

Annual Report and Accounts **2005-2006**



public  
**guardianship**  
office

---

## Protecting

Registering Enduring Powers of Attorney and appointing and supervising Receivers – we provide services that protect the financial well-being of people who lack mental capacity



## Supporting

Help, guidance and support for families, friends and advisers of people mentally unable to look after their own financial affairs

## Empowering

Implementation of the Mental Capacity Act will provide a statutory framework to empower and protect vulnerable people who may not be able to make their own decisions

# Public Guardianship Office

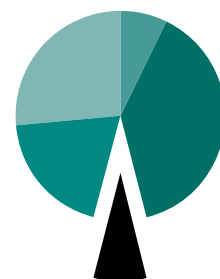
---

## Annual Report and Accounts 2005/06

Report by the Chief Executive and Public Guardian Designate to the Lord Chancellor on the work of the Public Guardianship Office for the year 2005/06.

Report and accounts prepared pursuant to Section 7(2) of the Government Resources and Account Act 2000, of the Public Guardianship Office.

Ordered by the House of Commons  
to be printed 28 July 2006



public  
**guardianship**  
office

# 2005/06 Highlights



- The trend of improved performance at the Public Guardianship Office has continued and performance in 2005/06 is better than in 2004/05.



- The PGO has met or exceeded 20 of the 29 individual targets, compared to 14 of the 23 targets in 2004/05.

- Operational improvements achieved within existing resources and against a backdrop of increased workload volumes.

- Receiver applications up 11.7%.

- Registration of Enduring Powers of Attorney up 19.6%.

- Increased performance matched by an overall improvement in weighted customer satisfaction from 69% in 2004 to 72% in 2005.

- Financially, costs within budget and fee income targets achieved.

- 32.2% increase in the number of clients visited in-year.

- Increased number of Open Days held in various regions around England and Wales.

- A national conference on the issues faced when dealing with mental health and finances within the ethnic and cultural minority communities held in October 2005.

- Mental Capacity Act 2005 received Royal Assent in April 2005.

- The Lord Chancellor announces the appointment of the new Public Guardian Designate.

# Contents

---

	<b>Page</b>
<b>Annual Report</b>	<b>4</b>
Chief Executive's Summary	4
Management Commentary	12
Protecting	14
Supporting	20
Empowering	28
Remuneration Report	32
<b>Corporate Governance</b>	<b>38</b>
Statement of Accounting Officer's Responsibilities	44
Statement on Internal Control	46
<b>Financial Statements</b>	<b>50</b>
The Certificate and Report of the Comptroller and Auditor General	50
Income & Expenditure Account	53
Statement of Total Recognised Gains & Losses	53
Balance Sheet	54
Cash Flow Statement	55
Notes to the Financial Statements	56
<b>Five-Year Financial Record - Appendix 1</b>	<b>81</b>
<b>Operational and Customer Services Statistics - Appendix 2</b>	<b>82</b>
<b>Charter Standards - Appendix 3</b>	<b>100</b>
<b>Glossary of Terms</b>	<b>102</b>
<b>Contact Details</b>	<b>104</b>

# Annual Report



**Richard Brook**

Chief Executive and Public  
Guardian Designate

## Chief Executive's Summary

Welcome to the 2005/06 Annual Report and Accounts for the Public Guardianship Office and my first as Chief Executive and Public Guardian Designate.

## Organisational Performance

Our work at the PGO is about Protecting, Supporting and Empowering people who lack the capacity to make financial decisions, and their attorneys and Receivers. Later on in this report you can read about how we do this. This year we have achieved 20 out of 29 of the measured performance targets that make up our Key Performance Indicators with performance against all but four of these targets either matching or exceeding that achieved in 2004/05. In addition we have gained many more customers during the year with Enduring Power of Attorney registrations and Receivership applications up 19.6% and 11.7% respectively on 2004/05.

As well as our on-going work to support the Court of Protection in registering Enduring Powers of Attorney (EPA) and appointing and supervising Receivers, we have undertaken a range of other initiatives, with the aim of improving the experiences of clients and those who assist them.

## Promoting PGO Services

We continued work on raising awareness of our services, including our second campaign of placing leaflets in doctors' surgeries nationwide, and making information available to staff in organisations with which we share customers, such as Age Concern and the Pension Service. We established the PGO outreach team of experienced staff, who have delivered 50 presentations about PGO services to relevant groups and organisations such as Vulnerable Adult Protection Officers and the Alzheimer's Society.

2005/06 has also seen us make progress in raising awareness of our services to people from minority communities. In October 2005 we held a national conference in Milton Keynes, which brought together representatives from a range of minority groups. We were not only able to publicise our services, but we were able to find out about the cultural issues which affect the management of mental health and



finances in minority communities. This awareness raising will continue to grow in 2006/07 with a campaign already planned to place specially designed leaflets on managing and accessing finances of people suffering with a brain injury in 215 neurology units nationwide. This year we will ensure that the messages we deliver take into consideration the Mental Capacity Act (MCA) due to come into force in 2007, the changes it will bring and the effects these changes will have on the services we provide.

## Customer Satisfaction

Customer satisfaction once again shows improvement, increasing from 69% in 2004/05 to 72% this year. This figure represents the fourth consecutive increase in overall customer satisfaction since we began surveying in 2002.


This overall satisfaction figure includes good increases in the satisfaction levels of both existing and new lay Receivers.

## Information Technology

We carried out a major upgrade to our principal information technology (IT) system, CASREC – our case records database – in November 2005. The original CASREC system was developed more than 25 years ago and ran on what is now obsolete hardware. The new system was implemented ahead of schedule and without any disruption to work practices. The new system has an improved and much more user-friendly interface and allows 350 concurrent users instead of the previous limit of 50. The enhanced functions and ability to integrate with other applications offer flexibility and scope to improve current business processes. CASREC will now meet the IT needs of the PGO and, after implementation of the Mental Capacity Act, those of the new Office of the Public Guardian (OPG) for the short term.

“ We have achieved 20 out of 29 of the measured performance targets. ”

“ We delivered 50 presentations about PGO services to relevant groups and organisations. ”



Electronic Records Management (ERM) for policy and administrative records was introduced in October 2005 in line with the rest of the Department for Constitutional Affairs (DCA). This has allowed the PGO to better meet its obligations under the Data Protection and Freedom of Information Acts and also allows us to continue keeping records in accordance with the Public Records Act.

## Mental Capacity Act

The Mental Capacity Act 2005 received Royal Assent on 7 April 2005 and is due to be implemented in April 2007. The Act enshrines in statute current best practice and common law principles concerning people who lack mental capacity and those who take decisions on their behalf. It reforms and updates current statutory schemes for Enduring Powers of Attorney and Court of Protection Receivers. It deals with the assessment of a person's capacity and acts by carers of those who lack capacity.

A new Court of Protection will be in place that will have jurisdiction relating to the Act and will be the final arbiter for capacity matters. It will have special procedures and judges. The Act provides for a system of Court appointed deputies to replace and extend the current system of receivership in the Court of Protection. Deputies will be able to take decisions on welfare, healthcare and financial matters as determined by the Court. They will only be appointed if the Court cannot make a one-off decision to resolve the issues.

A new Public Guardian and his staff will be the registering authority for Lasting Powers of Attorney. These are similar to the current Enduring Power of Attorney, but allow people to choose an attorney to make health and welfare decisions. The Office of the Public Guardian will supervise deputies appointed by the Court and provide information to help the Court make decisions.

We have been working closely within the DCA on developing the policies and procedures that will support the provisions of the Act. This has involved, amongst other things, the development and agreement of a high level organisational structure, engagement with stakeholders through outreach activities and presentations and the design of draft forms and guidance for the new Lasting Powers of Attorney (LPA), which were presented for public consultation in January 2006.

This was followed on 9 March by the launch of the consultation for the Codes of Practice that lays out the responsibilities under the Act of those who are involved with the care and support of people who lack mental capacity.



## Looking Ahead

In 2006/07 we will have to ensure that our existing services in supporting the Court of Protection to register EPAs and to appoint and supervise Receivers are delivered to our published service standards and improvements in performance that have been achieved over the last few years are sustained. We will maintain our Key Performance Indicators this year and continue to focus on improving the quality of the services we provide.

We will also continue to have a major role to play in the work of the Mental Capacity Implementation Programme during 2006/07. Work includes the production of the response to the LPA consultation and supporting DCA colleagues in analysing responses to the Codes of Practice consultation. The development and planning for the implementation of new processes, will present us with a new series of challenges through the coming year.

However, with the commitment and support of staff, stakeholders, customers, and colleagues from DCA and Department of Health, I am confident that we will continue to provide the level of service expected by our customers whilst ensuring the successful implementation of the Mental Capacity Act.

A handwritten signature in black ink, appearing to read 'R Brook', with a stylized flourish at the end.

**Richard Brook**

Chief Executive and Public Guardian Designate

**5 July 2006**



## Background Information

The PGO was established as an Executive Agency of DCA on 1 April 2001, to support the Department's overall aim to build fair, effective and accessible justice services.

