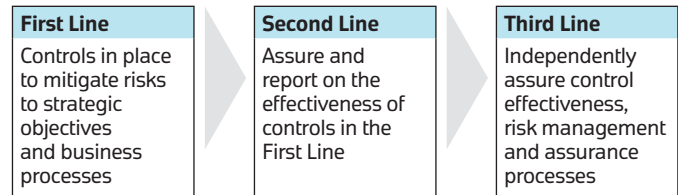
We manage these risks through a risk and assurance framework and through an integrated data analysis process with our performance and strategic objectives. The Risk and Integrity Committee (RIC), Executive Board, Land Registry Board and the Audit and Risk Committee (Audit Co) regularly review the principal risks. Other risks are reviewed by each directorate and relevant projects and programmes but escalated as appropriate. The Audit and Risk Committee provides independent assurance to the LRB and Accounting Officer on the integrity of financial statements and the comprehensiveness and reliability of assurances across HM Land Registry.

Our EXB committees also scrutinise and provide assurance. Information on the risk and assurance framework is readily available in HM Land Registry, enabling a culture of integrated governance and continual improvement.

HM Land Registry’s risk and assurance framework

We continually take steps to improve the way we are managing risks. We take an integrated approach to manage risks through a control framework based on the application of the ‘three lines of defence’ assurance model. The model seeks to outline the different roles people have and the types of activities that might be seen in the management of risks. RIC, EXB, Audit Co and LRB also take assurance from a range of activities across our ‘three lines of defence’ that HM Land Registry is able to deliver on its overall strategy and objectives.

HM Land Registry’s three lines of defence



The risk and assurance framework brings together the tools and standards that allow us to manage our business better, make better decisions, stop things going wrong and make things easier for HM Land Registry. It also helps to ensure we are doing this in a safe environment with sensible, proportionate controls in place. The risk and assurance framework covers:

- **governance:** ensuring that authorities and accountabilities are clear and that our success in operating the framework is reflected in the annual governance statements;
- **process management:** taking the necessary action to ensure our processes are defined and effective, efficient and well-controlled;
- **risk management:** identifying, assessing, managing and reporting the risks to the delivery of our strategic objectives and activities;
- **controls:** embedding effective controls in our business processes to ensure HM Land Registry’s objectives are met, and any risks reduced;
- **management assurance:** assuring the controls in place are sufficient and operating as intended, and taking the necessary action to address any weaknesses;
- **independent assurance:** internal and external audit to challenge or confirm the findings of assurance provided by the First and Second Line; and
- **data:** ensuring that the data on which our business relies is secure and accurate.

Managing risks to our delivery

In order to protect public money, optimise performance and make sure we are likely to achieve our strategic objectives, we identify and manage closely our portfolio of principal risks. This portfolio is continuously reviewed to ensure we keep pace with our delivery of a modern land registration system and identify and respond to the risks now and in the future.

We ensure we have mitigating controls to manage our risk within appetite and to target levels. The impacts continue to be assessed, new ones identified, and our risks adjusted to ensure an effective strategic portfolio.

Each risk is linked to the strategic objectives and key performance indicators, ensuring the mitigating activity is focused efficiently on securing the achievement of objectives. Where sub-optimal performance within those objectives is indicated, the risks are adjusted to regain the appropriate mitigating focus.

Below is a summary of each of our 10 principal risks, with each led and owned by a director on behalf of our Executive Board. These principal risks are underpinned by associated directorate, programme and team risks, all of which are regularly reviewed by senior leaders.

Principal risks to the delivery of our strategic objectives

HM Land Registry's 10 principal risks (March 2022)

Integrity of the register
People and culture
Resilience of technology
Transformation delivery
Changing market
Business Continuity
Processing capacity and capability
Local Land Charges Programme
Cyber Threat/Attack
Capability and Capacity to deliver strategic objectives

We worked hard to deliver proportionate mitigations for our principal risks throughout the financial year.

We have focused mitigations and investment in maintaining and protecting a fit-for-purpose register. Significant investment in processing capacity and capability has also been made to address the workload and to deliver registration services.

Security risks associated with legacy IT systems, cyber and external threats are being continually mitigated and we remain vigilant to the new and evolving threats in these areas.

We have also focused on our people-related risks during this challenging year, taking action to drive cultural change and keep our people at the heart of all that we do.

We have a number of risks related to delivering our core purpose and how we support our customers' changing needs. We continue to have clear, regular and collaborative communications with market participants.

We plan and forecast to ensure we deliver on our targets within our business strategy, and we continue to prioritise transformation of our services and key programmes.

HM Land Registry has a robust whistleblowing policy in place and remains committed to the highest standards of public service. There were no new cases of whistleblowing during the reporting period.

The coronavirus (COVID-19) national emergency continued to impact HM Land Registry and the property market generally throughout 2021-22. HM Land Registry has continued to adapt and respond to the changing situation.

It has been important to us to make sure that HM Land Registry can maintain the Land Registry with integrity and deliver the services that customers need, but we have

been open to innovations and opportunities that came out of changed working practices. We have been reflecting on hybrid working models and have been monitoring productivity in different working environments. As offices and other spaces opened up we followed social distancing guidance and worked hard to make sure that our colleagues returning to offices felt safe in doing so while continuing to ensure all staff feel connected and supported, however and wherever they are working.

Performance reporting

I receive monthly financial reports from the Chief Financial Officer. In addition, I also receive information on organisational performance, which is submitted monthly to the EXB and compiled from wider performance data received and reviewed by the Performance and Performance Data Committee. As laid out in the Performance section of the Annual Report, our performance framework includes eight key performance indicators providing a balanced scorecard across operational, financial, people and customer impacts of what we do.

HM Land Registry has a dedicated analysis team falling under the umbrella of the Finance and Business Services Directorate, which quality assures the management information in use throughout the organisation. On a biweekly basis, the EXB receives near real-time data on service delivery alongside business-critical management information. Appropriate levels of management information (MI) are also provided to other key committees and to managers throughout the organisation.

HM Land Registry operates a number of models critical to its core business. A dedicated Modelling and Decision Support Oversight Group provides oversight and relevant challenge to our business-critical models, and we have implemented Aqua Book-compliant ownership structures and quality assurance (QA) documentation. Similarly, our appraisal of projects and delivery options is consistent with Green Book guidance, and we are developing monitoring and evaluation approaches consistent with the Magenta Book.

Financial performance is monitored and reported monthly. There is a procedure for setting annual budgets and reviewing financial performance and full-year forecasts. Quarterly forecast reviews are in operation and give the EXB and LRB appropriate oversight and assurance. LRB receives briefer finance and performance updates at meetings when quarterly updates are not provided.

I have carried out virtual 'office' and 'national' question and answer sessions throughout the year, as have other members of the EXB and deputy directors. The sessions provided vital opportunities to engage with staff at all levels of the organisation. I and other members of the EXB regularly write blogs covering important key messaging, which are published on a platform allowing comment and conversation.

Over the last 12 months, I have held frequent one-to-one meet-ups with the Chair of the LRB. I have also met with a wide range of external stakeholders through regular meetings and formal stakeholder engagement groups to understand their concerns and operational context. These meetings with the Chair and other stakeholders have taken place virtually and in person.

I report quarterly to BEIS ministers and hold regular meetings throughout the year to discuss HM Land Registry's progress against strategic objectives and other areas of concern.

Procurement assurance

I am assured by the Chief Financial Officer, regarding specific procurements, that procurement activities are conducted in line with procurement regulations and Cabinet Office and HM Treasury guidance, and that senior managers have complied with these and HM Land Registry-specific procurement guidelines. Throughout COVID-19, we have considered and applied where relevant the Cabinet Office guidance on supplier relief from contractual obligations and emergency procurement approaches. We have also adopted enhanced supplier financial stability monitoring for our most business-critical contracts.

The Investment, Commercial & Finance Committee (ICFC) is a committee of the EXB that was created in 2020. The ICFC regularly reports on, and now holds responsibility for, approval of contracts over £1m, and advises on approvals of investment cases for contracts over £10m. Over the last year work has taken place to expand the remit of this group to take on oversight of contract management assurance. The remit of the committee may expand further to take responsibility for decisions on Fees & Charges.

Internal Audit and opinion

HM Land Registry has an adequate and effective framework for risk management, governance, and internal controls to support the satisfactory achievement of its business objectives and enable key risks to be effectively managed. While our work found some control issues during its audits there were no notable trends in control failings. Enhancements to the risk and assurance processes over the year has led to an ability to rely more on 2nd line assurance activity and while an integrated assurance approach is still developing, this will further strengthen independent assessment of the control environment as key transformation activity continues to a more digital and automated business. The overall rating remains unchanged from the prior year.



Simon Hayes
Chief Executive and Chief Land Registrar
8 July 2022

Parliamentary accountability report

1. Remuneration Report

Policy for senior civil servants

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

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

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

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

The salary of the Chief Land Registrar and Chief Executive is set by the Department for Business, Energy & Industrial Strategy. The HM Land Registry Remuneration and Nominations Committee, acting on the authority of the HM Land Registry Board, considers pay recommendations provided by line managers and note the annual pay strategy (including base pay, pay awards, pay gaps and performance pay) for the executive team and other SCS staff within HM Land Registry.

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

During the year the members of the Remuneration Committee were non-executive directors Kirsty Cooper, Ann Henshaw, Ed Westhead and Katy Baldwin, and Simon Hayes as Chief Executive and Chief Land Registrar. The committee is also attended by Simon Morris, Director of Human Resources and Organisation & Employee Development.

Policy for other civil servants

Pay for HM Land Registry employees who are not in SCS grades is determined each year following negotiation and consultation between HM Land Registry and the recognised unions and is subject to approval by the Secretary of State, taking into account guidance 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 specified, all the directors covered by this report hold appointments that are open-ended and are subject to a notice period of three months. Early termination for the directors on open-ended service contracts, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

Salary and performance pay – executive directors¹ 2021-22

	Salary £'000	Performance pay £'000	Benefits in kind To nearest £100	Pension benefits ² £	Total £'000
Simon Hayes Chief Executive and Chief Land Registrar	135 – 140	–	–	33,000	165 – 170
Mike Harlow General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	120 – 125	–	–	39,000	160 – 165
Dr Andrew Trigg ³ Interim Director of Digital, Data and Technology	30 – 35	–	–	8,000	35 – 39
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Jon Parry ⁴ Interim Director of Digital, Data and Technology	250 – 255	–	–	–	250 – 255
Annual Equivalent	(380 – 385)				(380 – 385)
Simon Morris ⁵ Director of Human Resources and Organisation & Employee Development	110 – 115	–	–	45,000	155 – 160
Iain Banfield Chief Financial Officer	110 – 115	5 – 10	–	31,000	150 – 155
Chris Pope Chief Operations Officer	130 – 135	–	–	52,000	185 – 190
Karina Singh Director of Transformation	110 – 115	5 – 10	–	23,000	145 – 150

1. Audited.
2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights.
3. Andrew Trigg's appointment ended as Interim Director of Digital, Data and Technology on 1 August 2021. The disclosed amounts above relate to his appointment as Interim Director of Digital, Data and Technology.
4. Jon Parry's appointment as Interim Director of Digital, Data and Technology commenced on 2 August 2021. The disclosed amounts above relate to the period of 2 August 2021 and 31 March 2022.

Salary and performance pay – executive directors¹ 2020-21

	Salary £'000	Performance pay £'000	Benefits in kind To nearest £100	Pension benefits ² £	Total £'000
Simon Hayes Chief Executive and Chief Land Registrar	135 – 140	–	–	142,000	275 – 280
Mike Harlow General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	120 – 125	10 – 15	–	52,000	185 – 190
John Abbott ³ Director of Digital, Data and Technology	10 – 15	–	–	0	10 – 15
Annual equivalent	(120 – 125)	–	–	–	(120 – 125)
Dr Andrew Trigg ⁴ Interim Director of Digital, Data and Technology	85 – 90	–	–	108,000	190 – 195
Annual equivalent	(90 – 95)	–	–	–	(90 – 95)
Simon Morris ⁵ Director of Human Resources and Organisation & Employee Development	90 – 95	–	–	37,000	130 – 135
Annual equivalent.	(110 – 115)				(110 – 115)
Jon Cocking ⁶ Acting Director of Human Resources and Employee & Organisation Development	15 – 20	5 – 10	–	36,000	60 – 65
Annual equivalent.	(85 – 90)	–	–	–	(85 – 90)
Iain Banfield Chief Financial Officer	110 – 115	10 – 15	–	60,000	185 – 190
Chris Pope Chief Operations Officer	130 – 135	–	–	52,000	185 – 190
Karina Singh Director of Transformation	110 – 115	–	–	78,000	190 – 195

1. Audited.
2. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
3. John Abbott's appointment ended on 11 May 2020. His pension benefits are 0 as he was not in the pension scheme during the financial year 2020-2021.
4. Dr Andrew Trigg's appointment as Acting Director of Digital, Data and Technology began on 1 May 2020. The disclosed amounts above relate to his appointment as Acting Director of Digital, Data and Technology.
5. Simon Morris's appointment as Director of Human Resources and Organisation & Employee Development began on 8 June 2020.
6. Jon Cocking's appointment as Acting Director of Human Resources and Organisation and Employee Development ended on 5 June 2020. The disclosed amounts above relate to his appointment as Acting Director of Human Resources and Organisation & Employee Development.