## About the Court of Protection

The Court of Protection carries out legal functions under the Mental Health Act 1983 and the Enduring Powers of Attorney Act 1985, concerning the property and affairs of people who lack mental capacity and who are living in or hold assets based in England and Wales.

These functions include:

- appointing and supervising Receivers under the Mental Health Act 1983;
- making once only orders under the Mental Health Act 1983, appointing approved applicants (known as Receivers) to manage the finances of people with minimal assets;
- dealing with contested applications for the appointment of a Receiver or the registration of Enduring Powers of Attorney;
- registering EPAs;
- making statutory wills for clients who lack the capacity to make valid wills themselves;
- making substantial gifts for tax planning purposes;
- approving out of court settlements in proceedings for damages for personal injury or clinical negligence.

The Court of Protection is supported by the PGO, which implements its orders and decisions. The Chief Executive of the PGO and certain staff are nominated officers of the Court of Protection and may carry out some functions under the Mental Health Act 1983, subject to directions given by the Master of the Court of Protection pursuant to section 94 (1) of that Act. There is a review of the work of the Court of Protection for 2005/06 on page 30.

## The Public Guardianship Office

The PGO is responsible for ensuring the well - being of people who lack the capacity to manage their own financial affairs. It does this by supporting the Court of Protection in the appointment of Receivers, and through the registration of Enduring Powers of Attorney. We also undertake checks to establish that appointed Receivers are carrying out their duties in an appropriate manner. Exceptionally, when no suitable relative or friend wishes to act as a Receiver, we try to find someone else to take on this role, or as a last resort, the Chief Executive of the PGO may be appointed.

## PGO Strategic objectives

The aim of the PGO is to promote and protect the financial well - being of people with mental incapacity by providing a seamless service responsive to their needs.

We have four strategic objectives:

- to provide a forward looking, accessible service which consults on, understands and meets PGO clients' diverse and developing needs;
- to develop new ways of working with PGO Receivers and in partnership with public and other agencies, which are focussed on clients' total needs;
- to ensure the PGO has the capability, skills and flexibility to meet the changing needs of its clients; and
- to provide best value for the PGO's clients and the taxpayer.

The Minister responsible for the Agency is the Secretary of State and Lord Chancellor, to whom the Chief Executive is directly answerable for the day-to-day management of the Agency and its financial affairs.

The Agency employs 411 whole-time equivalent staff (2004/05: 399) and is responsible for the supervision of around £2 billion (2004/05: £2 billion) of clients' funds.

## Ministers

Ministers with responsibility for the Agency during the financial year were as follows:

The Secretary of State for Constitutional Affairs  
and Lord Chancellor

Lord Falconer of Thoroton

Parliamentary Under Secretary of State

Baroness Ashton of Upholland

## Management Board

The Management Board as at 31 March 2006 consisted of six executive staff members and two external representatives (non-executives). Their roles are to develop the strategic direction of the Agency. Each staff member has responsibility for overseeing a particular division and reports on the performance of that division to the Management Board.

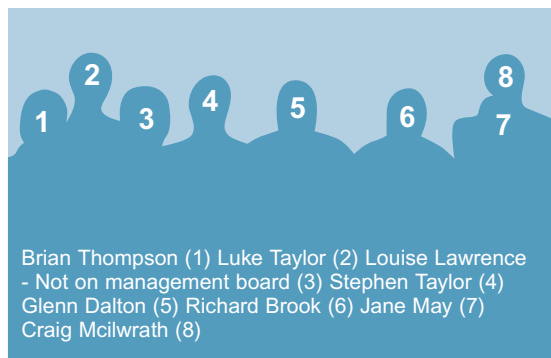
In addition, the Management Board monitors the financial and business performance of the Agency and identifies and manages risks. The Chief Executive of the Agency, supported by senior staff, is responsible for operational activity including the Agency's commitment to equality in its activities.

The members of the Management Board (excluding Non-executive Directors) during the financial year were all civil servants.

As at 31 March 2006 the Management Board comprised:

- Richard Brook (from Feb 2006) (Chief Executive and Public Guardian Designate)
- David Thompson (to Feb 2006) (Acting Chief Executive)
- Glenn Dalton (Director of Business Strategy and Innovation)
- Craig McIlwrath (Acting Director of Operations)
- Stephen Taylor (Head of Finance)
- Luke Taylor (Executive Manager)
- Jane May (Non-executive Director)
- Bryan Thompson (Non-executive Director)

David Flinter is a non-executive Director of the Agency, a member of the Audit Committee and Ministerial Advisory Board but is not a member of the Management Board.



## Equal Opportunities Policy (including that for employment of disabled people)

The PGO is an equal opportunity employer. The aim is to be fair to everybody; to ensure that no eligible job applicant or employee receives less favourable treatment on the grounds of race, colour, nationality or ethnic or national origins, age, gender, sexual orientation, marital status, disability, religion or religious affiliation, or is disadvantaged by conditions or requirements which cannot be shown as justifiable. The PGO's policy builds on the Civil Service Code of Practice on Employment of Disabled People and the statutory obligations of employers under the Sex Discrimination Act 1975, the Race Relations Act 1976, the Disability Discrimination Act 1995, the Race Relations (Amendment) Act 2000, the Employment Equality (Sexual Orientation) Regulations 2003 and the Employment Equality (Religion or Belief) Regulations 2003.

## Learning and Development

During the year the PGO continued to give high priority to training and developing all our staff to enhance their professionalism to support the PGO's objectives.

## Employee Involvement

The Agency attaches considerable importance to ensuring the fullest involvement of employees in delivering its aims and objectives. It has therefore continued its practice of keeping employees informed on matters affecting them and on the performance of the Agency. This is achieved through the Agency's intranet, a regular two-weekly newsletter and circulation of press releases, annual reports and office notices. Formal and informal meetings are also held with employees, serving the purpose of consultation and feedback, as well as regular meetings with recognised trade unions.

## Creditor Payment, Policy and Performance

The PGO pays all supplier invoices in accordance with the Government's payment performance targets. These require us to pay all invoices not in dispute within 30 days or within the agreed contractual terms. They also require us to pay 100 per cent of invoices, including disputed invoices once the dispute has been settled, on time within these terms. In 2005-06 the PGO paid 97% of invoices within this time span (2004/05: 95%). Payments are only made once they have been properly authorised under the terms of the PGO's scheme of financial delegation. No interest was paid under the Late Payment of Commercial Debt (Interest) Act 1998.

## Health and Safety

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

# Management Commentary

## Financial Activity

---


The Agency is funded by the DCA, from its Parliamentary Supply and by income derived from fees and charges from external customers. In common with other government agencies, future funding has to be approved by our sponsor department the DCA and by Parliament. Such approval has already been given for 2006/07 and there is no reason to believe that future funding will not be forthcoming. The financial statements have therefore been prepared on a going concern basis for financial reporting and asset valuation purposes. On implementation of the MCA the functions of the Court of Protection and PGO will transfer to the new Court of Protection and the OPG. The Public Guardian will have responsibility for the functions of the OPG and administrative functions for the new Court of Protection and therefore the assets and liabilities of the PGO will transfer to the OPG as a going concern.

The result for the financial year was an operating deficit before exceptional items of £4,664,000 (2004/05: £5,487,000) on income of £16,109,000 (2004/05: £15,317,000). The deficit has been favourably influenced by additional other income for work completed for the Court Funds Office of £636,000 and a rates rebate of £937,000. The Agency aims to make progress towards full-cost recovery and for this financial year achieved 83% (2004/05 81%).

Other influences on the financial performance for the financial year were:

- Net fee income increased by £228,000 reflecting the fee changes from 1 April 2005 – the significant fee change was the reduction in the EPA registration fee from £220 to £120. This reduction impacted on the total invoiced value for the year; £16,029,000 (2004/05: £16,139,000). However, a 19.6% increase in the EPA registrations and 11.7% increase in Mental Health Act Applications mitigated the impact of the EPA registration fee reduction. Thus, PGO has grown its business over the year, influenced in part by the continuing awareness campaign and at the same time managing the additional workload with minimal increase to the cost base.
- The cost of fee remission reduced by £338,000 as a result of the reduction of the number of Receivership of Last Resort cases.





New fees came into force on 1 April 2006 by making various changes to the fees charged by the Court of Protection. The fees Statutory Instrument increases existing fees in line with cost inflation in the Court and PGO, currently 2.5%, plus an additional 1%, to move closer to optimum cost recovery, in line with HM Treasury Guidance. The Instrument changes the point at which the annual administration fee becomes payable from annually, on the anniversary of the appointment of a Receiver, to 31 March each year. This brings the payment date into line with the end of the financial year. It also brings forward the point at which the subsequent winding - up fee stops being payable from the passing of or dispensing with the Receiver's final account to the receipt of grant of representation or the receipt or dispensing with the Receiver's account, whichever is the later.

# Operational Activity



## Protecting

### Enduring Power of Attorney

People can plan ahead for a time when they may lose mental capacity by making an Enduring Power of Attorney. An EPA provides someone (a donor) with the opportunity to plan ahead by choosing a person they trust (an attorney) now to manage their finances in the event that they lose the mental capacity to do so in the future.

We become involved in this process when the donor has lost or is losing their mental capacity and is unable to manage their own finances. At this point, the attorney is required to register the EPA with the Court of Protection so that they have the legal authority to start or to continue managing the donor's finances.

A registered EPA provides protection to the donor as the appointed attorney then becomes accountable to the Court of Protection should anyone raise concerns over their actions.

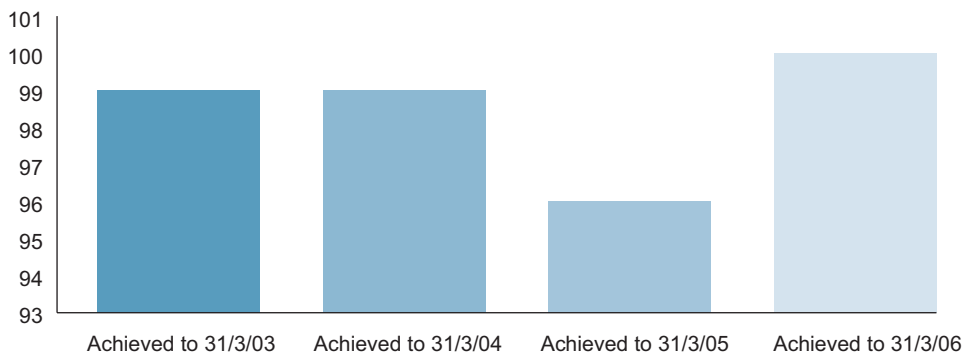
We provide the necessary forms and guidance for registration and then provide information and support to the attorney during the registration process. We also deal with any concerns raised with us about the way an attorney is exercising their powers.

Under the EPA Act 1985 we are not able to register an EPA for 35 days from the date the attorney formally gives notice to all those entitled to receive it (the notification period), usually family members of the donor. The purpose of the notification is to make family members aware of the EPA and its proposed registration. This notification process provides a further level of protection and it enables family members to object should they believe that the appointed attorney is inappropriate.

Along with the Court of Protection, we aim to register and return an EPA within five days of the end of the notification period where no objections have been raised. In 2005/06 we registered and returned 100% of all correctly lodged EPAs within five working days of the notification period. This is an improvement on the performance in 2004/05 (96.3%) and also an improvement on the previous two years 02/03 and 03/04 - see figure 1.

Figure 1

We will register and return correctly lodged EPAs where there are no objections within five working days of the end of the statutory period



## The Appointment of a Receiver

If a person becomes mentally unable to manage his or her own financial and property affairs and an EPA is not in place, someone, usually a relative, friend or professional, can make an application to the Court of Protection to be appointed as a Receiver. Once this application is received the Court then has the jurisdiction to protect, control, monitor and supervise the use of the finances of the person lacking mental capacity.

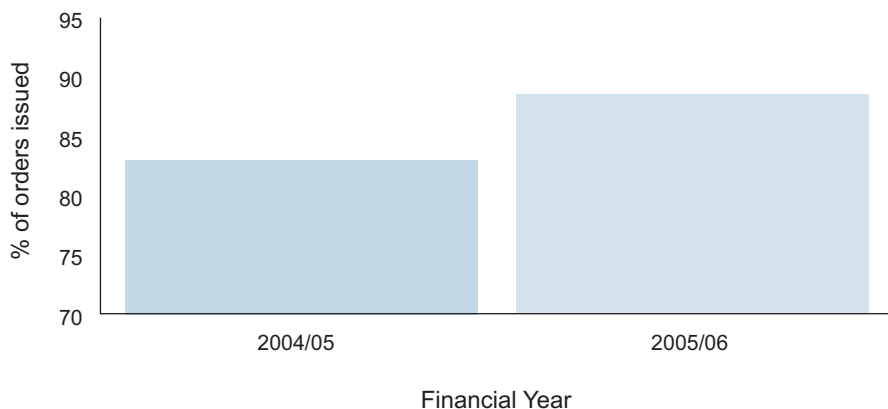
When a Receiver is appointed they are then responsible, with the Court's supervision, for managing the day-to-day finances of the client. This can include receiving benefits and pensions, paying bills, buying clothes and providing extra comforts, as the client would have wished.

“ We registered and returned 100% of all correctly lodged EPAs within 5 working days. ”

We have a number of targets<sup>1</sup> set for each part of the process of applying to become a Receiver. Providing we have all the required information from an applicant, we aim to issue the first general order<sup>2</sup>, or a short order<sup>3</sup> as soon as possible following the Court hearing. In 2005/06, 87% of orders appointing a Receiver were sent out within 10 days of the Court making the order (where we had received all information and documents required). This figure demonstrates improved performance on 2004/05 (83%) although it falls short of our 95% target – see figure 2. This figure is also an improvement over the previous three years (2001 – 2004) when the target was to issue orders within 25 days.

**Figure 2**

Court orders issued where all information and documents have been received within 10 days



Anyone who applies to become a Receiver is normally required to take out a form of insurance called a security bond. This bond is to protect the client from any financial loss in a situation where a Receiver fails in their duties.

We support Receivers in carrying out their duties effectively, whilst at the same time monitoring their actions to make sure that they are acting in the best interests of the client. This monitoring is conducted in a number of ways such as commissioning Lord Chancellor’s Visitors to visit and report on the client, and through the collection and review of annual accounts.

<sup>1</sup> See appendix 2 for full details of KPI target.

<sup>2</sup> A first general order is the document issued appointing a Receiver.

<sup>3</sup> A short order gives an appointed person access to finances in cases where there are not sufficient assets to warrant the appointment of a Receiver; currently this limit is £16,000.

## Providing Protection Through Visits

Once a Receiver has been appointed by the Court to manage someone's financial affairs we arrange for a Lord Chancellor's Visitor to visit the client within six months of their appointment or within 12-18 months where a short order has been made.

The visitors are independent, self-employed and have experience of dealing with clients who lack mental capacity as well as knowledge of mental health legislation and how it affects our clients. The visitors work on behalf of the Court and the PGO to ensure that the Receiver is acting in the client's best interest and that their needs are being met. The visitor may also make suggestions, where appropriate, on how to improve the client's quality of life. Visits continue to be made to new clients and cases where the Chief Executive Officer of the PGO acts as Receiver. In addition to that, we introduced for the first time, a new target to visit clients who had not been visited in more than three years. During the year we issued instructions to visit 4,721 clients who had not had the benefit of a visit in the last three years.

Our visits criteria has resulted in a total of 9,789 visits taking place in 2005/06, which is a 32.2% increase on the number of clients visited in 2004/05. Our aim is to ensure that each of the visits undertaken is effective and meets its objectives. We measure effectiveness by:

- Ensuring that the visit is carried out within six months of the PGO or Court requesting it; and
- Action recommended by the visitor is initiated within one calendar month of the visit.

Of the visits conducted in 2005/06, 83.6% were effective against these criteria. This figure represents success against our KPI target, an increase on the 2004/05 figure (74%) and the third increase in four years – see figure 3.

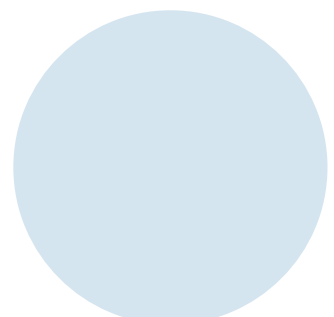
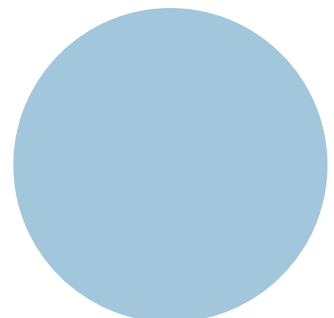
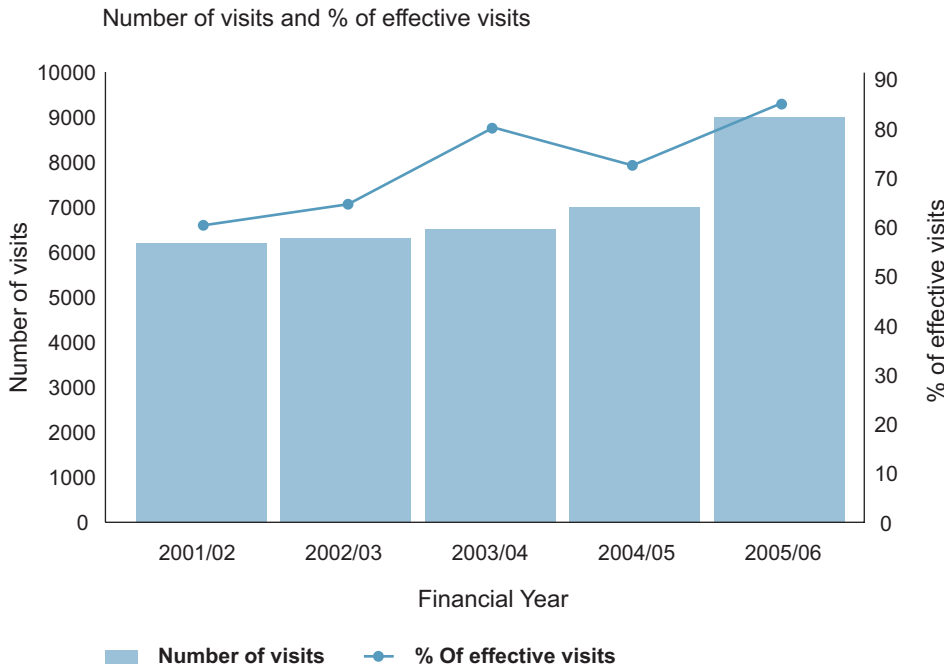


Figure 3




## The Accounts Collection Process

Once a year, every Receiver is required to submit an annual account to the Court. The annual account provides the Court with a breakdown of monies received and payments made by the Receiver, on behalf of the client. The Receiver provides this information through the completion of the account forms provided by us; alternatively the Receiver can employ a professional person to complete the forms on their behalf.