Remuneration – non-executive directors¹

	2021-22 £'000	2020-21 £'000
Michael Mire Non-executive Chair	55 – 60	55 – 60
Ed Westhead ² Non-executive Director	–	–
Katy Baldwin ³ Non-executive Director	–	–
Kirsty Cooper Non-executive Director	20 – 25	20 – 25
Angela Morrison Non-executive Director	20 – 25	20 – 25
Elliot Jordan Non-executive Director (Annual equivalent)	20 – 25	10 – 15 20 – 25
Ann Henshaw ⁴ Non-executive Director (Annual equivalent)	15 – 20 (20 – 25)	– –
Jeremy Pee ⁵ Non-executive Director (Annual equivalent)	15 – 20 (20 – 25)	– –

1. Audited.
2. Ed Westhead represents the interest of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry. Ed's appointment ended on 13 August 2021.
3. Katy Baldwin represents the interest of UK Government Investments (UKGI) and does not receive any remuneration from HM Land Registry. Katy's appointment started on 6 October 2021.
4. Ann Henshaw's appointment started on 1 June 2021.
5. Jeremy Pee's appointment started on 1 June 2021.

Salary

'Salary' includes gross salary, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. The tables on pages 77 to 79 are based on accrued payments made by HM Land Registry and thus recorded in these accounts.

Benefits in kind

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

Performance awards

Awards are based on performance levels attained and are made as part of the performance review process as discussed and noted at the Remuneration Committee in May 2021. The awards reported relate to the performance in the year in which they were paid to the individual. There were two performance payments made in 2021-22. The awards reported in 2021-22 relate to performance in 2020-21.

Pension benefits¹

	Real increase in pension and lump sum at 60		Total accrued at March 2022		Cash equivalent transfer value (CETV) at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	Pension £'000	Lump sum £'000	Pension £'000	Lump sum £'000	2022 £'000	2021 £'000	
Simon Hayes Chief Executive and Chief Land Registrar	0 – 2.5	0	45 – 50	80 – 85	759	706	11
Mike Harlow General Counsel, Deputy Chief Executive and Deputy Chief Land Registrar	0 – 2.5	0	35 – 40	0	562	512	19
Dr Andrew Trigg Interim Director of Digital, Data and Technology	0 – 2.5	0	35 – 40	110 – 115	895	840	2
Jon Parry Interim Director of Digital, Data and Technology	–	–	–	–	–	–	–
Simon Morris Director of Human Resources and Organisation & Employee Development	2.5 – 5	0	0 – 5	0	56	25	22
Iain Banfield Chief Financial Officer	0 – 2.5	0	35 – 40	55 – 60	477	440	8
Chris Pope Chief Operations Officer	2.5 – 5	0	20 – 25	0	344	289	39
Karina Singh Director of Transformation	0 – 2.5	0	55 – 60	50 – 55	973	912	6

1. Audited

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 pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

Cash equivalent transfer values

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

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

Real increase in CETV

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

2. Staff report

Staff costs for 2021-22¹

	Permanent staff £'000	Apprentices £'000	Others £'000	Total £'000
Salaries	196,598	760	1,390	198,748
Social security costs	19,887	46	123	20,056
Other pension costs	49,888	200	295	50,383
Total staff costs	266,373	1,006	1,808	269,187

1. Audited

Staff report as at 31 March 2022

	2021-22	2020-21
Number of permanent employees (including fixed-term appointments)	6,677	6,393
Permanent full-time equivalents on 31 March ¹	6,077	5,800
Number of apprentices on 31 March	75	57
Number of temporary/contract staff on 31 March ¹	70	87
Average sickness days per employee	8.1	5.1
Average number of training days per employee	6.5	5.8
Training days per apprentice	51.9	53
Training spend as percentage of salary bill	0.25	0.42
Female employees	60.6%	60.1%
Employees working part-time	30.7%	31.4%
Employees from ethnic minorities	5.9%	5.8%
Employees who report they have a disability	6.7%	7.8%
Staff turnover	5.7%	4.5%
Staff engagement scores	71%	71%
Mean Gender Pay Gap	5.7%	7.5%
Mean Bonus Gender Pay Gap	4.9%	7.3%

1. Audited

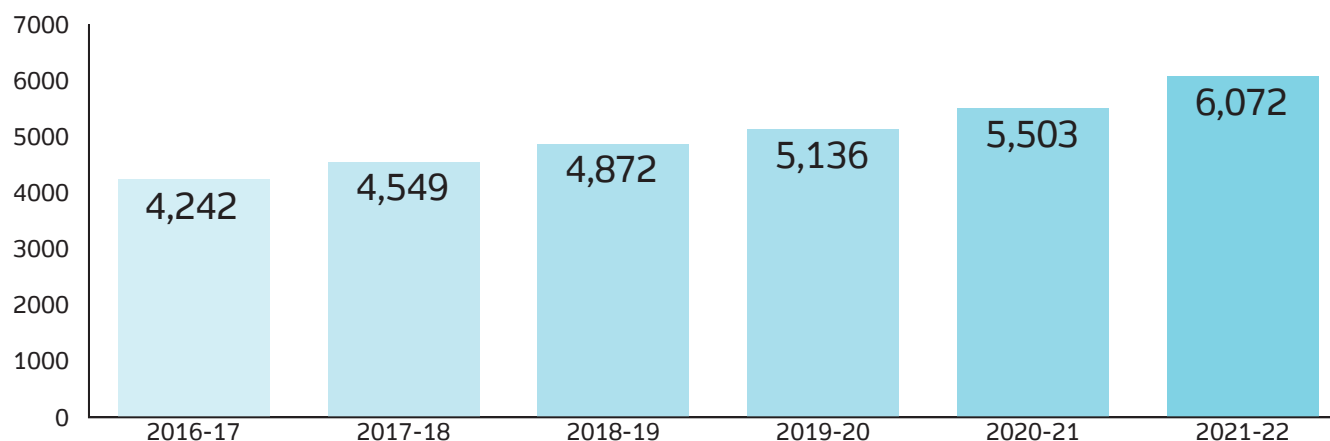
Gender analysis at 31 March 2022

	Male	Female	Total
Non-executive directors	3	4	7
Executive directors ¹	6	1	7
Senior Civil Service – band 2 ¹	5	1	6
Senior Civil Service – band 1 ¹	9	12	21
Permanent employees (not including Senior Civil Service) ²	2,617	4,033	6,650
Apprentices ²	33	42	75

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

2. Some apprentices are also permanent employees and are included in both categories.

Average full-time equivalent in year



Off-payroll disclosures

Off-payroll engagements as at 31 March 2022, for more than £245 per day and that last for longer than six months:

	2021-22	2020-21
Existing engagements as of 1 April 2022	37	26
Of which existing:		
— for less than one year at time of reporting	29	22
— for between one and two years at time of reporting	7	4
— for between two and three years at time of reporting	1	–
— for between three and four years at time of reporting	–	–
— for four or more years at time of reporting	–	–
New off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months		
New engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	35	35
Of which:		
— have been assessed as within IR35	35	34
— have been assessed as outside IR35	–	1
— have been terminated as a result of assurance not being received	–	–
Number engaged directly (via Public Sector Contract to department) and are on the departmental payroll	–	–
Number of engagements reassessed for consistency/assurance purposes during the year	35	35
Number of engagements that saw a change to IR35 status following the consistency review	–	–
Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022		
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	–	–
Total number of individuals on payroll and off payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure includes both off-payroll and on-payroll engagements	7	9

Expenditure on consultancy¹

	2021-22	2020-21
	£'000	£'000
Cost of consultancy	1,804	1,442
Total	1,804	1,442

1. Audited

Resourcing

Recruitment is key to the long-term health of HM Land Registry and core to successful delivery of our People Strategy, particularly in supporting the growth of capability and capacity to deliver core services. An annual strategic workforce plan supports the development of resourcing plans that deliver a programme of planned, regular and proactive recruitment.

This year we have recruited externally to ensure that core operational and support services have the capacity to deliver statutory functions to agreed service standards. We have addressed front-line needs and future workforce sustainability by recruiting Registration Officers and two cohorts of Executive Registration Officers in volume. Alongside this, significant internal development and

training activity has been undertaken to ensure our colleagues have the essential skills in place at the right level.

We have enhanced specific capability areas, particularly in digital transformation and agile development skills; through regular quarterly recruitment and engagement of delivery partners through the Government Frameworks. This has improved digital capacity, to deliver our aims for a digital Land Register and help towards redefining the future role of caseworkers. We have supported the Local Land Charges Programme by increasing capacity within the team, including the use of contingent labour to support the rapid growth and expansion of the programme.

We have built on our existing entry routes and our apprenticeship schemes have provided the opportunity for people to gain a qualification in legal, human resources, information technology and finance. We have also recruited Civil Service Fast Streamers across a range of disciplines and recruited IT student placements in our Digital, Data and Technology function.

As part of the annual workforce plan we actively encouraged increased representation across all diverse groups. We are governed by the Civil Service Commission Recruitment Principles which requires the selection of people for appointment to be on merit and on the basis of fair and open competition and maintained compliance. All our job opportunities are advertised supporting the Disability Confident Scheme which ensures disabled people will progress to the next stage of the selection process if their application meets the minimum criteria. It is our policy to ensure that any tests used do not discriminate against disabled candidates and adequate reasonable adjustments are made where required.

Recruitment

Innovative marketing and attraction strategies have been used to source candidates for hard to fill digital roles and we have strengthened our employer brand through advertising on different social channels with increased use of video, use of employee blogs and targeted candidate packs. The implementation of hybrid working has enabled advertising significantly more vacancies in all our 14 office locations, utilising remote interviewing which supports candidate attraction in an increasingly competitive market.

HM Land Registry is committed to equality of opportunity and diversity and we have introduced government schemes to support those who may need extra help in obtaining employment such as prison leavers and veterans and a diversity internship.

HM Land Registry currently uses the Public Sector Resourcing (PSR) framework for the procurement of non-payroll contractors. Contractors have been used to meet short-term and/or urgent needs for specialist or skilled resource, and information regarding compliance and disclosures is included on page 83. HM Land Registry is supporting new reporting requirements for the use of contractors so Cabinet Office can track its use across the Civil Service.

Health and wellbeing Supporting our People Strategy – HM Land Registry’s attendance, health and wellbeing delivery plan

The aim of our attendance, health and wellbeing delivery plan is to create a culture in HM Land Registry that recognises the importance of health and wellbeing, and to build an environment that supports our wellbeing and helps us to look after our own health. Our vision is to create an environment where leaders embed wellbeing into their strategies, decision making and change management, ensuring that initiatives are felt, supported and visible throughout the organisation. In respect of mental health, we want to make a real difference in the way we view, talk and act on mental health – for HM Land Registry to be an organisation where mental health issues are widely understood and destigmatised; where our people are confident to talk about their mental ill health; and where our managers are equipped to identify and understand the spectrum of mental health issues they may encounter, and to be able to support those affected. Our plan is aligned to external drivers – the ‘Thriving at Work: the Stevenson/Farmer review of mental health and employers’; the Mental Health at Work Commitment standards (we signed up to these commitments in 2020); and the Civil Service Strategic Priorities for Health and Wellbeing.

This year we have delivered a variety of initiatives to support our colleagues and the organisation:

- HM Land Registry achieved a Gold Award in the 2020-21 MIND Workplace Wellbeing Index. This was the second time that HM Land Registry has taken part in the Index (the first being in 2018 when we achieved a Silver Award). To receive a Gold Award means that HM Land Registry was rated as successfully embedding mental health into our policies and practices, using a variety of best practice approaches and demonstrating a long-term, in-depth commitment to colleague mental health. In addition to the survey, MIND invited HM Land Registry colleagues to nominate individuals in their Workplace Wellbeing Index Employee Awards 2020-21. HM Land Registry had nearly 20 individuals nominated, with two colleagues shortlisted and two colleagues being highly commended;
- we launched our Wellbeing Hub which is accessible from the home page of our intranet and which provides a one stop shop for practical information, advice, and support for individuals’ wellbeing;
- we devised and delivered a Health and Wellbeing calendar of events and campaigns to increase awareness of information and provide support, help and advice. The calendar takes into account sickness absence data; Civil Service health and wellbeing priority areas; and national awareness campaigns. Every year we proactively support Time to Talk Day; Mental Health Awareness Week; World Mental Health Day (this year we focused on burnout); World Suicide Prevention Day; and National Grief Awareness Week;
- we ensured that visible leadership for health and wellbeing is provided through our Executive Board Health and Wellbeing Champion who headed up and supported a number of the campaigns and encouraged leaders to act as role models, actively promoting the importance of health and wellbeing, and challenging myths and stigma;

- we have a network of mental health first aiders (MHFAs) throughout the organisation. The role of the MHFA is to support colleagues with mental health concerns and to promote mental health awareness across the organisation. We have provided all of our established first aiders with refresher training to ensure their skills and knowledge are kept up to date. During Mental Health Awareness Week the MHFAs held three bite-sized sessions to raise awareness of their role, to address the easing of lockdown concerns and to raise the profile of the Employee Assistance Programme (EAP) through a personal story of how the service helped a colleague with their mental health condition;
- HM Land Registry Swansea Office won a prestigious Healthy Working Wales award which celebrates employers across Wales who have demonstrated innovation, creativity and dedication to their colleagues' wellbeing in response to the COVID-19 pandemic. We entered the category, Best COVID-19 Company Response – internal (supporting employees) large company, and in winning the award we received recognition for the work the office did to ensure our people and their wellbeing were at the forefront of any initiatives introduced throughout the pandemic;
- we have supported people to stay at work or return to work by ensuring the awareness of the EAP service (and its scope) is promoted across the organisation. We monitor usage of the service to target interventions, and proactively use the service to support health and wellbeing campaigns; and
- we have created a new attendance, health and wellbeing dashboard to record and publicise health and wellbeing data to help improve communication and transparency. The data is also tracked as part of our internal engagement KPI.

Capability

This year key priorities for the development of our colleagues have included:

- a increased focus on effective performance conversations;
- development and launch of pilot Leadership Talent Programmes;
- growth of our Land Registration Academy; and
- increasing our digital skills capability in a hybrid working environment.

More detail can be found in Simon Morris' update in the Performance Report starting on page 38.

Employee involvement

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

Chief Executive and director blogs have continued to be issued during the year on a weekly basis and colleagues have been encouraged to respond to these with the aim of creating open and honest dialogue and exchange of views. This has been complemented with regular virtual question and answer sessions, with high attendance from the workforce overall.

Managers are required to have regular monthly discussions with individual team members to discuss

openly employee performance, ideas for improvements to working practices, wider organisational issues, changes and any employee concerns. Our investment in Brilliant Teams, Inspiring Leaders has re-enforced that approach. During the COVID pandemic and the move to remote working, a heightened focus on employee wellbeing has resulted in more regular discussions and support.

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

Informal regular dialogue between the Chief Executive and trade union leads has continued during the year. Day-to-day operation of employment relations is managed through monthly Engagement and Consultation meetings between senior management and departmental trade union representatives, alongside fortnightly Transformation and Change meetings. We have also introduced an additional informal weekly meeting as a result of the introduction of remote working and the need to issue additional guidance and support, and to resolve issues and concerns promptly.

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

We have continued a focus on our culture maturity in line with our defined aspirations. The COVID pandemic response enabled our culture to change rapidly and the continuing response of the organisation has been incredible. The focus on the wellbeing of our people remained at the forefront of all considerations and as a result we have again seen further positive improvements in our engagement scores in the Civil Service People Survey. Regular internal surveys held during the year have shown these improvements have been maintained and people are positively referencing the way HM Land Registry has responded. We are committed to maintaining and building on what we have learned from working and managing differently.

Our culture maturity model, developed with the involvement of a wide range of stakeholders, including managers and leaders, colleague networks and union colleagues, has provided a valuable structure to measure our progress.

The People and Estates Committee will now oversee progress against the model and, through annual re-baselining, ensure that key corporate initiatives are applied in a way that makes a difference. Our principal risk and specific controls are aligned on this basis. Similar activity replicated and monitored within each directorate.

Feedback from colleagues continues to be a key component in planning and assessing progress towards our desired culture. In addition survey feedback, continued constructive discussion with unions at both departmental and local level, encouraging colleague involvement on other committees (including health and wellbeing, social and sports, diversity and charity), and directors' visits with question and answer sessions, are all essential in ensuring our colleagues' views are heard and understood.

Diversity and inclusion

In April 2021, we published our Diversity and Inclusion (D&I) Strategy for 2021-24 based around three themes: improving representation, creating an inclusive culture, and embedding D&I. Supporting the strategy is an underpinning action plan focusing on year one priorities to develop a baseline of data, to measure our inclusive culture and a focus on our networks and inclusion champions.

We have a strong cultural focus on diversity and inclusion, with widespread directorate activity and a broad approach to communicating inclusivity, with stories about menopause, grief, suicide, and so on.

HM Land Registry currently has networks for disability; lesbian, gay, bisexual, transgender+; carers; age; women; black, Asian and minority ethnic; and faith and belief which provide support for those who share their characteristic and those who do not. They deliver a wide variety of online events ranging from speakers to interactive sessions which form part of a corporate events calendar. The disability network supports user testing for assistive technology as new business systems are developed as part of digitisation and transformation programmes and projects.

Our commitment to fairness and inclusion was recognised in our latest People Survey with an 88% positive score in inclusion measures, a 2% increase on the year before. We also maintained our Disability Confident leader status.

We continue to push to improve representation through our recruitment practices. We recruit externally by default and use name blind recruitment. We offer the Disability Confident guaranteed interview scheme and ensure all our panel members are trained on supporting disabled and neurodiverse colleagues. A recruitment video has been produced to supplement the employee blogs and candidate packs that highlight the colleague networks and Disability Confident scheme.

Reporting of Civil Service and other compensation schemes – exit packages¹

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
£0–£10,000	–	–	4	1	4	1
£10,001–£25,000	–	–	1	2	–	2
£25,001–£50,000	–	–	1	2	2	2
£50,001–£100,000	–	–	2	1	2	1
£100,001–£150,000	–	–	–	–	–	–
£150,001–£200,000	–	–	–	–	–	–
>£200,000	–	–	–	–	–	–
Total number of exit packages	–	–	8	6	8	6
Total cost	–	–	£184,641	£181,523	£184,641	£181,523

1. Audited.

There were eight ex-gratia payments in 2021-22 totalling £184,641.23 (2020-21: 6, £181,522.63).

Compensation for loss of office

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

Pay multiples¹

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

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

	2021-22	2020-21
Band of highest paid permanent director's total remuneration (£'000)	250 – 255	135 – 140
Median (£)	31,149	30,129
Median (remuneration ratio)	8.1	4.5
Lower quartile (£)	27,130	25,201
Lower quartile (remuneration ratio)	9.3	5.4
Upper quartile (£)	39,152	38,762
Upper quartile (remuneration ratio)	6.5	3.5

	Salary and allowances	Performance pay and bonuses
Percentage change between 2020-21 and 2021-22 for highest paid director	86%	0%
Percentage change between 2020-21 and 2021-22 for remaining employees	5.5%	-49.1%

1. Audited.

This year the highest paid director has changed due to the Director of Digital, Data and Technology being filled on an interim, contractual basis. Due to this change you can see an increase in both the median, lower and upper quartile ratios from 20-21 and the percentage change of salary and allowances.

Had the calculation been made against the highest paid permanent director, there would have been 0% change within the director's salary and allowances and the Median (remuneration ratio) would have been 4.4, the Lower Quartile (remuneration ratio) 5.0 and the Upper Quartile (remuneration ratio) 3.5, which reflects a reduction in the ratios compared with 2020-21.

The table below shows the comparative pay ranges for staff remuneration (excludes pension benefits).

	2021-22	2020-21
Lowest Remuneration (£'000)	15 – 20	15 – 20
Highest Remuneration (£'000)	250 – 255	135 – 140

The percentage changes for remaining employees have been calculated using the values of active employees as at the 31 March for each respective year. The percentage change increase in salary and allowances for remaining staff is due to the increase in employee headcount in 2021-22 when compared to 2020-21.

The 49.1% reduction in performance pay and bonuses is due to the payment values for the performance related pay being lower in 2021-22 when compared with the values paid in 2020-21.

Trade union facility time

Time period: 1 April 2021 to 31 March 2022

Months: 12

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
110	100.12

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	37
1 – 50%	73
51 – 99%	0
100%	0
Total	110

Table 3: Percentage of pay bill spent on facility time

	Amount
Total cost of facility time	£261,836
Total pay bill	£268,495,040
Percentage of total pay bill spent on facility time	0.098%

Table 4: Paid trade union activities

Total number of hours spent on paid trade union activities	0.00
Total number of hours spent on paid facility time	114,439.76
Time spent on paid trade union activities as a percentage of total paid facility hours	0.00%

3. The Statement of Outturn Against Parliamentary Supply and related notes (audited) For the period ended 31 March 2022

In addition to the primary financial statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires HM Land Registry to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes. The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoPS mirrors the Supply Estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

The SoPS contains a summary table, detailing performance against the control limits that Parliament has voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (SoPS Note 1); a reconciliation of outturn to net operating expenditure in the Statement of Comprehensive Net Expenditure (SoCNE), to tie the SoPS to the financial statements (SoPS Note 2); a reconciliation of outturn to net cash requirement (SoPS Note 3); and, an analysis of income payable to the Consolidated Fund (SoPS Note 4).

The SoPS and Estimate are compiled against the budgeting framework which is similar, but different to IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on pages 45-47, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

The SoPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SoPS disclosures.

Estimate outturn compared with Voted Estimate

Summary table 2021-22

Type of spend	SoPS Note	Outturn			Estimate			Outturn vs Estimate saving/(excess)		Prior Year Outturn Total 2020-21 £'000
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Departmental Expenditure Limit										
Resource	1.1	364,593	–	364,593	378,754	–	378,754	14,161	14,161	332,700
Capital	1.2	109,507	–	109,507	128,868	–	128,868	19,361	19,361	32,160
Total		474,100	–	474,100	507,622	–	507,622	33,522	33,522	364,860
Annually Managed Expenditure										
Resource	1.1	(307)	–	(307)	12,000	–	12,000	12,307	12,307	(858)
Capital	1.2	–	–	–	–	–	–	–	–	–
Total		(307)	–	(307)	12,000	–	12,000	12,307	12,307	(858)
Total budget										
Total resource		364,287	–	364,287	390,754	–	390,754	26,467	26,467	331,842
Total capital		109,507	–	109,507	128,868	–	128,868	19,361	19,361	32,160
Total budget expenditure		473,794	–	473,794	519,622	–	519,622	45,828	45,828	364,002
Non-budget expenditure		–	–	–	–	–	–	–	–	–
Total budget and non-budget		473,794	–	473,794	519,622	–	519,622	45,828	45,828	364,002

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available at GOV.UK, for detail on the control limits voted by Parliament.

Net cash requirement 2021-22

	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate saving / (excess) £'000	Prior Year Outturn Total 2020-21 £'000
Net cash requirement	3	405,520	446,801	41,281	357,549

Notes to the Statement of Outturn against Parliamentary Supply 2021-22

SoPS 1. Outturn detail, by estimate line SoPS 1.1 Analysis of net resource outturn by estimate line

Type of spend (Resource)	Resource Outturn				Estimate			Outturn vs Estimate saving/ (excess) £'000	2020-21 Total Outturn £'000
	Programme				Total £'000	Virements £'000	Total inc. virements £'000		
	Gross £'000	Income £'000	Net £'000	Total £'000					
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
A. HM Land Registry core DEL expenditure	364,593	–	364,593	364,593	378,754	–	378,754	14,161	332,700
Total spending in DEL	364,593	–	364,593	364,593	378,754	–	378,754	14,161	332,700
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
B. HM Land Registry core AME expenditure	(307)	–	(307)	(307)	12,000	–	12,000	12,307	(858)
Total spending in AME	(307)	–	(307)	(307)	12,000	–	12,000	12,307	(858)
Total resource	364,287	–	364,287	364,287	390,754	–	390,754	26,467	331,842

SoPS 1.2 Analysis of capital outturn by section

Type of spend (capital)	Outturn			Estimate			Outturn vs Estimate saving/ (excess) £'000	2020-21 Total Outturn £'000
	Gross £'000	Income £'000	Net £'000	Total £'000	Virements £'000	Total inc. virements £'000		
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A. HM Land Registry core DEL expenditure	109,737	(231)	109,507	128,868	–	128,868	19,361	32,160
Total spending in DEL	109,737	(231)	109,507	128,868	–	128,868	19,361	32,160
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
B. HM Land Registry core AME expenditure	–	–	–	–	–	–	–	–
Total spending in AME	–	–	–	–	–	–	–	–
Total capital	109,737	(231)	109,507	128,868	–	128,868	19,361	32,160

The total Estimate columns include virements. Virements are the relation of provision in the Estimates that do not require parliamentary authority (because Parliament

does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on GOV.UK.

The outturn vs estimate column is based on the total including virements. The estimate total before virement have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

Resource and Capital Spending within HM Land Registry's Departmental Expenditure Limits (DEL)

RDEL

The RDEL underspend of £14.2m was largely driven by the underspend of £10.9m against HM Land Registry's ring-fenced depreciation budget due to HM Land Registry reviewing the useful economic lives of its intangible assets in year. Within non-ringfenced RDEL, the underspend was £3.3m, which is within 1% of outturn.

CDEL

The CDEL underspend in 2021-22 is £19.4m. This is made up of two elements. There is a £11.7m underspend within the ring-fenced budget for the Local Land Charges (LLC) programme due to timing issues with the migration of local authorities onto the LLC Register. The other element is a £7.7m underspend largely relating to the transition to the new leases standard, IFRS 16.

Resource Spending within HM Land Registry's Annually Managed Expenditure (AME)

HM Land Registry also holds an Indemnity provision for claims. This provision value is uncertain, and funding was set aside for any change in value. During 2021-22, the indemnity provision was reduced and this AME funding was not required.

SoPS 2. Reconciliation of outturn to net operating expenditure

	Note	Outturn £'000	2020-21 Total Outturn £'000
Total resource outturn in SoPS	SoPS 1.1	364,287	331,842
Add: Research and Development		22	-
Add: Capital grant-in-kind	SoCNE	231	52,752
Less: Other operating income	SoCNE	(2,704)	(2,780)
Total		361,836	381,814
Net operating expenditure in Consolidated Statement of Net Comprehensive Expenditure	SoCNE	361,836	381,814

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the Financial Statements.

Capital grant-in-kind reflect the budget transfer in relation to the asset transfer to the Government Property Agency. In 2020-21, this related to the transfer of HM Land Registry's freehold properties and most of the long-leasehold properties with a total value £52,752k. In 2021-22, this related to the transfer of legacy assets with a total value of £231k.