We review the information submitted to ensure that it is accurate and assess that the Receiver has been operating the finances in the client's best interests. We also identify any changes that might need to be made to the client's financial position such as the location of cash held by the Receiver out of Court or a change in the investment strategy set.





Therefore the timely collection and review of accounts is essential to ensure that the interests of the client are maintained.

We have targets<sup>4</sup> for this and aim to have 95% of all accounts collected within six months of the due date. In 2005/06 75.7% of accounts were actually collected within two months and all within the six-month target.

In 2005/06 we completed the review of, or requested further information on all submitted accounts (100%) within 20 days of receipt. This figure demonstrates sustained performance over a five-year period.

The accounts forms also allow us to undertake other quality checks such as ensuring that the client is visited throughout the year by the Receiver and that any costs charged to the client by a professional Receiver have been agreed by the PGO.

<sup>4</sup> See appendix 2 for full details of KPI target for accounts collection.



## Supporting

### After Appointment

We continue to provide support to Receivers in their role throughout the time that they remain a Receiver. When a Receiver contacts us for advice about a matter relating to the client's finances we aim to ensure that they receive a prompt, accurate response from our case working teams.

### Contacting the PGO

We are committed to providing the best possible service to customers when they contact the PGO. When a customer telephones, our staff aim to answer the call within 30 seconds. During 2005/06 we answered 93.4% of the 361,000 calls we received within our 30-second target.

Much of the contact with the PGO is via letter, fax or email and in 2005/06 we received in excess of 140,000 pieces of correspondence. Some of these queries were complicated and in many cases were referred to one or more specialists within the organisation, or to the Court.

It is our aim to provide prompt<sup>5</sup>, relevant and accurate responses to all correspondence received. In 2005/06 we improved on response to correspondence within 5 days (63.0%) and 10 days (80.8%). However, we responded to 92.8% of all correspondence within 15 working days of receipt which is regrettably, a decline in performance on 2004/05 (96.5%) and on 2003/04 (97%).

### Access to Capital

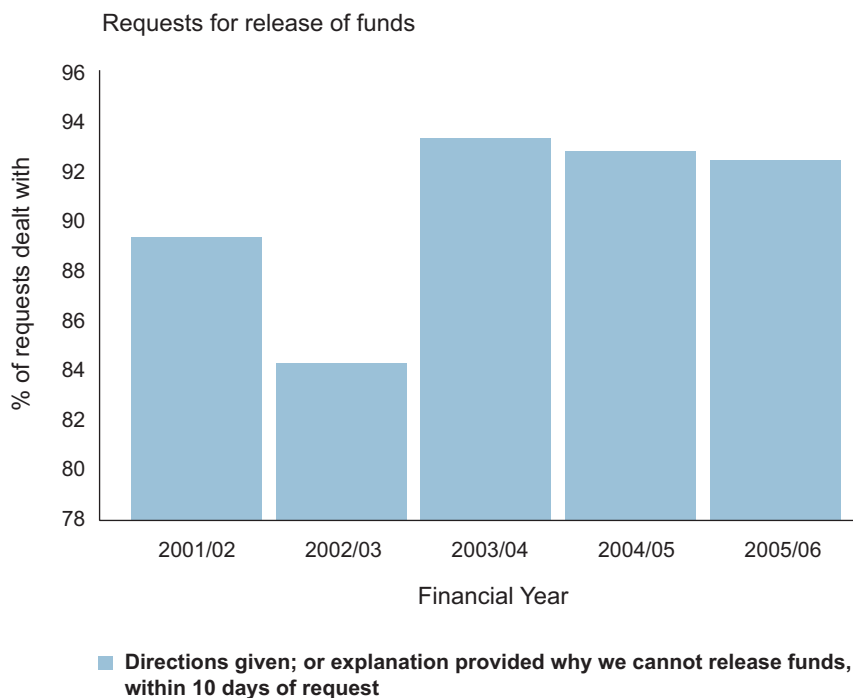
One of the Receiver's main duties is to ensure that sufficient money is always available for the maintenance of the client. To help ensure this we offer all Receivers the option of receiving regular monthly payments. Where this method is not appropriate then the Receiver is required to write to the PGO to seek authorisation for the use and release of the required funds.

<sup>5</sup> See appendix 2 for full details of KPI target for correspondence.

“ 361,000 calls received during 2005/06. ”

Following a written request from a Receiver we will give directions to the Court Funds Office, or dispatch directions to the Receiver allowing them to access the client’s money as soon as possible, or explain why we have not agreed to their request<sup>6</sup>. In 2005/06 we responded to 94% of requests for release of funds within 10 working days. This figure is a slight drop on the previous two years – see figure 4.

Figure - 4



## Overall Customer Satisfaction with the PGO


During 2005, over 4,500 customers took part in the PGO customer satisfaction survey. Overall satisfaction with the service we provided across all customer groups was 72% in 2005. This figure demonstrates an increase of three percentage points on the 2004 overall satisfaction figure (69%) and the 4th consecutive increase in overall customer satisfaction since we began surveying in 2002.

This figure includes good increases in the satisfaction levels of both existing and new lay Receivers.

<sup>6</sup> See appendix 2 for full details of KPI target for accessing capital.

“ The 4th consecutive increase in overall satisfaction since we began surveying. ”

“ Customer satisfaction rises by a further 3%. ”



We have continued to work hard on achieving performance targets set for 2005/06 alongside improving the elements of our service that are most important to our customers. The efforts we have made have been recognised and are reflected in the results in the following key areas:

- In the time taken to respond to letters, satisfaction has increased from 44% in 2004 to 49% in 2005;
- Satisfaction in the solving of problems/issues/complaints has increased from 52% in 2004 to 60% in 2005;
- Satisfaction with the PGO doing what has been promised has increased from 56% in 2004 to 64% in 2005; and
- In the last year customers felt that we were more responsive to clients, with satisfaction rising from 57% in 2004 to 64% in 2005.

Despite the increases we have seen, there is still room for improvement on basic customer service areas such as:

- Providing sufficient information on progress of EPA registrations and Receivership applications
- Quality of advice we provide
- Time taken to respond to faxes
- Keeping Receivers informed of change
- Providing assistance in dealing with EPA registration queries.



## Meeting Our Customers

During 2005/06 we held 9 Receiver Open Days<sup>7</sup> in various regions of England and Wales. At these Open Days we provided our customers with more information than ever before through working closely with organisations such as the Pension Service, Age Concern and Alzheimer's Society. Staff from these organisations provided visiting Receivers with various guidance leaflets and information booklets along with specialist help and advice.

Overall during 2005/06 several hundred Receivers attended the events and feedback shows that they were pleased to have had the opportunity for discussions with individual caseworkers and to visit the information stands.

## Signposting

We know that mental incapacity can strike anyone at any stage of his or her life and that when it does, life for both the person affected and their relatives or carers can change totally. Those affected will become more vulnerable; can become excluded from society and be more at risk of abuse. It is therefore important for people to know what to do if they want to make arrangements to deal with such a situation or if they need to protect and support a friend or relative who is affected.

We have continued to work on raising awareness of the services we provide amongst key customer segments and organisations, and individuals that deal with the care of people lacking mental capacity, such as local authority officers, social workers, health professionals and care home staff.

<sup>7</sup> An open day is where a team of caseworkers visit selected regions around England and Wales to meet with Receivers and discuss any issues they may have regarding the client.