SoPS 3. Reconciliation of net resource outturn to net cash requirement

2021-22	SoPS Note	Outturn £'000	Estimate £'000	Outturn vs Estimate saving / (excess) £'000
Resource outturn	1.1	364,287	390,754	26,467
Capital outturn	1.2	109,507	128,868	19,361
		473,794	519,622	45,828
<i>Adjustments to remove non-cash items:</i>				
Depreciation and amortisation (including repayment of capital finance lease)		(11,774)	(22,710)	(10,936)
Indemnity Provision Movement		(4,980)	(12,000)	(7,020)
Capital repayment of leases		6,178		(6,178)
Impairment of non-current assets		(501)	–	501
Auditor's remuneration		(106)	–	106
Right-of-Use additions (IFRS16)		(67,740)	–	67,740
<i>Adjustments to reflect movements in working balances</i>				
Increase/ (decrease) in receivables		7,357	–	(7,357)
(Increase)/ decrease in payables		(2,880)	(38,111)	(35,231)
Use of provisions		5,788	–	(5,788)
Movements in items not passing through the SoCNE		384	–	(384)
Net cash requirement		405,520	446,801	41,281

As noted in the introduction to the SoPS above, Outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

SoPS 4. Amounts of income to the Consolidated Fund

SoPS4.1 Income payable to the Consolidated Fund

	2021-22 Outturn total		2020-21 Outturn total	
	Accruals	Cash basis	Accruals	Cash basis
	£'000	£'000	£'000	£'000
The following income is payable to the Consolidated Fund (cash receipts being shown in italics).				
Income outside the ambit of the Estimates	2,704	2,772	2,780	2,403
Excess cash surrenderable to the Consolidated Fund	–	868	–	377
Total amounts paid and payable to the Consolidated Fund	2,704	3,640	2,780	2,780

SoPS4.2 Consolidated Fund income

Consolidated Fund income shown in Trust Statement's Note 4.1 does not include any amounts collected by the department where it was acting as agent for the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from the main financial statements) are reported as part of the Trust Statement within this Annual Report and Accounts.

Parliamentary accountability disclosures

1. Losses and special payments (audited)

There were no losses or special payments on an individual or cumulative basis that require disclosure because of their size or nature during 2021-22 (2020-21: nil).

2. Fees and charges (audited)

The following information on the main activities of HM Land Registry is produced for fees and charges purposes and does not constitute segmental reporting under IFRS 8 (see the Departmental Account's Note 2).

	Statutory			Non-statutory		
	Registration of title ²	Land Charges and Agricultural Credits ³	Local Land Charges ⁴	Rental income	Commercial income ⁵	Total
	£'000	£'000	£'000	£'000	£'000	£'000
2021-22						
Income	307,023	7,279	408	2,704	4,219	321,633
Cost of service	(320,404)	(190)	(6,975)	–	(1,718)	(329,287)
Administrative expenses	(33,095)	(31)	(18)	(337)	(265)	(33,746)
Operating surplus / (deficit)	(46,476)	7,058	(6,585)	2,367	2,236	(41,400)
2020-21						
Income	226,042	6,268	225	2,780	3,857	239,172
Cost of service	(294,768)	(163)	(3,178)	–	(2,412)	(300,521)
Administrative expenses	(26,460)	(27)	(3,610)	(329)	(373)	(30,799)
Operating surplus / (deficit)	(95,186)	6,078	(6,563)	2,451	1,072	(92,148)

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

3. Remote contingent liabilities

The judgements taken to place a value on the Indemnity Fund are an assessment for events at this point in time and do not include an assessment for events that are too uncertain or remote to include. Therefore there is no recognition of the potential change in value of the provision for uncertain events and an assessment is only made for changes in value of known events. Further details of the impact of changes in known events are shown on pages 116 and 117.

Simon Hayes

Simon Hayes
Chief Land Registrar and Chief Executive
8 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of HM Land Registry for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The financial statements comprise: HM Land Registry's

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of HM Land Registry's affairs as at 31 March 2022 and its net expenditure for the year for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law 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 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of HM Land Registry in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that HM Land Registry's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on HM Land Registry's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for HM Land Registry is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Performance Report and the Accountability Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of HM Land Registry and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by HM Land Registry 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing HM Land Registry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of HM Land Registry's accounting policies.
- Inquiring of management, HM Land Registry's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to HM Land Registry's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HM Land Registry's controls relating to their compliance with the Government Resources and Accounts Act 2000 and Managing Public Money
- discussing among the engagement team and involving relevant internal and external specialists relating to HM Land Registry's Indemnity Fund regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within HM Land Registry for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of HM Land Registry's framework of authority as well as other legal and regulatory frameworks in which HM Land Registry operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of HM Land Registry. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2021, the Land Registration Act 2002, the Land Registration Rules 2003, the Agricultural Credits Act 1928 and the Land Charges Act 1972 and relevant employment law, pensions and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal and external specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

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

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.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

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

11 July 2022

Departmental financial statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Other operating income	3.1	(2,704)	(2,780)
Total operating income		(2,704)	(2,780)
Staff costs	4.1	269,188	243,735
Purchase of goods and services	3.2	76,670	70,497
Depreciation, amortisation and impairment charges	3.2	12,274	14,005
Indemnity provision and payments for Indemnity including legal costs	3.2	4,960	3,049
Total operating expenditure		363,092	331,286
Net operating expenditure		360,388	328,506
Capital grant-in-kind	3	231	52,752
Finance income: Interest	5	(51)	(19)
Finance expense: Finance Leases	6	1,280	575
(Profit)/Loss on disposal of non-current assets	SoCF	(12)	–
Net expenditure for the year		361,836	381,814
Other comprehensive net expenditure			
Items which will not be reclassified to net operating expenditure			
Net (gain)/ loss on revaluation of property, plant and equipment	7	–	2,484
Comprehensive net expenditure for the year		361,836	384,298

The notes on pages 102 to 120 are an integral part of these accounts.

Statement of Financial Position as at 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Non-current assets			
Right-of-Use assets	10	66,233	–
Assets under construction	9	35,290	24,862
Intangible assets	8	46,169	21,750
Property, plant and equipment	7	21,906	21,891
Trade and other receivables	12	2,972	472
Total non-current assets		172,570	68,975
Current assets			
Trade and other receivables	12	14,296	5,439
Cash and cash equivalents	11	31,214	23,474
Total current assets		45,510	28,913
Total assets		218,080	97,888
Current liabilities			
Trade and other payables	13	71,435	60,815
Obligations under finance leases	10	5,765	310
Short-term provisions	14.1	53	60
Indemnity Fund	14.2	69,800	70,600
Total current liabilities		147,053	131,785
Non-current assets plus net current (liabilities)/ assets		71,027	(33,897)
Non-current liabilities			
Obligations under finance leases	10	68,405	3,699
Total non-current liabilities		68,405	3,699
Net (liabilities)/ assets		2,622	(37,596)
Taxpayers' Equity			
General Fund	SoCTE	2,622	(37,596)
Total Equity		2,622	(37,596)

The notes on pages 102 to 120 are an integral part of these accounts.

Simon Hayes

Simon Hayes
Chief Executive and Chief Land Registrar
8 July 2022

Statement of cash flows for the period ended 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Cash flows from operating activities			
Net operating income/ (expenditure)	SoCNE	(360,388)	(328,506)
Adjustments for non-cash transactions:			
Depreciation of property, plant and equipment	3.2	10,464	7,173
Amortisation of intangible assets	3.2	1,309	4,632
Impairment of non-current assets	3.2	501	2,200
(Increase)/ decrease in trade & other receivables	10, 12	(7,357)	1,686
Increase/ (decrease) in trade & other payables	13	2,880	(6,013)
Less movements not passing through the SoCNE		1	(1)
Auditor's remuneration	3.2	106	106
Decrease/ (increase) in Indemnity Fund	14.2	4,980	3,029
Use of Indemnity Fund Provision	14.2	(5,780)	(5,629)
Use of other provisions	14.1	(7)	(458)
Net cash inflow/ (outflow) from operating activities		(353,291)	(321,781)
Cash flows from investing activities			
Purchase of tangible assets		(5,036)	(8,847)
Purchase of intangible assets		(36,708)	(23,316)
Proceeds from disposal of tangible assets		496	–
Interest received on bank deposits	5	–	19
Net cash inflow/ (outflow) from investing activities		(41,248)	(32,144)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year	SoCTE	413,327	380,650
Repayments of capital element of obligations under finance leases	10	(6,178)	(273)
Interest element of obligations under finance leases	6	(1,280)	(575)
Interest received on leases	5	51	–
Net financing		405,920	379,802
Net increase/ (decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		11,381	25,877
Payments of amounts due to the Consolidated Fund		(3,640)	(2,403)
Net increase/ (decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		7,741	23,474
Cash and cash equivalents at the beginning of the period	11	23,474	–
Cash and cash equivalents at the end of the period	11	31,215	23,474

The notes on pages 102 to 120 are an integral part of these accounts.

Statement of changes in Taxpayers' Equity for the period ended 31 March 2022

	Note	Revaluation reserve £'000	General Fund £'000	Total reserves £'000
Balance at 31 March 2020		24,981	(33,158)	(8,177)
Net Parliamentary Fund - drawn down		–	380,650	380,650
Comprehensive net expenditure for the year	SoCNE	–	(381,814)	(381,814)
Amounts paid to the Consolidated Fund		–	(2,403)	(2,403)
Auditor's remuneration	3.3	–	106	106
Revaluation gains and losses	SoCNE	(2,484)	–	(2,484)
Revaluation reserve transfer		(22,497)	22,497	–
Income payable to the Consolidated Fund	11	–	(377)	(377)
Supply (payable)/ receivable adjustment	11	–	(23,097)	(23,097)
Balance at 31 March 2021		–	(37,596)	(37,596)
Net Parliamentary Fund - drawn down		–	436,801	436,801
Comprehensive net expenditure for the year	SoCNE	–	(361,835)	(361,835)
Amounts paid to the Consolidated Fund		–	(3,640)	(3,640)
Auditor's remuneration	3.3	–	106	106
Income payable to the Consolidated Fund	11	–	(309)	(309)
Amounts payable to the Consolidated Fund for the year	11	–	(30,905)	(30,905)
Taxpayers' Equity at 31 March 2022		–	2,622	2,622

The notes on pages 102 to 120 are an integral part of these accounts.

Notes to departmental accounts

1 Statement of accounting policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2021-22 and comply with the Accounts Direction given by HM Treasury. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that has been judged to be the most appropriate to the particular circumstances of HM Land Registry for the purposes of giving a true and fair view has been selected. HM Land Registry's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the department to prepare a Statement of Parliamentary Supply and supporting notes to show Outturn against Estimate in terms of net resource requirement and net cash requirement.

The department is legally obliged under the Land Registration Act 2002 to provide statutory services relating to land registration and there are sufficient reserves to support the department going forward. In common with other government departments, the future financing of the department's liabilities is to be met by future grants of Supply and the application of future income, both to be approved annually by Parliament. It is therefore considered appropriate to prepare these accounts on a going concern basis.

These accounts have been prepared under the Government Resource and Accounts Act 2000.

Accounting standards issued but not yet effective
IFRS 17 *Insurance Contracts* will become effective from 1 January 2023 for public sector organisations. This reporting standard is anticipated to have no accounting impact upon HM Land Registry as no such insurance contracts are held.

1.2 Accounting convention

The financial statements have been prepared on an accruals basis under the historical cost convention modified for the revaluation of Property, Plant and Equipment, Investment Properties, Assets Held for Sale and Intangible Assets to fair value as determined by the relevant accounting standard.

1.3 Areas of significant estimate and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period are:

- Note 9 - The valuation and useful economic life (UEL) of the intangible assets. The valuation is the direct replacement cost of the register and the data that is currently in use. The replacement cost includes all costs that are reliably measured and the economic life is reviewed each financial year to determine whether events and circumstances continue to support the life chosen. For Intangible Assets, the

UEL of data assets and bespoke internally developed assets was extended. This change was made to the account prospectively, as it reflects a change in accounting estimate from the start of the 2021-22 financial year.

- Note 13.2 - estimation of the provision required to settle all known and Incurred But Not Reported (IBNR) indemnity claims – where uncertainty exists for the proportion of outstanding claims that will ultimately be paid, the value of those payments and the effect of any legal judgements. For IBNR claims, the number of unreported claims is unknown as is the point at which an error is discovered and the value of any potential claim.

1.4 Income from contracts with customers

IFRS 15 *Revenue from Contracts with Customers* has been adopted. The income recognition criteria within IFRS 15 are consistent with HM Land Registry accounting policy. All Statutory fees and charges are held in a separate HM Land Registry Trust Statement. Income in the Statement of Net Expenditure relates to property rental income which is recognised as the amounts fall due.

1.5 Operating segments

HM Land Registry's operating segments are the directorates which are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The seven reportable business segments are: Chief Executive & Chief Land Registrar's Office, Human Resources, Finance & Business Services, Operations, Legal, Transformation and Digital, Data & Technology. This is based on the group's internal organisation and management structure, and is the primary way in which the CODM is provided with financial information. The CODM of HM Land Registry is Simon Hayes, Chief Executive and Chief Land Registrar.

1.6 Employee benefits

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

1.7 Pensions

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

1.8 Property, plant and equipment

Freehold and leasehold land and buildings are professionally valued by external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Montagu Evans (Royal Institution of Chartered Surveyors (RICS) registered valuer) carried out a desktop valuation in March 2021 to facilitate the transfer of assets to the Government Property Agency.

HM Land Registry is required by the FReM to disclose non-current assets in the Statement of Financial Position at fair value. For assets in use the FReM requires operational assets to be measured at fair value using current value in existing use, rather than market value as required by IAS 16 *Property Plant and Equipment*. Details of FReM adaptations which continue to apply for 2021-22 can be found on GOV.UK (search 'Financial Reporting Manual 2021-22').

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

All other tangible non-current assets are included at historical cost less accumulated depreciation and impairment losses.