## Awareness Activities

During 2005/06 the following awareness activities were carried out:

- **480,000 leaflets** on planning for the future distributed through 6,000 GP Surgeries in England and Wales
- **PGO presence at the following exhibitions**
  - National Pensioners Parliament, 7-9 June 2005
  - Registered Nursing Home Association Annual Conference and Exhibition, 29-30 September 2005
  - Afiya Trust Conference, 3-4 October 2005
  - National Care Home Association Annual Conference, 1-2 November 2005
- **Articles in the following publications**
  - **Touchbase** – A DWP publication distributed to 80,000 professionals in the health, legal and welfare fields
  - **Veterans World** – A newsletter produced by the Veterans Agency and sent to the public and volunteer sectors as well as many ex-service personnel organisations
  - **Nursing Home News** – The official magazine of the Registered Nursing Homes Association

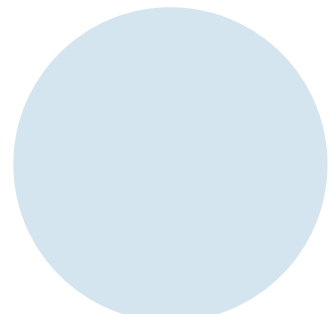
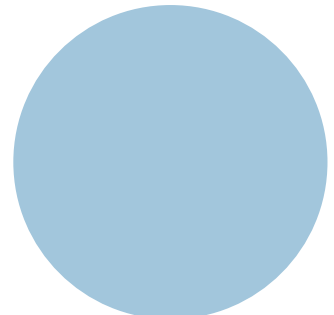




- **The PGO Outreach Team** – established in March 2005 to raise the profile of the PGO and its services to outside groups and organisations through presentations and talks. Members of PGO staff were provided with tailored training to enable them to undertake these tasks. The team delivered 46 presentations and talks to various organisations such as regional Alzheimer’s Society branches, Vulnerable Adult Protection Officers and Will Writers Associations.

The Outreach Team has received very positive feedback from the events with over 98% of delegates very satisfied with the presentation or talk given. We aim to build on this work in 2006/07 and ensure that the messages we deliver take into consideration the Mental Capacity Act and the changes that this will bring.

- We made some significant progress in promoting our services within minority communities. We held our first national conference in October 2005 in Milton Keynes, which brought together representatives from a range of minority groups with key speakers from the Muslim Council of Britain, Jewish Association for Mental Illness (JAMI) and the Ethnic Health Forum. As well as publicising our services, we were able to find out about the cultural issues that affect the way mental health is perceived and finances are managed in minority communities.





## Supporting Our Staff

The PGO's greatest asset is its staff; we are proud of our diverse workforce with over 40% of our staff coming from ethnic minority communities, an almost equal number of male and female staff and just fewer than 5% of staff who have declared themselves as disabled. We provide access to various support networks for staff such as:

- **PROUD** – People from Diverse Racial Origins Uniting the Department – supporting staff networks that enable the views of staff from different sections of society to be expressed directly to senior management.
- **Rainbow** – To enable staff to share experiences and ideas on lesbian, gay, bisexual and transsexual issues more effectively and make it easier to support other staff in remote parts of the country.
- **Carers Network** – to support all staff in the DCA, Court Service and associated offices with caring responsibilities.
- **Disability Network** – To significantly improve the level of attainment and working conditions of people with disabilities in the Civil Service.

We recognise that staff who are committed and happy in their roles work hard to deliver good customer service which in turn drives customer satisfaction. We have a number of approaches in place to support our staff.

We promote work life balance throughout the organisation and approximately 10% of our staff work reduced hours or alternative working patterns, to enable them to balance both their working and domestic/caring commitments.

The PGO runs a staff suggestion scheme called 'Why Don't We?' to capture, recognise and reward the creativity and innovation of our staff. Staff are required to submit suggestions that are considered to improve:

- **Our internal operations** – improving efficiency, reducing costs and simplifying administration procedures.
- **The service that we provide** – to our customers, both internal and external.

The PGO has received 41 suggestions through the scheme in 2005/06 of which six have been accepted and 16 are under consideration.



## Reward and Recognition

The Reward and Recognition Scheme has now been running for nearly two years. The scheme is available to all staff and gives them the opportunity to immediately recognise a colleague's contribution by either giving them a 'thank you card' or, if the colleague has given 'that little bit extra', a gift voucher, (the maximum single gift voucher award is £50.) We also have the Claire People Employee of the Year Award, which is awarded to a member of staff who, following a nomination from one of their peers, is voted for in an anonymous voting process. Claire People worked at the PGO from 21 May 2001 until her tragic death at the age of 25 on 3 August 2002. This award was established with the full backing and support of Claire's family with whom we worked closely to develop a scheme that honours her name and her contribution to the PGO.

## Staff Satisfaction

A total of 217 PGO staff, including agency staff, completed the 2005 staff satisfaction survey, representing a response rate of 52%. The format of the survey in 2005 was altered from previous years to bring it into line with Cabinet Office best practice and enable better comparison across government. This has meant that it was not possible to make direct comparisons with previous years' results. Key features can be identified, however, by comparing the PGO's results with the collective results for DCA.

The survey results showed that the PGO scored significantly higher when it came to respondents feeling informed about the learning and development opportunities available to them. The results also showed that respondents had a clear understanding of how their job and the decisions they make impact on others. The survey identified that there are areas for improvement in relation to the role of line managers and senior leaders, as well as in performance management, although the main reasons for staff dissatisfaction were related to pay.

Throughout the coming year the PGO will continue to work to address issues raised in the 2005 staff satisfaction survey, and will use this information as a bench-mark against which to measure itself in 2006/07.



## Empowering

An ongoing PGO objective is to provide our professional and local authority Receivers with the authority to carry out their responsibilities without regular referral to the PGO, whilst still being required to submit accounts. Since June 2005 all new local authority and professional applicants for Receivership who are willing and able to undertake this regime of minimal intervention have been empowered by the Court.

A programme of converting all existing local authority and professional Receiverships where the Receiver is willing was completed on 31 March 2006. The scheme has proved popular as it speeds up processes, which formerly needed the Receiver to come to the Court for permission, and will also allow the PGO to free resources to concentrate on more complex cases.

## Implementation of the Mental Capacity Act 2005

During 2005/06 we have been working with our colleagues from DCA, planning and preparing for the implementation of the Mental Capacity Act. The Mental Capacity Act will provide a statutory framework to empower and protect vulnerable people who may not be able to make their own decisions. It will make it clear who can take decisions in which situations and how they should go about this. It enables people to plan ahead for a time when they may lose capacity.

This year we have worked towards the design and establishment of the new Office of the Public Guardian as an organisation to meet the requirements of the Mental Capacity Act. During 2005/06 we have:

- Designed and had sign - off on the processes for the Public Guardian's function of registering LPAs;
- Designed draft guidance notes and forms for the LPA public consultation;
- Engaged with stakeholders through outreach activities and presentations;
- Developed and agreed a high level organisational structure – detailed design is now underway;
- Designed deputyship processes and then aligned them with the future new Court of Protection application processes;
- Offered specific guidance and support to the other projects related to the Act.

## Implementation Work During 2006/07

During 2006/07 our work will involve planning for and managing the transition of the PGO into the Office of the Public Guardian and implementing fully the provisions of the Mental Capacity Act.

This will include:

- **Developing and planning to implement new processes** – we will design and implement processes for the registration of Lasting Powers of Attorney and for the appointment and supervision of deputies. These will be developed with the new Court of Protection processes so that customers of both organisations are provided with a seamless service.
- **Organisational structure** – we will review and develop the structure of the organisation, including the roles and skills of staff so that they are best placed to support the Public Guardian, the Court and delivery of the statutory functions of the Public Guardian. Implementing the new structures will require significant staff training and change management.
- **Forms and customer information** – we will develop new forms, guidance and other customer information as well as a new website for the OPG.
- **IT requirements** – we will define the business requirements under the Act and work with e-Delivery Group to ensure that IT systems are in place to support the new processes.
- **A new visitors' service** – we will ensure that a visitors' service capable of supporting the new Court and OPG is planned for and implemented during the year.
- **Corporate governance** – we will develop Corporate/Business Plans, including key performance measures and charter standards for the OPG.
- **Engaging customers and stakeholders** – throughout the year, we will keep our customers and stakeholders informed about the work we are doing, consult with them on the changes and engage with them to deliver.





court  
of  
**protection**

## The Court of Protection Review

This year the Court of Protection has continued to move forward with its ethos of modernising the way it provides financial support and protection for clients. The Mental Capacity Act 2005 will create a new Court of Protection with a regional presence and jurisdiction that extends to health and welfare decisions. This will mean new challenges and significant change. Master Lush and Deputy Master Ashton have been working closely with the DCA and the PGO on the implementation plans involving the arrangements for the new Court of Protection and the drafting of the new Court of Protection Rules.