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

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

Asset lives are reviewed at the end of each financial year. In 2021-22, the policy for depreciation of Useful Economic Lives (UEL) was amended to reflect the underlying nature of the assets being acquired by HM Land Registry, whereby a 3 to 5 year range is found to be more reflective of the new underlying assets rather than a fixed 5 year term.

The following asset depreciation rates are used:

Freehold land	Nil
Freehold buildings	Estimated useful life
Leasehold buildings	Period of the lease or estimated useful life
Telecommunications equipment	5 years
Office equipment	5 years
Computers: Mainframe	3 to 5 years
Computers: PCs	5 years
Structured cabling	10 years
Plant and heavy machinery	10 years

1.9 Leases

Adoption of IFRS 16 *Leases* on 1 April 2021 led to assets previously classified as property, plant and equipment held under finance leases being re-classified as right-of-use assets, and being disclosed under Note 10.1, with the associated costs being recognised in Note 10.2. These assets and liabilities exclude those that have lease with a short-life (less than 12 months), or are considered 'low-value' under IFRS 16.

HM Land Registry holds a single lease which it defines as low value as it is valued at £6k. For this particular lease, the low value criteria is appropriate as it relates to a very small sub-lease within a much larger government property.

Initial recognition

At the commencement of the lease (or the IFRS 16 transition date, if later), HM Land Registry recognises a right-of-use asset and a lease liability.

The lease liability is measured at the payment for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or (where this cannot be determined) HM Land Registry's central internal rate of borrowing. The payments included in the liability are those that are fixed, or in substance fixed, excluding charges arising (that is from future rent reviews or indexation). The right-of-use asset is measured at the value of the liability, adjusted for: any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs in obtaining the lease; and any disposal costs at the end of the lease.

Subsequent measurement

The right-of-use assets are measured using the cost model.

The liability is adjusted for interest repayments.

Lease expenditure

Expenditure includes interest, straight-line depreciation and any asset impairments and any changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases where the term is 12 months or less, or where the lease is classified as low-value, are expensed.

Borrowing rate

HM Land Registry uses a HM Treasury discount rate as its incremental borrowing rate. HM Treasury's PES (2021) 10 paper states that the incremental borrowing rate (a nominal rate) for leases commencing in the 2021 calendar year is 0.91%.

Transitional arrangement

HM Land Registry has made the decision to adopt IFRS 16 using the cumulative catch-up method. As a result, comparatives will not be restated and the measurement of the asset and liability balances are recognised from 1 April 2021. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2020-21 reflect the requirements of IAS 17.

For leases previously recognised as Finance Leases, the carrying value of the lease asset and liability as measured immediately before first adoption will be used as valued

under IAS 17 to provide the carrying value of the right-of-use asset and the lease liability at first adoption.

For leases previously recognised as Operating Leases, the right-to-use asset and associated liability will be measured by calculating the present value of the remaining payments, discounted as set out above in 'Initial Recognition'.

Accounting for leases under IAS 17 (2020-21)

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

1.10 Investment properties

Investment properties are measured at its fair value. The fair value valuation is its current market value in existing use. All of HM Land Registry's investment properties were included in the Government Property Agency transfer on 31 March 2021.

1.11 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses as a proxy for fair value, since no active market exists for the department's intangible assets. This treatment is also known as Depreciated Replacement Cost.

Annual review of Useful Economic Life (UEL) of Intangible Assets

In 2021-22, HM Land Registry performed its' annual review of the UELs of Intangible Assets in accordance with IAS 38 *Intangible Assets*. HM Land Registry's review used both internal indicators and also benchmarked its' UELs against those used in comparable organisations within the public sector. As a result, HM Land Registry made the following changes to UELs:

	New life	Old life
Bespoke internally developed software	10 years	5 years
Data assets	15 years	10 years

Local Land Charges

HM Land Registry completed the building and development of a computerised register to hold the Local Land Charges data in July 2018. As of 31 March 2022, the data relating to 23 local authorities has been added to the register and is in use (2020-21: 13 local authorities).

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

Local Land Charges register	10 years
Local Land Charges data	15 years

Software and software licences

Separately acquired intangible assets are shown at historical cost. The costs incurred to acquire and bring these assets to use are capitalised. These include contractors' charges, materials, directly attributable labour and directly attributable overhead costs. Software licences are included at cost less accumulated amortisation. They are amortised on a straight-line basis at a rate of:

Mainframe software	5 years
Software system	10 years
Software licences	As per licence agreements

HM Land Registry's approach to software development is set-out in Note 1.12.

E-security, portal and Business Gateway

The E-security, portal and Business Gateway assets had all been fully amortised by the start of the financial year, but are included in the accounts as they are still in use.

1.12 Assets Under Construction

All Assets Under Construction (AUC) assets are held at cost. HM Land Registry recognises three categories of AUC: Tangible, Intangible – Local Land Charges, and Intangible – Other. These classes of asset relate to the capitalisation of Local Land Charges costs during the year, case management improvements, mainframe to cloud-based migration and digital mortgage. More details about digital mortgage can be found on GOV.UK (search 'HM Land Registry Digital Mortgage Service Contingent Liability').

Intangibles other – Software development costs

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

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

All research expenditure is written off as incurred.

Expenditure incurred in software development is recorded as an intangible asset under construction and is then transferred into use as an intangible asset once that software and associated data is made available by HM Land Registry to its customers (either as part of the Local Land Charges Programme or Other).

Software development costs are categorised as 'assets under construction' within Note 9.

Intangibles – Local Land Charges

HM Land Registry is working with various local authorities to transfer their land charges data to HM Land Registry's digital platform.

Transformation Digital Assets

Digital software assets developed from work within HM Land Registry's Transformation Directorate.

Tangible – other

This area reflects other HM Land Registry workstreams including the development of IT infrastructure.

1.13 Impairment of non-current assets

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

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

1.14 Trade receivables

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

If collection of amounts receivable is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

1.15 Cash and cash equivalents

Cash represents cash-in-hand, cash held with the Government Banking Service (GBS) and commercial banks. The commercial bank and GBS deposits are immediately available funds. HM Land Registry closed all commercial bank accounts in-year, so all funds sit within GBS at year-end.

1.16 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are stated at nominal value. The carrying amount of trade payables is deemed to be an approximation of fair value.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.17 Provisions

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

to the Statement of Comprehensive Net Expenditure and recorded as liabilities in the Statement of Financial Position. (Further details, including sensitivities, are given in Note 14.)

1.18 Indemnity Fund

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

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

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

After the accounting date, a further review of claims received by HM Land Registry (up to the date the Accounting Officer approves the Annual Report and Accounts) is made to see if the Indemnity Fund is still appropriately valued. Provided in these accounts are the likely settlement values of current and future claims against the Indemnity Fund. Further details of the Indemnity Fund are shown in Note 14.2 of this report.

1.19 Contingent liabilities

Where appropriate, liabilities that have only a possible chance of crystallising and do not meet the provisions criteria have been classified as contingent liabilities. This includes, but is not limited to, claims for losses arising from errors, or fraud in relation to HM Land Registry's statutory responsibilities as insurer of titles in England and Wales (see Note 15).

1.20 VAT

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

2 Operating segments

2.1 Operating segments

	Business as Usual £'000	Central Costs £'000	Projects £'000	Total Expenditure £'000
2021-22				
Chief Executive & Chief Land Registrar's Directorate	3,984	–	–	3,984
Human Resources (HR)	8,279	–	1,774	10,053
Finance & Business Services (FaBS)	13,191	25,852	894	39,937
Operations	206,137	–	12,901	219,038
Legal and Assurance	20,638	4,960	–	25,598
Transformation Directorate	2,705	(1,777)	8,733	9,661
Digital, Data & Technology	43,679	501	9,383	53,563
Total	298,613	29,536	33,685	361,834
2020-21				
Chief Executive & Chief Land Registrar's Directorate	3,408	–	–	3,408
Human Resources (HR)	7,265	(3)	591	7,853
Finance & Business Services (FaBS)	11,102	84,199	2,999	98,300
Operations	186,389	–	8,083	194,472
Legal and Assurance	19,377	3,049	–	22,426
Transformation Directorate	2,080	3,651	3,479	9,210
Digital, Data & Technology	37,209	490	11,226	48,925
Total	266,830	91,386	26,378	384,594

Operating Segments are determined in accordance with IFRS 8 *Operating Segments* based on what information is presented for decision making purposes to the Chief Operating Decision Maker (CODM). The CODM for HM Land Registry is the Accounting Officer.

The structure of HM Land Registry means that materially all of the assets included in the Statement of Financial Position are used for general administration and benefit of HM Land Registry as a whole. Consequently, they are not apportioned to operating segments in the table above.

The description for each operating segment is stated below:

Chief Executive and Chief Land Registrar's Directorate

The directorate works to uphold and enhance the reputation of HM Land Registry on behalf of the Chief Executive and Chief Land Registrar through effective corporate communications, governance, policy and stakeholder functions.

Human Resources

Human Resources works to help HM Land Registry deliver its operational and organisational priorities, and build organisational capacity and capability to meet new challenges.

Finance and Business Services (FaBS)

The FaBS Directorate includes Facilities Management, Finance, Internal Audit, Commercial Group, Strategic Planning and Performance, and Insight, Data, Evidence and Analytical Support.

Operations

The Operations Directorate's main function is to register land and provide a high quality and sustainable level of service to our customers, measured against a set of key performance indicators.

Legal and Assurance

Legal and Assurance work to protect the integrity of the register, ensuring we have the rules, orders, directions and notices in place to operate effectively.

Transformation Directorate

The Transformation Directorate designs and coordinates the transformation activity that takes place across all other directorates.

Digital, Data and Technology (DDaT)

The DDaT directorate is responsible for: building new digital services; defining and implementing HMLR's data strategy; developing data products; and managing, maintaining and developing all the technology staff use.

Expenditure streams

The expenditure streams are split into three categories: business as usual (BAU); central costs; and projects. This division is designed to show the costs of running the directorate (BAU), additional tasks being completed by directorate (projects), and to separate out the central running costs for HM Land Registry (central costs).

Central Costs

This category includes items such as staff leave accruals, property costs, depreciation, amortisation, provisions, and impairments which are monitored by a single directorate but could be apportioned across the organisation. Below are explanations relating to the most significant variances arising in the central costs category.

In 2021-22, £231k of central costs in FaBS includes capital grant-in-kind for the legacy assets being transferred to Government Property Agency, following the transfer of HM Land Registry's land, freehold buildings and the majority of its' long-leasehold buildings in 2020-21 for £52.75m.

Variance between Note 2. Operating Segments and Statement of Net Comprehensive Expenditure

The operating segments shown are above are presented net of revenue (see Note 3).

3 Goods and services

3.1 Operating Income

	Note	2021-22 £'000	2020-21 £'000
Income from sale of goods and services		(2,704)	(2,780)
Total operating income		(2,704)	(2,780)

3.2 Other costs

	Note	2021-22 £'000	2020-21 £'000
Cash items			
IT services		19,934	16,065
Accommodation costs		13,838	17,271
Professional fees		11,478	10,160
Other staff costs including training		5,386	4,992
Local Land Charges transition and burden payments		4,909	134
File store costs		4,230	4,121
Survey and scanning costs		4,230	3,695
Hire of machinery		2,872	2,792
First-tier Tribunal costs		2,756	3,141
Postage and printing costs		1,813	1,449
Telecommunication costs		1,792	1,746
Office maintenance		1,101	1,143
Charge for operating leases – buildings	10	6	1,627
Advertising and marketing		847	805
Other costs		1,373	1,250
Total cash expenditure		76,565	70,391
Non-cash items			
Indemnity provision and payments for Indemnity including legal costs	14	4,960	3,049
Capital grant-in-kind	SoPS 2	231	52,752
Depreciation of tangible non-current assets – owned	7	4,360	6,570
Depreciation of tangible non-current assets – leased	7, 10	6,104	603
Amortisation of intangible assets	8	1,309	4,632
Impairment in value of non-current assets	7	501	2,200
Auditor's remuneration – audit fee	3.3	106	106
Total non-cash expenditure		17,571	69,912
Total Other Costs		94,136	140,303

3.3 Auditor's Remuneration

Auditor's Remuneration is a notional fee in both financial years paid through the Supply Process, which is broken down as follows:

	2021-22 £'000	2020-21 £'000
Audit of Resource Accounts	86	86
Audit of Trust Statement Accounts	20	20
Total notional fee	106	106

4 Employee information

4.1 Staff costs

	2021-22			2020-21		
	Permanent staff £'000	Others £'000	Total £'000	Permanent staff £'000	Others £'000	Total £'000
Salaries	197,359	1,390	198,749	177,533	2,415	179,948
Social security costs	19,933	123	20,056	17,258	165	17,423
Other pension costs	50,088	295	50,383	45,798	566	46,364
	267,380	1,808	269,188	240,589	3,146	243,735

4.2 Staff numbers

The average number of persons employed (full-time equivalent) by HM Land Registry during the year was made up as follows:

	2021-22			2020-21		
	Permanent staff	Others	Total	Permanent staff	Others	Total
Senior management	7	–	7	8	–	8
Operations	4,671	17	4,688	4,303	24	4,327
Head Office	684	15	699	567	8	575
DDaT	672	6	678	548	45	593
	6,034	38	6,072	5,426	77	5,503

4.3 The salary and pension entitlements of the Chief Executive and the Directors of HM Land Registry are included in the Remuneration and Staff Report on pages 77 to 79.

The staff costs in Note 4.1 do not include those staff costs capitalised as part of the building of intangible assets. During 2021-22 £11.0m (2020-21: £5.9m) of staff costs was capitalised in the construction of these intangible assets.