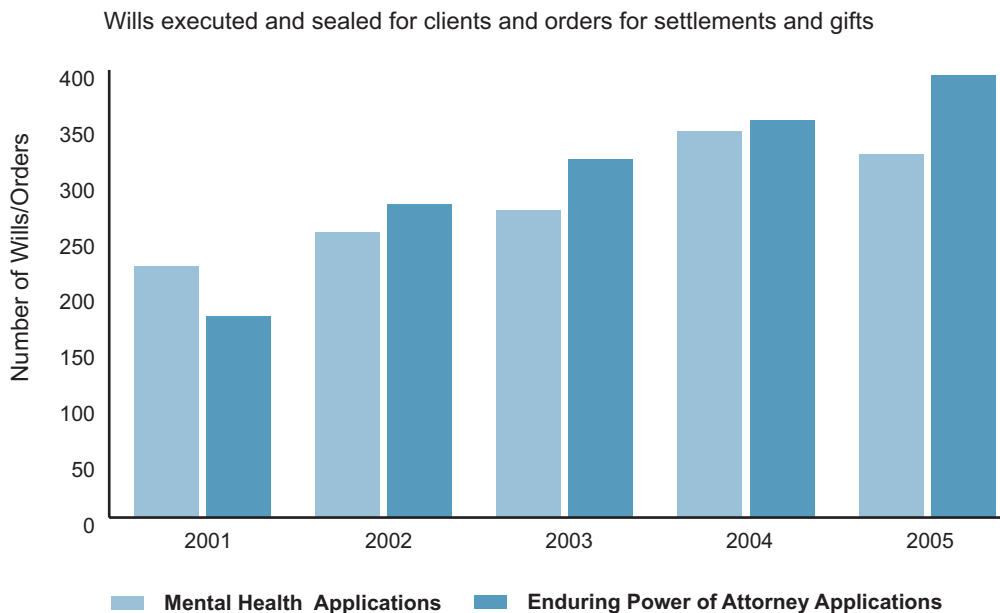
A regional hearing pilot implemented in October 2001 to improve access to justice and to save expense and time for clients continues to be very successful with regular hearings now held at Preston Combined Court before Deputy Master Ashton who has heard annually on average 49 Court of Protection matters over the past four years. This is resulting in greater involvement with the Court by solicitors in the provinces. It is hoped to extend this initiative to other regions in the future but this is much dependent on the detailed plans for implementation of the Mental Capacity Act.

Video conferencing is now available to facilitate remote hearings with attendees in regional courtrooms or other venues. The protocol for the use of this new facility has been finalised and the guidance for Court users was published in the Summer 2005 edition of 'Reaching Out', the newsletter for Receivers, and placed on the PGO website. The first case using this facility has taken place. The view of the Deputy Master who heard evidence given by video conference from the London hearing room alongside live evidence at Preston was that it went well despite a few technical difficulties with the video link. It is hoped that a greater use of this facility will develop over time with the implementation of the new legislation. The use of telephone conference facilities for case management with solicitors has also seen an increase during the past year particularly at Preston. The Court has also continued to support the regional open days.



A review of the Judicial Statistics published for England and Wales for the past five years has shown a continuing increase in the numbers of wills executed for clients and sealed with the Court's seal and orders for settlements and gifts. In 2005 this upward trend continued in the area of work on applications made relating to Enduring Powers of Attorney while falling back slightly in the area of receivership cases – see figure 5.

**Figure - 5**



The Court has continued to meet with clients, their families and advisers to discuss and agree the future management of cases involving large personal injuries awards. The Master of the Court of Protection approved 384 damages awards during the year 2005. Roughly 42% were for road traffic accidents, and 37% for clinical negligence. The total value of the damages awarded to the patients of the Court exceeded £500m.

# Remuneration Report

---



## Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. Ministers' remuneration is set by the Ministerial and Other Salaries Act 1975. No elements of ministerial salaries are included in these accounts.

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

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

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving 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;
- 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.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

## Service Contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Non-executive Directors were re-appointed on a year's contract to April 2006 and further extended to March 2007.

Further information about the work of the Civil Service Commissioners can be found at

[www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

## Salary and pension entitlements

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

### Remuneration

Members	2005-06		2004-05	
	Salary £ 000	Benefits in kind (to nearest £100)	Salary £000	Benefits in kind (to nearest £100)
<b>Richard Brook</b> Chief Executive and Public Guardian Designate (from 6 February 2006)	10-15 <sup>8</sup>	-	-	-
<b>David Thompson</b> Acting Chief Executive (until 20 February 2006)	65-70 <sup>9</sup>	-	65-70	-
<b>Glenn Dalton</b> Director of Business Strategy and Innovation	55-60	-	50-55	-
<b>Craig Mcilwrath</b> Acting Director of Operations	45-50	-	40-45	-
<b>Stephen Taylor</b> Head of Finance	50-55	-	45-50	-
<b>Luke Taylor</b> Executive Manager	40-45	-	-	-
<b>Gabby Bradshaw</b> Assistant Director of Operations	45-50	-	40-45	-
<b>Bryan Thompson</b> Non-executive Director	15-20	-	15-20	-
<b>Jane May</b> Non-executive Director	15-20	-	15-20	-
<b>David Flinter</b> Non-executive Director	5-10	-	5-10	-

<sup>8</sup> Figure quoted is for the period 6 February 2006 to 31 March 2006. The full year equivalent is £90k-£95k

<sup>9</sup> Figure quoted is for the period 1 April 2005 to 20 February 2006. The full year equivalent is £75k-£80k

## Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

## Benefits in kind

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

## Pension Benefits

Members	Accrued pension at age 60 as at 31/3/06 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/06	CETV at 31/3/05	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	(to nearest £100)
Richard Brook Chief Executive and Public Guardian Designate (from 6 February 06)	0 - 5 plus lump sum of 0 - 5	0 - 2.5 plus lump sum of 0 - 2.5	4	-	3	-
David Thompson Acting Chief Executive (until 20 February 06)	20 - 25 plus lump sum of 70 - 75	0 - 2.5 plus lump sum of 2.5 - 5	350	281	12	-
Glenn Dalton Director of Business Strategy and Innovation	0 - 5 plus lump sum of 5 - 10	0 - 2.5 plus lump sum of 0 - 2.5	60	38	12	-
Craig Mcilwrath Acting Director of Operations	10 - 15 plus lump sum of 0 - 5	0 - 2.5 plus lump sum of 0 - 2.5	118	82	6	-
Stephen Taylor Head of Finance	0 - 5 plus lump sum of 5 - 10	0 - 2.5 plus lump sum of 0 - 2.5	51	32	9	-
Luke Taylor Executive Manager	0 - 5 plus lump sum of 0 - 5	0 - 2.5 plus lump sum of 0 - 2.5	8	1	4	-
Gabby Bradshaw Assistant Director of Operations	15 - 20 plus lump sum of 50 - 55	0 - 2.5 plus lump sum of 0 - 2.5	421	300	7	-

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website: [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2005 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2006.

## Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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.



**Richard Brook**

Chief Executive and Public Guardian Designate

**5 July 2006**



# Corporate Governance

---



## Governance Framework

The Public Guardianship Office Framework Document laid before Parliament on 29 March 2001 sets out the financial and organisational framework within which the PGO operates as an Agency and the responsibilities of those involved.

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


The Permanent Secretary for DCA is the Department's Principal Accounting Officer and is the principal adviser to the Secretary of State on matters affecting the DCA as a whole, including allocation of resources to the PGO, expenditure and finance. The Permanent Secretary, as Principal Accounting Officer, must be satisfied that the PGO has adequate financial systems and procedures in place both to promote the efficient and economical conduct of its business and to safeguard public and client funds.

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

## The Chief Executive

The Chief Executive is responsible for the management of the PGO. He is directly accountable to the Secretary of State for the effective, efficient and economic operation of the PGO. In particular he is responsible for:

- ensuring the proper management and propriety in handling public and client funds;
- carrying out the functions entrusted to him by the courts or by statute;
- the quality of service provided to clients;
- setting operational policy and strategy;
- managing the PGO's resources efficiently, effectively and economically;
- risk management and corporate governance within the PGO;
- preparing the PGO's corporate and business plans, and proposed key performance measures;
- submitting quarterly performance reports to the Ministerial Advisory Board so that they may advise Ministers;
- achieving the PGO's agreed key targets;
- preparing and signing audited accounts;
- operating an effective complaints procedure;
- leadership of staff;
- ensuring effective consultation with the PGO's clients and stakeholder groups.



The Chief Executive, as Agency Accounting Officer, is responsible for the proper and economical use of resources and expenditure of money voted by Parliament and for ensuring that correct procedures are followed for securing the propriety and regularity of public and client funds for which he is responsible. He is responsible for ensuring that the requirements of Government Accounting as notified to him are met and observes any general guidance on accounting matters issued to him by HM Treasury and the Cabinet Office.

The Chief Executive ensures that any recommendations of the Public Accounts Committee, other Parliamentary Select Committees or other Parliamentary Authority accepted by the Government and notified to him are put into effect and provides regular reports to the Permanent Secretary on progress in compliance with such recommendations.

## Relationship between Chief Executive and Master of Court of Protection

The PGO as an executive agency of DCA is the administrative arm of the Court of Protection. Judicial matters are discharged by the Master, the Assistant Master(s) and Nominated Officers of the Court of Protection. In the exercise of administrative functions the Nominated Officers and other staff of the PGO are accountable to the Chief Executive of the PGO.