4.4 Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Others Pension Scheme (CSOPS) – known as alpha – are unfunded multi-employer defined benefit schemes but HM Land Registry is unable to identify its share of the underlying assets and liabilities. The scheme actuary, the Government Actuary's Department (GAD), valued the PCSPS as at 31 March 2021, with the report published on 27 January 2022. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2021-22, employers' contributions of £50.1m were payable to the PCSPS and CSOPS (2020-21 £46.8m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £0.40m were paid to one appointed stakeholder pension provider.

Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £9,258, 0.5% of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £0.04m. Contributions prepaid at that date were £0.

Seven individuals retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £27,923 (2020-21: £13,669).

Further information relating to pension arrangements can be found in the Remuneration and Staff Report on pages 80 to 81 and Note 1.7.

5 Finance income

	2021-22	2020-21
	£'000	£'000
Interest received on bank deposits	–	19
Interest received on leases	51	–
	51	19

6 Finance expense: Finance leases

	2021-22	2020-21
	£'000	£'000
Interest on obligations under finance leases	1,280	575

7 Property, plant and equipment

Following the adoption of IFRS 16 with effect from 1 April 2021, as explained in Note 1.8, assets previously classified as property, plant and equipment held under finance leases have been reclassified as right-of-use assets and are disclosed under Note 10.

7.1 Cost or valuation

	Property			Plant and equipment		Total
	Freehold land	Freehold buildings	Leasehold buildings	IT-related assets	Other plant and equipment	
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	–	–	–	90,721	2,501	93,222
Additions	–	–	–	4,956	80	5,036
Assets brought into use	–	–	–	552	–	552
Impairment	–	–	–	(501)	–	(501)
Disposals	–	–	–	(6,984)	(264)	(7,248)
At 31 March 2022	–	–	–	88,744	2,317	91,061
Accumulated depreciation						
At 1 April 2021	–	–	–	69,252	2,079	71,331
Charged in year	–	–	–	4,239	121	4,360
Disposals	–	–	–	(6,502)	(34)	(6,536)
At 31 March 2022	–	–	–	66,989	2,166	69,155
Carrying amount at 31 March 2022	–	–	–	21,755	151	21,906

7.2 Cost or valuation

	Property			Plant and equipment		Total £'000
	Freehold land	Freehold Buildings	Leasehold buildings	IT-related assets	Other plant and equipment	
	£'000	£'000	£'000	£'000	£'000	
At 1 April 2020	12,255	54,162	13,448	83,086	5,865	168,816
Transfer from investment property	80	2,122	1,112	–	–	3,314
Additions	–	–	–	3,745	518	4,263
Assets brought into use	–	–	–	4,293	–	4,293
Revaluation	(1,170)	(3,392)	2,078	–	–	(2,484)
Impairment	(105)	(2,095)	–	–	–	(2,200)
Disposals	(11,060)	(50,797)	(16,638)	(403)	(3,882)	(82,780)
At 31 March 2021	–	–	–	90,721	2,501	93,222
Accumulated depreciation						
At 1 April 2020	–	19,964	6,161	63,773	4,101	93,999
Transfer from investment property	–	60	124	–	–	184
Charged in year	–	1,277	603	5,881	291	8,052
Revaluation	–	(481)	(397)	–	–	(878)
Disposals	–	(20,820)	(6,491)	(402)	(2,313)	(30,026)
At 31 March 2021	–	–	–	69,252	2,079	71,331
Carrying amount at 31 March 2021	–	–	–	21,469	422	21,891

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

See Note 1.13 for details of the impairment accounting policy.

See Note 7.3 for details of investment properties.

The market value of land and buildings at the transfer date (31 March 2021) to the Government Property Agency (GPA) was £51.2m, resulting in a nil net book value for HM Land Registry. A further £0.2m of legacy plant and equipment assets were also transferred to the GPA on 30 November 2021, also resulting in a nil net book value for HM Land Registry.

7.3 Investment properties

	2021-22 £'000	2020-21 £'000
At 1 April	–	3,130
Transfer to land and buildings	–	(3,130)
Revaluation during the year	–	–
Reclassification of assets	–	–
Disposals	–	–
At 31 March	–	–

Investment properties comprised of a number of properties that are leased to third parties either in part or whole. These investment properties transferred to the GPA on 31 March 2021. Further information about HM Land Registry's remaining leases is included in Note 10.

The fair values of investment properties were determined by an external independent property valuer, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued.

8 Intangible assets

8.1 Cost or valuation

	E-security, portal and Business Gateway £'000	Local Land Charges £'000	Software and software licences £'000	Total £'000
At 1 April 2021	27,424	21,771	47,718	96,913
Additions	–	–	837	837
Assets brought into use	–	3,636	21,255	24,891
At 31 March 2022	27,424	25,407	69,810	122,641
Amortisation				
At 1 April 2021	27,424	8,788	38,951	75,163
Charged in year	–	1,346	(37)	1,309
At 31 March 2022	27,424	10,134	38,914	76,472
Carrying amount at 31 March 2022	–	15,273	30,896	46,169

8.2 Cost or valuation

	E-security, portal and Business Gateway £'000	Local Land Charges £'000	Restated: Software and software licences £'000	Total £'000
At 1 April 2020	27,424	19,172	40,097	86,693
Additions	–	–	770	770
Assets brought into use	–	2,599	6,851	9,450
At 31 March 2021	27,424	21,771	47,718	96,913
Amortisation				
At 1 April 2020	27,424	5,137	37,970	70,531
Charged in year	–	3,651	981	4,632
At 31 March 2021	27,424	8,788	38,951	75,163
Carrying amount at 31 March 2021	–	12,983	8,767	21,750

See Note 1.12 for details of the intangible assets accounting policy.

The 2020-21 figures are restated to separate out Assets Under Construction (AUC) which are now shown in Note 9, and has been subject to Audit.

9 Assets under construction

	Tangibles	Intangibles			Total £'000
	Other assets £'000	Local Land Charges £'000	Transformation Digital Assets £'000	Restated: Other assets £'000	
2021-22					
At 1 April	1,058	3,085	14,277	6,442	24,862
Additions	1,051	10,826	16,561	7,433	35,871
Brought into use	(552)	(3,636)	(20,643)	(612)	(25,443)
Carrying amount at 31 March	1,557	10,275	10,195	13,263	35,290
2020-21					
At 1 April	767	989	5,392	4,327	11,475
Additions	4,584	4,185	15,735	3,007	27,511
Brought into use	(4,293)	(2,089)	(6,850)	(892)	(14,124)
Carrying amount at 31 March	1,058	3,085	14,277	6,442	24,862

See Note 1.13 for details of the impairment accounting policy.

10 Leases

As explained in Note 1.9, HM Land Registry adopted IFRS 16 *Leases* from 1 April 2021. As permitted by the FReM, HM Land Registry has implemented it using the cumulative catch-up method, without restating prior year figures. Most leases recognised as operating leases until 31 March 2021 are now recognised as right-of-use lease assets, with the associated costs being recognised in Notes 10.2.

10.1 Right-of-use lease assets

	Buildings £'000
Cost or valuation	
IAS17 transition to IFRS16	4,597
Additions	71,742
At 31 March	76,339
Depreciation	
At 1 April	–
Transitioned leases	2,084
IFRS16 leases	4,783
At 31 March	6,867
Carrying amount at 31 March	69,472

HM Land Registry's right-of-use assets and in-year depreciation is off-set by its' lessor accounting as follows:

	£'000
IAS17 transition to IFRS16: Reduction in Asset Value	(4,002)
IAS17 transition to IFRS16: Depreciation off-set	763
IAS17 transition to IFRS16: Lessor total	(3,239)
Total value of HM Land Registry's right-of-use assets	66,233

10.2 Lease liabilities: Present value of minimum lease payments

	2021-22 £'000	2020-21 £'000
Amounts payable under finance leases		
Within one year	5,765	310
In the second to fifth years inclusive	21,990	1,714
After five years	46,415	1,985
Total minimum lease payments	74,170	4,009
Current	5,765	310
Non-current	68,405	3,699
Total	74,170	4,009

Amounts recognised in the Statement of Comprehensive Net Expenditure

	Total £'000
Depreciation	6,867
Finance Charges: Interest on obligations under finance leases	1,280
Finance Income: Interest received on leases	(51)
Low value and short term leases	6
	8,102

Amounts recognised in the Statement of Cash Flows

	Total £'000
Finance Charges: Interest on obligations under finance leases	1,280
Finance Income: Interest received on leases	(51)
Repayments of principal on leases	1,229

10.3 HM Land Registry as lessor

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

	2021-22 £'000	2020-21 £'000
Within one year	617	-
In the second to fifth years inclusive	1,634	-
After five years	1,120	-
	3,371	-

This excludes sub-leases where the lease term is less than 12 months or where annual rent is considered low value (see Note 1.9).

10.4 Reconciliation from the IAS 17 operating lease commitment on 31 March 2021 to the IFRS 16 opening lease liability on 1 April 2021

This table reconciles the amount of HM Land Registry's operating lease commitments as at 31 March 2021, shown in Note 10.2 to the lease liabilities as at 1 April 2021, immediately following adoption of IFRS 16. Thereafter, the material reconciling items are an adjustment for the impact of discounting and for the differing assessments of the lease term (the previous operating lease commitment reflected amounts payable during the non-cancellable lease period, while the IFRS 16 lease term reflects HM Land Registry's assessment of the likelihood that it will exercise lease extension or cancellation options).

Opening lease liabilities are greater than opening right-of-use assets because some properties are sub-let so the asset is classified as a receivable, and operating lease accruals recognised under IAS 17 are de-recognised and deducted from the right-of-use asset upon implementation of IFRS 16.

	£'000
Operating leases disclosed at 31 March 2021	4,866
Change in value in operating leases	18
Operating leases below IFRS16 recognition criteria	(6)
Operating lease value as at 1 April 2021	4,878
Impact of discounting	(281)
Existing finance lease liability	4,009
Finance lease liability at 1 April 2021	8,606
Finance Leases acquired in year from the Government Property Agency	71,742
Total finance lease capital value	80,348
Capital repayment of leases in year	(6,178)
Finance lease liability as at 31 March 2022	74,170

11 Cash at bank and in hand

	2021-22 £'000	2020-21 £'000
Balance at 1 April	23,474	–
Net change in cash balances	7,740	23,474
Balance at 31 March	31,214	23,474
The balance at 31 March was held at		
Government Banking Service	31,214	23,498
Commercial banks and cash-in-hand	–	(24)
Balance at 31 March	31,214	23,474

HM Land Registry's financial assets are bank balances and cash, and trade and other receivables, which represent the maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to trade and other receivables and is spread over a large number of customers. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by management based on past experience and an assessment of the current economic climate.

HM Land Registry's bank balances are held with the Government Banking Service. In 2020-21, limited funds were retained within commercial banking facilities but these accounts are now closed.

The 'Commercial banks and cash-in-hand' balance includes 'Cash in Transit', with the associated bank accounts being in credit at year-end.

12 Trade and other receivables

12.1 Current

	2021-22 £'000	2020-21 £'000
Trade receivables	–	–
Other receivables	5,197	1,845
Right-to-Use: Repayment in year	(817)	–
Prepayments and accrued income	8,522	3,594
	12,902	5,439
Right-to-Use: Debtors	1,394	–
	14,296	5,439

The 'Right-to-Use: Repayment in year' is correctly included in the 'Receivables' note. This is because when the lessees make payment, this balance decreases, which is off-set against the 'Right-to-Use: Debtors', so these should be presented together to provide a complete understanding of the underlying transactions.

The average credit period taken on provision of services is 5.3 days (2020-21: 4.2 days). No interest is charged on the receivables.

Rents receivable are received and accounted for in advance of the occupancy period and the likelihood of non-collection of rents and credit risk exposure have both been determined as insignificant in terms of overall risk, with these assessments unchanged in light of the impact of coronavirus (COVID-19).

12.2 Non-current

	2021-22 £'000	2020-21 £'000
Right-to-Use debtors	2,608	–
Other receivables	64	128
Prepayments and accrued income	300	344
	2,972	472

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

13 Trade and other payables

13.1 Current

	Notes	2021-22 £'000	2020-21 £'000
Trade payables		1,912	969
Taxation and social security		5,476	5,165
Other payables		5,154	4,859
Accruals		27,679	26,348
CFER Income due to the Consolidated Fund		309	377
Amounts issued from the Consolidated Fund for Supply but not spent at 31 March	11	30,905	23,097
		71,435	60,815
Net obligations under finance leases - buildings	10	5,765	310
		77,200	61,125

The average credit period taken for trade purchases is 3.4 days (2020-21: 2.4 days). The carrying amounts of trade payables are deemed to be an approximation of their fair values.

13.2 Non-current

	Notes	2021-22 £'000	2020-21 £'000
Net obligations under finance leases – buildings	10	68,404	3,699
		68,404	3,699

14 Provisions for liabilities and charges

14.1 Early release schemes and other

	2021-22 Early retirement & other £'000	2020-21 Early retirement & other £'000
At 1 April	60	522
Provided in the year	–	–
Revaluation of provision	–	(4)
Provision utilised in the year	(7)	(458)
Provision written back unused	–	–
At 31 March	53	60
Included in current liabilities	53	60
Included in non-current liabilities	–	–
	53	60

The early retirement provision (ERP) gives retirement benefits to certain employees. These benefits conform to the rules of the Principal Civil Service Pension Scheme (PCSPS). HM Land Registry bears the cost of these benefits until the normal retirement age of the employees retired under the scheme. Total payments in the year amounted to £0.0m, and £0.5m had been provided for within the ERP provision in the 2021-22 accounts (2020-21: Payments £0.0m and Provision of £0.5m). The total pension liability up to normal retiring age in respect of each employee is charged to the Statement of Comprehensive Income in the year in which the employee takes early retirement and a provision for future pension payments is created. Pension and related benefit payments to the retired employee until normal retiring age are then charged annually against the provision.

Other provisions relate to property closure and dilapidation costs.

14.2 Indemnity Fund

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

	2021-22			2020-21		
	Outstanding Provision	IBNR Provision	Total	Outstanding Provision	IBNR Provision	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	7,700	62,900	70,600	6,500	66,700	73,200
Provided in the year	5,780	–	5,780	5,629	–	5,629
Provisions utilised in the year	(5,780)	–	(5,780)	(5,629)	–	(5,629)
Claims revaluation	(100)	–	(100)	1,200	–	1,200
IBNR revaluation	–	(700)	(700)	–	(3,800)	(3,800)
At 31 March	7,600	62,200	69,800	7,700	62,900	70,600

Following the actuarial review by the Government Actuary's Department (GAD), the fund in respect of reported but not settled claims (Outstanding Provision) has decreased in 2021-22 by £0.1m (2020-21: £1.2m Increase). The provision for claims incurred but not reported (IBNR Provision) has decreased in 2020-21 by £0.7m (2020-21: £3.8m decrease).

The reason for the £0.1m decrease in outstanding claims is due to an increase in claims which is being offset by a reduction in claim settlement patterns, a reduction in the average cost per claim and a change in the HM Treasury discount rate.

The £0.7m IBNR Provision movement was as a result of higher projected claim numbers which is being offset by a reduction in claim settlement patterns and HM Treasury discount rate.

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

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

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

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

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

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

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

The assumptions used in the projections are based on analysis of historical claims data, allowance for recent trends and consideration of the potential effects of underlying factors such as the volume of HM Land Registry activity and numbers of registered titles. We provide input to the actuaries on these assumptions, based on the knowledge of the legal team that handles the claims.

Uncertainty in the provisions – sensitivity analysis

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

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

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

On the basis of this analysis work:

- it is reasonably foreseeable that the value of liabilities could be in the region of £7.6m (Outstanding Provision) or £62.2m (IBNR Provision); and
- it is possible that in extreme favourable scenarios the value of liabilities could be as little as £7.3m (Outstanding Provision) and £42.9m (IBNR Provision).

We have also considered extreme adverse scenarios, where the value of liabilities is as much as £7.9m (Outstanding Provision) and £82.7m (IBNR Provision). The long-term open-ended nature of statutory indemnity means that these figures do not represent the maximum possible liability. However, we believe the likelihood of such scenarios to be small.

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

At future accounting dates, it should be expected that:

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

The Indemnity Fund Provision of £69.8m is a best estimate. Additionally, the future values of Indemnity Fund Provisions are subject to inherent uncertainties.

Sensitivity analysis

	2021-22 Outstanding Provision Maximum £m	2021-22 Outstanding Provision Minimum £m	2021-22 Percentage movement	
				%
Provided in these accounts (reasonably foreseeable value – see Note 14.2)	7.6	7.6		0%
Impact of scenarios				
Discount rate				
1. Increase Treasury prescribed discount rate by 0.5% pa	(0.3)			-4%
2. Decrease Treasury prescribed discount rate by 0.5% pa		0.3		4%
Settlement costs				
3. Increase settlement costs for the first development year by 5% for error claims	0.5			6%
4. Decrease settlement costs for the first development year by 5% for error claims		(0.5)		-6%
5. Increase settlement costs for the first development year by 5% for fraud claims	0.1			1%
6. Decrease settlement costs for the first development year by 5% for fraud claims		(0.1)		-1%
Extreme favourable scenarios				
(2) + (4) + (6)		7.3		
Extreme adverse scenarios				
(1) + (3) + (5)	7.9			
	2021-22 IBNR Provision maximum £m	2021-22 IBNR Provision minimum £m	2021-22 Percentage movement increase %	2021-22 Percentage movement decrease %
Provided in these accounts (reasonably foreseeable value – see Note 14.2)	62.2	62.2	0	0
Impact of scenarios				
Favourable but foreseeable scenarios				
Nil claims proportion				
1. Change the nil claims proportion for attritional claims by +/- 5%	2.5	(2.5)	4%	-4%
2. Change the nil claims proportion for large claims by +/- 5%	1.9	(1.9)	3%	-3%
Average cost per claim				
3. Change average cost per claim for attritional error claims by +/- 10%	2.5	(2.5)	4%	-4%
4. Change average cost per claim for large error claims by +/- 10%	1.9	(1.9)	3%	-3%
5. Change average cost per claim for attritional fraud claims by +/- 10%	0.6	(0.6)	1%	-1%
6. Change average cost per claim for large fraud claims by +/- 10%	0.6	(0.6)	1%	-1%
Discount rate				
7. Increase Treasury prescribed discount rate by 0.5% pa		(2.5)		-4%
8. Decrease Treasury prescribed discount rate by 0.5% pa	3.1		5%	
Projected number of IBNR claims				
9. Increase projected number of attritional IBNR claims by 10% for incident years since 2017/18	0.6		1%	
10. Decrease projected number of attritional IBNR claims by 10% for incident years since 2017/18		(0.6)		-1%
11. Increase projected number of large IBNR claims by 10% for incident years since 2017/18	0.6		1%	
12. Decrease projected number of large IBNR claims by 10% for incident years since 2017/18		(0.6)		-1%
Future claims inflation				
13. Increase assumed future claims inflation by 1%	6.2		10%	
14. Decrease assumed future claims inflation by 1%		(5.6)		-9%
Extreme favourable scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(7)+(10)+(12)+(14)		42.9		
Extreme adverse scenarios				
(1)+(2)+(3)+(4)+(5)+(6)+(8)+(9)+(11)+(13)	82.7			

15 Contingent liabilities

15.1 Indemnity

The Land Registration Act 2002 places a legal liability on HM Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by HM Land Registry. HM Land Registry provides for these claims under its Indemnity Fund both for known claims and claims incurred but not reported (IBNR) (see Note 14.2) based upon the assumed likelihood that claims will be successful.

As at 31 March 2022, the value of pending indemnity claims made to HM Land Registry is shown below. The estimated settlement value of these claims included within the Indemnity Fund provision is £7.6m (see Note 14.2) (2020-21: £7.7m).

	2021-22	2020-21
	£'000	£'000
Errors or omissions		
Mistakes	4,442	9,903
Fraud and forgery	14,576	16,267
	19,018	26,170

15.2 Employment tribunals

At 31 March 2022, HM Land Registry had no employment tribunal cases, which are considered contingent liabilities.

16 Capital commitments

	2021-22	2020-21
	£'000	£'000
Capital expenditure	14,571	55
Contracted for but not provided in these accounts	14,571	55

The increase in capital commitments in 2021-22 is driven by the acceleration of HM Land Registry's Local Land Charges (LLC) Programme. This programme is part of Government's Major Projects Portfolio, for which HM Land Registry receives ring-fenced funding. HM Land Registry has included in its' capital commitments included within contracts signed before 31 March 2022, which are not already reflected within other notes to these accounts. <https://www.gov.uk/government/publications/hmlr-government-major-projects-portfolio-data-2021>

	2021-22
	£'000
Programmes	
Local Land Charges	13,719
Corporate Services	852
	14,571

17 Related party disclosures

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

During 2021-22, HM Land Registry had a number of material transactions with other government departments and other central government bodies. Most of these transactions have been with Ordnance Survey, HM Courts and Tribunals and the Government Property Agency.

None of the Board Members, or members of the key management staff or other related parties, have undertaken any material transactions with HM Land Registry during the year.

The Remuneration Report provides information on key management compensation.

18 Events after the reporting period

In accordance with the requirements of IAS 10 *Events After the Reporting Period*, events after the Statement of Financial Position date are considered up to the date on which the financial statements are authorised for issue. This is interpreted as the date of the certificate and report of the Comptroller and Auditor General.

HM Land Registry Trust Statement 2021-22

Statement of Accounting Officer's responsibilities

Under the Exchequer and Audit Departments Act 1921, HM Treasury has directed HM Land Registry to prepare, for each financial year, a Trust Statement ("the Statement") in the form and on the basis set out in the Accounts Direction. The Statement is to be prepared on an accruals basis and must give a true and fair view of the state of affairs of the fees and charges, and of the related expenditure and cash flows for the financial year.

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

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

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

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

Governance Statement

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

HM Land Registry operates and follows the principles of good governance in accordance with HM Treasury guidance. The Governance Statement, which covers all aspects of HM Land Registry, including those reported here in this Trust Statement, is provided in the Accountability Report (pages 65 to 75).



Simon Hayes
Chief Executive and Chief Land Registrar
8 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of HM Land Registry Trust Statement for the year ended 31 March 2022 under the Exchequer and Audit Departments Act 1921.

The financial statements comprise HM Land Registry's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Revenue, Other Income and Expenditure and the Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of HM Land Registry's affairs as at 31 March 2022 and its net revenue for the year then ended; and
- have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and HM Treasury 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law 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 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of HM Land Registry in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that HM Land Registry's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on HM Land Registry's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for HM Land Registry is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Exchequer and Audit Departments Act 1921.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Exchequer and Audit Departments Act 1921.
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of HM Land Registry and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by HM Land Registry 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing HM Land Registry's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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 Exchequer and Audit Departments Act 1921.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of HM Land Registry's accounting policies.
- Inquiring of management, HM Land Registry's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the HM Land Registry's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HM Land Registry's controls relating to HM Land Registry's compliance with Exchequer and Audit Departments Act 1921 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within HM Land Registry for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of HM Land Registry's framework of authority as well as other legal and regulatory frameworks in which HM Land Registry operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of HM Land Registry. The key laws and regulations I considered in this context included Exchequer and Audit Departments Act 1921, Managing Public Money, the Land Registration Act 2002, the Land Registration Rules 2003, the Agricultural Credits Act 1928 and the Land Charges Act 1972 and any relevant employment law, pensions legislation and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

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.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

11 July 2022

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

Trust statement

Financial statements

Statement of Revenue,
Other Income and Expenditure
as at 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Fees and Charges revenue			
Registration of title	2	307,023	226,042
Land Charges and Agricultural Credits	2	7,279	6,269
Local Land Charges	2	408	225
Total Fees and Charges revenue		314,710	232,536
Commercial Income			
Income from commercial activities	2	4,219	3,857
Total Commercial Income		4,219	3,857
Total revenue and other income		318,929	236,393
Expenditure			
Other debts written off	3.3	(52)	(22)
Bad debts written off	3.3	4	(12)
Total expenditure		(48)	(34)
Net revenue for the Consolidated Fund	5	318,881	236,359

There were no recognised gains or losses accounted for outside the above Statement of Revenue, Other Income and Expenditure.

The notes at pages 128 to 130 form part of this statement.

Statement of Financial Position as at 31 March 2022

	Note	2021-22 £'000	2020-21 £'000
Receivables falling due within one year			
Current assets			
Other receivables	3.1	3,073	1,361
Cash and cash equivalents		152,909	100,508
Total current assets		155,982	101,869
Current liabilities			
Payables	4.1	–	–
Deferred revenue	4.1	148,402	96,998
Total current liabilities		148,402	96,998
Net current assets		7,580	4,871
Total net assets		7,580	4,871
Represented by:			
Balance on Consolidated Fund Account	5	7,580	4,871

The notes at pages 128 to 130 form part of this statement.



Simon Hayes
Chief Land Registrar and Chief Executive
8 July 2022

Statement of cash flows for the year ended 31 March 2022

	Notes	2021-22 £'000	2020-21 £'000
Net cash flow from operating activities	A	368,574	287,980
Cash paid to the Consolidated Fund	5	(316,173)	(207,566)
Increase/ (decrease) in cash in this period		52,401	80,414
Notes to Cash Flow Statement			
A: Reconciliation of net cash flow to movement in net funds			
Net revenue for the Consolidated Fund	SoCNE	318,881	236,359
(Increase)/ decrease in receivables	3.1	(1,711)	1,513
Increase/ (decrease) in liabilities	4.1	51,404	50,108
Increase/ (decrease) in provisions for liabilities		–	–
Net cash flow from operating activities		368,574	287,980
B: Analysis of changes in net funds			
Increase/ (decrease) in cash in this period		52,401	80,414
Net funds at 1 April (Net Cash at Bank)		100,508	20,094
Net funds at 31 March (Closing Balance)		152,909	100,508
The following balances as at 31 March were held at:			
Government Banking Service		152,909	100,508
Balance at 31 March		152,909	100,508

The notes at pages 128 to 130 form part of this statement.

Notes to the Trust Statement

1. Statement of Accounting Policies

1.1 Basis of accounting

The Trust Statement is prepared in accordance with:

- the 2021-22 Financial Reporting Manual (FReM) issued by HM Treasury, in particular Chapter 8.2 which deals with Consolidated Fund revenue and Trust Statements. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector; and
- the accounts direction issued by HM Treasury under section 2 (3) of the Exchequer and Audit Departments Act 1921.

The accounting policies adopted in the Trust Statement are described below. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The income and associated expenditure contained in these statements are those flows of funds which HM Land Registry handles on behalf of the Consolidated Fund and where it is acting as agent rather than principal.

The financial information contained in these statements and in the notes is rounded to the nearest '£000.