The Lord Chancellor is responsible for making rules defining the functions to be carried out by the Master of the Court of Protection under the Mental Health Act 1983, the Enduring Powers of Attorney Act 1985, the Court of Protection Rules 2001 and the Court of Protection (Enduring Powers of Attorney Rules) 2001. The Master is a member of the judiciary. The Assistant Master(s) and other Nominated Officers exercise their judicial functions under the Mental Health Act 1983 subject to the directions of the Master and so far as provided by the instrument of their nomination. In the exercise of these powers the Assistant Master(s) and other Nominated Officers are accountable to the Master of the Court of Protection. The Lord Chancellor is responsible for the nomination of the Assistant Master(s) and other Nominated Officers of the Court of Protection under provisions of the Mental Health Act.

The Chief Executive, on behalf of the Court, considers the Court's resource, and capital allocation and total financing requirement as part of the combined proposals put forward each year. Evaluation of the respective parts of that bid is a matter for DCA HQ. The agreed budget will be allocated to the Chief Executive. The PGO will provide the Master of the Court of Protection with the support services required for the Court to operate efficiently and effectively. Monitoring and control of the Court's judicial performance is a matter for the Court.



## Complaints

The Chief Executive is responsible for maintaining an open, fair and responsive complaints procedure in relation to the administrative work of PGO staff. Information on the PGO complaints procedure is published and made available to its clients. An Independent Complaints Examiner (ICE) considers complaints that clients feel have not been resolved after full investigation through the PGO's internal complaints procedure. The ICE reports regularly on its activities in relation to PGO complaints and, in the context of this work, provides considered advice to the PGO on improving customer service.

## External Auditor

This year's Financial Statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. No further audit services were received aside from that of Statutory Audit by the NAO. The cost of audit work was £58,000, which is solely related to audit services and is a notional cost (see note 5). The Accounting Officer has taken all steps to ensure that he is aware of any relevant audit information and to ensure that the PGO's auditor is aware of that information. As far as the Accounting Officer is aware, there is no relevant internal audit information of which the PGO's auditor is unaware.

## Internal Audit

The Chief Executive has established and maintains arrangements for the provision of internal audit services within the Agency in accordance with the objectives and standards for internal audit set out in the Government Internal Audit Manual (published by HM Treasury) which include periodic peer reviews. DCA are provided with copies of the results of the peer reviews.

The DCA Internal Assurance Division has a right of access to the PGO in support of the Permanent Secretary's responsibilities as Principal Accounting Officer, that includes access to all books, records, data, assets, personnel and premises of the PGO as may be considered desirable or necessary to discharge the Department's responsibilities. DCA receive copies of the PGO's annual internal audit plans and annual report to the Chief Executive. DCA is notified of any fraud or irregularity within the definition set out in Government Accounting.

## Management Board

The Chief Executive was supported in carrying out his responsibilities by a Management Board which consisted of six PGO staff and two external representatives. Their role is to develop the strategic direction for the Public Guardianship Office. In addition, the Board monitors the financial and business performance of the organisation and identifies and manages risks.

## Ministerial Advisory Board

The Secretary of State for the purpose of providing independent advice to him and his Ministers appoints the Ministerial Advisory Board (MAB). The MAB acts as a forum for the consideration of strategic issues relevant to the PGO and on the Office's performance. The MAB meets quarterly and its Chairman, the DCA Director General Strategy together with the Minister responsible for the PGO, Baroness Ashton of Upholland, and two Non-executive Directors review performance with the Chief Executive and other Directors and senior managers of the PGO.

## Audit Committee

The PGO has an Audit Committee that provides advice to the Accounting Officer and is compliant with the requirements of HM Treasury's Audit Committee Handbook for Audit Committees in central government bodies. The Audit Committee is chaired by a person independent of the PGO and includes three other external members. The PGO Head of Finance and representatives of the internal audit service are required to attend all meetings of the Committee, and have the right to speak at the meetings. The Chief Executive and other Directors and officials of the PGO shall attend at the request of the Chairman and have the right to speak. PGO's external auditors are given notice of meetings and have the right to attend and speak.

The members of the Agency's Audit Committee during the financial year were:

- Bryan Thompson – Chairman (Non-executive Director)
- Jane May (Non-executive Director)
- Gary Smith (Finance Division, DCA)
- Derek Flint (Independent, April-November 2005)
- David Flinter (Non-executive Director, from December 2005)

The Chief Executive of the Agency is an attendee. The Audit Committee met four times during the financial year; internal and external auditors attended all meetings.



## Audit Committee Terms of Reference

The Committee considers and advise the Accounting Officer on the following matters:

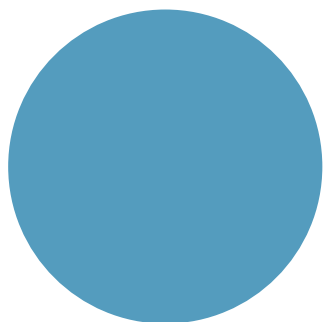
- The establishment and maintenance of effective and robust:
  - Accounting Policies;
  - Management and financial controls;
  - Schemes of financial and non-financial delegation;
  - Systems to identify and manage key risks.
- The corporate governance of the PGO;
- the effectiveness of the PGO's management policies and procedures to promote a culture of sound control;
- the effectiveness of both internal and external audit services (including the resourcing, performance and terms on which audit services are provided to the PGO);
- the major findings of internal and external auditor investigations and reports and management's responses to findings and recommendations;
- the annual internal audit report and the external auditor management letter and management's responses thereto;
- the PGO's statement on internal control and its financial accounts, focusing particularly on changes in and compliance with accounting policies and practices, major judgemental areas and significant adjustments resulting from the annual audits, and shall recommend the financial reports to the Accounting Officer for approval;
- best value, economy, effectiveness and efficiency in the use of resources and assets in the PGO, including major contracts and policy, and of all losses and special claims involving cost to the Agency;
- the promotion of effective control culture, including the policies and procedures, the maintenance of an effective investigation capacity, any other related issues brought to the attention of the Audit Committee through management reports of whistleblowing procedures relating to compliance with the law, regularity, propriety, corporate governance or code of conduct issues.

The Committee takes on the Accounting Officer's behalf such scrutiny decisions as might be delegated to it specifically by the Accounting Officer.

The Committee with the concurrence of the Accounting Officer, advise on the membership and procedures of the Audit Committee.

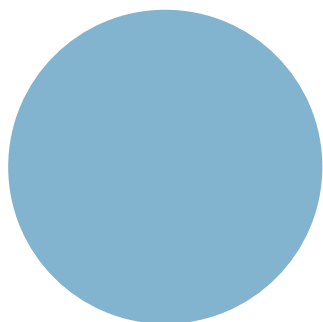
# Statement of Accounting Officer's Responsibilities

---

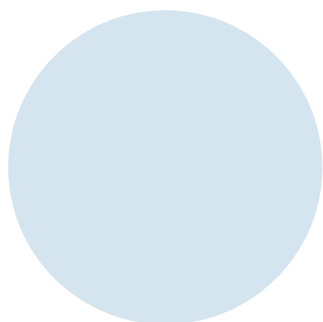
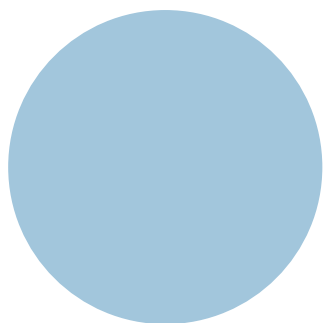


Under section 7(2) of the Government Resources and Accounts Act 2000 HM Treasury has directed the Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in their Accounts Direction.


The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.



The Accounting Officer for the Department for Constitutional Affairs has designated the Chief Executive of the Public Guardianship Office as the Accounting Officer for the Agency, with responsibility for preparing the Agency's accounts and for transmitting them to the Comptroller and Auditor General.





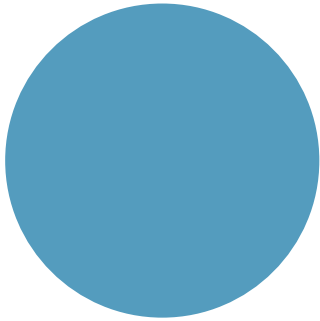


In preparing the accounts, the Accounting Officer is required to comply with the 2005/06 *Government Financial Reporting Manual (FReM)* issued by HM Treasury, and in particular to:

- observe 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 *FReM*, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going-concern basis; and
- prepare a note on the stewardship of third party assets.