1.2 Changes in accounting policy and disclosures

There have been no changes in accounting policies for the reporting period. New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2021 and not early adopted:

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

1.3 Accounting convention

The Trust Statement has been prepared under the historical cost convention. The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see Note 1.6). It also requires management to exercise its judgement in the process of applying the accounting policies.

1.4 Revenue recognition

Fees and charges are measured at the fair value of amounts received and in accordance with IFRS 15. Fees and charges are derived from the Land Registration Fee Order 2013 (<https://www.legislation.gov.uk/ukxi/2013/3174/made>). They are included within the financial statements of the financial year in which the service is delivered. Income is recognised net of any refunds for transactions that are not completed, or on transactions where erroneous information is provided by customers.

Registration of title and Land Charges and Agricultural Credits income is recognised upon receipt of a completed application. If an application is not complete, the amount received is treated as a fee in advance, regardless of application type. All application types are accounted for consistently. The associated payment amounts received for services not delivered in the financial year reported

are subsequently recorded as contract liabilities and disclosed within current liabilities.

Income is recognised once the contract performance obligation under IFRS 15 has been fulfilled, that is once the register has been fully updated following receipt of an application.

1.5 Receivables

Receivables are shown net of impairments in accordance with the requirements of IFRS 9. Receivables are derecognised when the rights to receive cash flows from the assets have expired.

1.6 Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. When preparing the Trust Statement, HM Land Registry makes estimates and assumptions concerning the future. The most significant judgement area in the preparation of this Trust Statement relates to revenue recognition and the calculation of the deferred revenue balance, which requires a judgement on the percentage of work complete for outstanding applications. Further details on revenue recognition are contained in Note 1.4.

1.7 Impairment of debt and credit losses

Receivables are shown net of impairments in accordance with the requirements of the FReM and IFRS 9. The fair value of receivables is determined by making an impairment to reduce the carrying value of receivables to the estimated future flow of repayments.

HM Land Registry is not exposed to credit risk under IFRS 7 *Financial Instruments*.

1.8 Miscellaneous Consolidated Fund Extra Receipts (CFER) Income

In accordance with Managing Public Money, HM Treasury has powers to direct that income included in a departmental Estimate and approved by Parliament may be retained and used by the department. This is undertaken by applying this income against specific costs (resource or capital) within that Estimate. Where HM Land Registry receives income outside that authority, the cash must be surrendered to the Consolidated Fund.

2. Revenue and other income

	2021-22 £'000	2020-21 £'000
Fees and charges		
Registration of title	307,023	226,042
Land Charges and Agricultural Credits	7,279	6,269
Local Land Charges	408	225
Total fees and charges	314,710	232,536
Commercial Income		
Income from commercial activities	4,219	3,857
Total Commercial Income	4,219	3,857
Total Revenue and Other Income	318,929	236,393

3. Receivables

3.1 Current receivables

	2021-22 £'000	2020-21 £'000
Receivables	3,078	1,373
Provision for doubtful debt	(5)	(12)
Receivable before impairment	3,073	1,361
less estimated impairments	-	-
Total receivables as at 31 March	3,073	1,361

Receivables represents the amount due from taxpayers and businesses where invoices or other demands for payment have been issued but not paid for at 31 March 2022. Debts are written off only when the debtor is dissolved, bankrupt or in liquidation and the debt is deemed unrecoverable through any further means.

Individual application receipts are only processed once the relevant fee has been accounted for. The total collectable is spread over a high volume of different customers with associated low-value fees. Accordingly, the likelihood of non-collection of fees and credit risk exposure have both been determined as insignificant in terms of overall risk, with these assessments unchanged in light of the impact of coronavirus (COVID-19).

3.2 Non current receivables

There are no amounts falling due after more than one year.

3.3 Credit losses

	Note	2021-22 £'000	2020-21 £'000
Other debts written off		(52)	(22)
Bad debt written off		4	-
Total		(48)	(22)

4. Payables and deferred revenue

4.1 Current payables

	2021-22 £'000	2020-21 £'000
Payables	–	–
Deferred revenue	148,402	96,998
Total payables and deferred revenue at 31 March	148,402	96,998

Payables are the amounts established as due at the balance sheet date, but where payment is made subsequently. Deferred revenue includes income for fees paid in the current year that relate to future financial periods.

4.2 Non-current payables

There are no amounts falling due after more than one year.

5. Balance on the Consolidated Fund Account

	Note	2021-22 £'000	2020-21 £'000
Balance on Consolidated Fund as at 1 April		4,872	(23,921)
Net revenue for the Consolidated Fund	SOCNE	318,881	236,359
Less amount paid to the Consolidated Fund		(316,173)	(207,566)
Balance on Consolidated Fund Account as at 31 March		7,580	4,872

6. Related party disclosures

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

None of the Board Members, or members of the key management staff or other related parties, have undertaken any material transactions with HM Land Registry during the year.

The Remuneration Report provides information on key management compensation.

7. Events after the reporting period

In accordance with the requirements of IAS 10 *Events after the Reporting Period*, post year end events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. The accounts do not reflect events after this date.

There are no subsequent events to report.

The appendices are not subject to audit.

Appendix A

Volumes and workloads 2021-22 and 2020-21

Application intake by type and method of receipt

	2021-22			2020-21		
	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services	Total applications/ products received	Applications/ products received through online services	% of applications/ products received through online services
Bulk register updates (BRUs)	1,380,627	–	–	281,575	–	–
Total applications excluding BRUs	38,057,004	36,655,082	96.32	31,766,162	30,731,661	96.74
Total applications/products	39,437,631	36,655,082	92.94	32,047,737	30,731,661	95.89
Substantive applications excluding BRUs	4,985,794	4,570,809	91.68	4,026,204	3,714,169	92.25
Preliminary services products	21,967,047	21,870,855	99.56	19,325,983	19,238,451	99.55
Enquiry services applications	11,104,163	10,213,418	91.98	8,413,975	7,779,041	92.45
Total	38,057,004	36,655,082	96.32	31,766,162	30,731,661	96.74
Substantive applications excluding BRUs						
First registrations	81,007	–	–	63,843	–	–
Dispositional first leases	187,424	180,702	96.41	140,863	134,854	95.73
Transfers of part of registered land	215,016	204,663	95.19	166,722	156,938	94.13
Dealings of whole with registered land	4,502,347	4,185,444	92.96	3,654,776	3,422,377	93.64
Total	4,985,794	4,570,809	91.68	4,026,204	3,714,169	92.25
Preliminary services products						
Official copies ¹	18,305,941	18,227,450	99.57	16,296,002	16,226,566	99.57
Official searches	2,898,708	2,897,065	99.94	2,346,285	2,344,743	99.93
Official searches of the index map ¹	762,398	746,340	97.89	683,696	667,142	97.58
Total	21,967,047	21,870,855	99.56	19,325,983	19,238,451	99.55
Enquiry services applications						
Register views	5,833,865	5,833,865	100.00	5,417,240	5,417,240	100.00
Title plan views	1,168,672	1,168,672	100.00	1,117,284	1,117,284	100.00
Document views	42,210	42,210	100.00	41,008	41,008	100.00
Correspondence	194,194	155,263	79.95	214,430	150,944	70.39
Telephone enquiries	851,812	–	–	571,448	–	–
MapSearch downloads	3,013,410	3,013,410	100.00	1,052,565	1,052,565	100.00
Total	11,104,163	10,213,420	91.98	8,413,975	7,779,041	92.45

For accompanying text see overleaf.

The table above sets out the transactional activities for the year, along with comparatives for the previous year. In this financial year we serviced more than 39 million applications, fulfilling the requirements of the 2002 Land Registration Act. These form the core of our activities and the revenues associated with them. The table also details our progress towards electronic delivery, in relation to the various types of application we receive. Excluding bulk register updates, the proportion of applications received electronically was over 96%.

Bulk register updates are groups of applications lodged at HM Land Registry affecting a large volume of registered titles, such as a bank changing the address for service on all of its registered charges. The levels of receipt of such applications are volatile in their nature and are therefore separated from other application types in order to avoid distortion of the data.

Note: An official copy application may result in more than one register and/or title plan being supplied.

A search of the index map application may give rise to more than one title number being revealed. For this reason the number of registers/title plans or the number of title numbers revealed are used as a metric rather than the number of applications themselves. These are termed products.

Appendix B

Land Charges and Agricultural Credits volumes and workloads 2021-22 and 2020-21

The Land Charges Department

The Land Charges Department operates under the authority of the Land Charges Act 1972.

The department maintains registers of Land Charges, pending actions, writs and orders affecting land and other encumbrances registered against the names of owners of property, which are not registered under the Land Registration Acts. The department also maintains the Index of Proprietors' Names (IOPN). This index can be searched against only on production of the appropriate authority and is used to establish whether any property assets are held against individuals or companies.

Some elements of customer accounts are also managed in the Land Charges Department.

Type of application	Number of applications or names in 2021-22	Restated: Number of applications or names in 2020-21
New registrations, rectifications and renewals	10,628	13,284
Cancellations	3,643	3,134
Official searches		
– Full searches	122,069	112,738
– Searches limited to insolvency	1,777,050	1,521,105
Office copies	17,822	15,674
Total	1,931,212	1,665,935

The Agricultural Credits Department

The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

Type of application	2021-22	2020-21
New registrations	405	210
Cancellations and rectifications	705	420
Searches	1,724	1,243
Total	2,834	1,873

Appendix C

Sustainability historical data

Carbon data (tonnes)

Greenhouse gas emissions	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Non-financial indicators (tCO₂e)							
Total gross emissions for scopes 1 and 2	3,186	3,828	3,900	4,885	5,142	6,818	7,835
Electricity: green/renewable	850	646	525	1,824	1,688	1,710	1,195
Total net emissions for scopes 1 and 2 (having removed renewable elements)	2,336	3,182	3,375	3,061	3,454	5,108	6,640
Gross emissions scope 3 travel	230	30	645	460	528	510	557
Total gross reported emissions	3,416	3,859	4,545	5,345	7,361	7,328	8,392
Non-financial (mWh)							
Electricity: purchased (grid, combined heat and power, and non-renewable)	4,436	2,901	8,757	11,994	12,478	12,808	12,956
Electricity: renewable	3,681	1,326	1,896	–	–	–	–
Gas	7,984	6,909	6,657	6,528	6,659	5,774	7,325
Other energy sources	–	–	–	–	–	–	–
Total energy	16,101	11,137	17,310	18,522	19,137	18,582	20,281
Financial indicators (£'000)							
Expenditure on energy	1,626	1,779	2,102	1,943	1,788	1,485	1,641
Expenditure on accredited offsets (for example Government Carbon Offsetting Fund)	–	–	–	–	–	–	–
Expenditure on official business travel	333	24	1,222	1,305	1,193	1,231	1,222

Waste arising (tonnes)

Waste	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Non-financial indicators							
Hazardous waste	0	0	–	–	6	3	1.6
Non-hazardous waste							
Landfill waste	0	4	20	40	29	13	31.9
Reused/recycled waste	247	194	651	966	986	1,028	1,604
Energy from waste	104	101	123	163	26	5	6.6
Total waste arising	354	299	794	1,169	1,047	1,049	1,644
Financial indicators (£'000)							
Hazardous waste	–	–	–	–	–	–	–
Non-hazardous waste	–	–	–	–	–	–	–
Landfill waste	–	–	–	–	–	–	–
Reused/recycled waste	–	–	–	–	–	–	–
Incinerated waste	–	–	–	–	–	–	–
Total waste costs	84	99	138	75	147	129	212

Water reduction (cubic metres)

Water	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Non-financial indicators (cubic metres)							
Consumption							
Supplied	20,978	18,492	41,829	41,548	41,130	34,967	36,395
Abstracted	–	–	–	–	–	–	–
Total consumption	20,978	18,492	41,829	41,548	41,130	34,967	36,395
Financial indicators (£'000)							
Total supply costs	100	134	201	164	139	152	173

Appendix D

Indemnity Fund

In 2021-22, we paid £6,955,380 for 598 claims, compared with £5,444,362 for 540 claims in 2020-21. The largest payment this year was for a register entry error where we had omitted an entry of a notice, this payment being for £1,292,084. Payment values this year are up from last year and the count of claims paid is slightly up too.

The maximum recorded value of the claims paid was £11,119,820 but these were settled for £6,955,380, saving £4,164,440. During the year a further 173 claims valued at £1,587,480 were settled for no value. Of these, seven were for fraud and were valued at £806,605. This year, 784 new claims were received totalling £5,018,716, including 29 fraud claims valued at £3,060,698.

We recovered £934,738 under our statutory rights of recourse, compared with £93,243 last year. Recourse figures can vary considerably from year to year, reflecting the unpredictable interplay of legal and factual elements which will determine the viability of achieving any recovery.

Nature of claim	Number of claims	Substantive loss (£)	Costs (£)	Percentage of total
Extent of registered titles	58	74,168	302,242	5.70
Errors in/omissions from register entries	72	3,254,501	315,032	54.04
Sundry plans errors	3	0	7,147	0.11
Fraud and forgery	21	1,995,760	434,238	36.79
Official searches (plans)	5	34,700	6,531	0.62
Bankruptcy errors	0	0	0	0.00
Official searches (legal)	3	8,663	6,893	0.24
Official copies	0	0	0	0.00
Errors in searches of the index map	1	0	660	0.01
Errors in filed extracts	236	1,624	51,421	0.80
Lost documents/administrative errors	198	45,391	60,316	1.60
Land Charges errors	1	0	6,000	0.09
Total	598	5,414,807	1,190,480	100

Gross payment	£6,605,287
Less sums recovered under HM Land Registry's statutory right of recourse.	£934,738
Net indemnity	£5,670,549

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