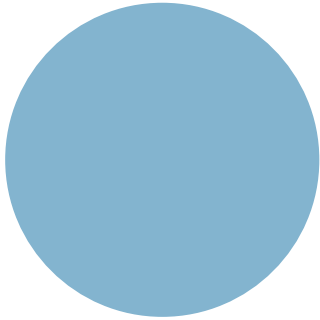
The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum issued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

# Statement on Internal Control

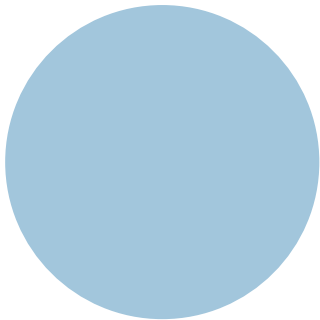


## Scope of Responsibility

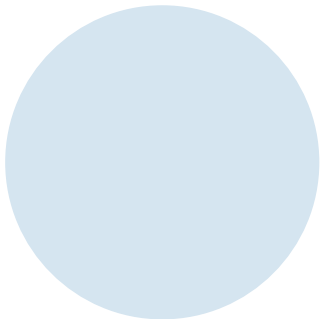
As the Public Guardianship Office (PGO) Accounting Officer, I am responsible for maintaining a sound system of internal control that supports the achievement of the PGO's policies, aims and objectives; whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the Accounting Officer of the Department for Constitutional Affairs (DCA) in accordance with the principles set out in *Government Accounting*.



The PGO acts as the administrative office of the Court of Protection and is an Executive Agency of the DCA. The Secretary of State is the Minister accountable to Parliament for the activities and performance of the PGO. The Agency has both a Management Board and Ministerial Advisory Board (MAB), which comprise the non-executive and executive members, who serve to coordinate the governance, strategies and activities of the PGO.



The MAB is appointed by the Secretary of State for the purpose of providing independent advice to the Ministers and the Department's Permanent Secretary on strategic issues, and to monitor the PGO's performance against Key Performance Indicators (KPIs), financial performance, key risks and progress on projects.



## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the PGO's policies, aims and objectives, to evaluate the likelihood of those risks realising and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the PGO for the financial year ended 31 March 2006 and up to the date of the Annual Report and Accounts, and accords with HM Treasury guidance.

## Capacity to handle risk


The PGO has in place a risk management policy that has been approved by the Management Board. This policy sets out the PGO's attitude to risk and to the achievement of its aims and objectives. The Management Board reviews risk management and internal controls on a monthly basis. In May 2005 the Management Board, other senior managers, and representatives from the DCA attended a risk management workshop that covered:

- a full risk and control assessment of operations in relation to the PGO's plans;
- further risk training;
- a review of the key risks identified in 2004/05;
- identification of the key risks in relation to the PGO's Corporate and Business Plans for 2005/06 to be managed throughout the financial year; and
- key risks assigned to designated owners.

## The risk and control framework

The improved risk management process has involved the use of a number of tools and techniques, which have been employed as follows:

- externally facilitated workshop to identify and update the record of risks facing the PGO;
- risk awareness training to enable employees to manage risk management better within their roles;
- the maintenance of both a corporate and a project-related risk register;
- use of the Risk Management Assessment Framework as a tool for the continued assessment of risk management in the PGO;
- an Audit Committee which considers and advises on risk management, corporate governance and control;

- 
- formal statements on the management of risk and other review processes completed annually by senior budget holders; and
  - formal programme and project management disciplines, incorporating procedures for the management of risk.

In addition to the actions mentioned above, the PGO works with DCA colleagues to align its risk management with the DCA's corporate risk management framework. The top risk priorities set for 2005/06 related to finding solutions to replacing outdated IT systems and managing change whilst improving customer service. Migrating the customer database onto a new and stable application platform has alleviated a full replacement of outdated IT systems. Managing change for the implementation of the Mental Capacity Act will be a prominent risk that will continue to be a focus for 2006/07 in addition to ensuring relevant IT systems to support new ways of working.

## Review of Effectiveness

As Accounting Officer, I am also responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, the Audit Committee that oversees the work of the internal auditors, the Directors and other senior managers within the PGO, who have responsibility for the development and maintenance of the internal control framework, and comments made by the National Audit Office (NAO) in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Management Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Before producing this statement on internal control I have also reviewed the following:

- the results from the stewardship reporting process in which Management Board Directors and senior managers have completed a statement confirming compliance with prescribed internal controls throughout the period, including the reporting of exceptions and remedial actions;
- the annual report from the Chairman of the Audit Committee; and
- the annual report from the Head of Internal Audit for 2005/06 which states that:

*"From the evidence of audit work completed during the year, and other sources of information available to us, it is our opinion that PGO management can take a reasonable level of assurance from the adequacy and effectiveness of arrangements for risk management, control and governance. "*

## Stewardship of third party assets

Stewardship Accounting and reporting is exercised in accordance with HM Treasury Financial Reporting Manual Chapter 7, Section 7.4.68 in that third party assets are reported in the Agency's annual accounts shown at Note 25.

## Financial Losses

An improved management and control process in identifying and assessing potential liabilities has increased the accuracy of calculating the provision for financial losses. This provision amounts to £419,000 for liabilities and has been recognised as at 31 March 2006 (2004/05: £642,000) (See Note 12).

## Looking forward

In 2006/07 we will have to ensure that our existing services in supporting the Court of Protection to register EPAs and to appoint and supervise Receivers, are delivered to our published service standards and that improvements in performance that have been achieved over the last few years are sustained and although we are not changing our Key Performance Indicators this year, we will continue to focus on improving the quality of the services we provide.

We will also continue to have a major role to play in the work of the Mental Capacity Implementation Programme during 2006/07. I am confident that we will continue to provide the level of service expected by our customers whilst ensuring the successful implementation of the Mental Capacity Act.

I am confident that the control culture for matters financial, operational and compliance are sufficiently embedded and understood to enable the successful delivery of the PGO's aims and objectives for 2006/07. The Management Board and I are committed to continuous improvement and ensuring that our internal control and governance arrangements keep pace with best practice and the changing nature of the PGO's activities and responsibilities.



### **Richard Brook**

Chief Executive and Public Guardian Designate  
**5 July 2006**

# Financial Statements

---



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

I certify that I have audited the financial statements of the Public Guardianship Office for the year ended 31 March 2006 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account and Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.


## Respective responsibilities of the Agency, the Chief Executive and Auditor

The Agency and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Financial Statements give a true and fair view and whether the Financial Statements and the part of Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.





I review whether the statement on pages 46 to 49 reflects the Agency's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not.

I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Annual Report and Appendices 1, 2 and 3. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.


My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited.

It also includes an assessment of the significant estimates and judgements made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.





I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Agency's affairs as at 31 March 2006 and of the deficit, total recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

I have no observations to make on these financial statements.

### John Bourn

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

**Date 18 July 2006**

*"The maintenance and integrity of the Public Guardianship Office's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site."*

# Financial Statements

## Income and Expenditure Account for the year ended 31 March 2006

	Notes	2005/06 £'000	£'000	£'000	2004/05 £'000
<b>Income</b>					
Operating income	2.1				
Invoiced Fees		<b>16,029</b>		<b>16,139</b>	
Fees Remitted		<b>(1,063)</b>		<b>(1,401)</b>	
		<u>14,966</u>		<u>14,738</u>	
Other income	2.2	<b>1,143</b>		<b>579</b>	
Total Income			<b>16,109</b>		<b>15,317</b>
<b>Expenditure</b>					
Staff costs	3.1	<b>(11,850)</b>		<b>(10,964)</b>	
Other operating costs	4	<b>(2,744)</b>		<b>(3,158)</b>	
Notional and other non cash charges	5	<b>(6,179)</b>		<b>(6,682)</b>	
Total Expenditure			<b>(20,773)</b>		<b>(20,804)</b>
Operating deficit for the year			<b>(4,664)</b>		<b>(5,487)</b>

All income and expenditure are derived from continuing operations.

## Statement of Total Recognised Gains and Losses for the year ended 31 March 2006

	Notes	2005/06 £'000	2004/05 £'000
Deficit for the year		<b>(4,664)</b>	<b>(5,487)</b>
Net gain on revaluation of tangible fixed assets	14	<b>128</b>	<b>120</b>
Total recognised losses for the year		<u><b>(4,536)</b></u>	<u><b>(5,367)</b></u>

The notes on pages 56 to 80 form part of these accounts.

## Balance Sheet

as at 31 March 2006

	31 March 2006		31 March 2005		
	Notes	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible fixed assets	8		<b>4,353</b>		<b>4,458</b>
<b>Debtors falling due after more than one year</b>	9		-		<b>195</b>
<b>Current Assets</b>					
Debtors	9	<b>4,577</b>		<b>4,618</b>	
Cash at bank and in hand	10	<b>289</b>		<b>270</b>	
		<b>4,866</b>		<b>4,888</b>	
<b>Creditors (amounts falling due within one year)</b>	11	<b>(892)</b>		<b>(509)</b>	
<b>Net Current Assets</b>			<b>3,974</b>		<b>4,379</b>
<b>Total assets less current liabilities</b>			<b>8,327</b>		<b>9,032</b>
<b>Creditors (amounts falling due after more than one year)</b>	11	<b>(132)</b>		<b>(181)</b>	
<b>Provisions for liabilities and charges</b>	12	<b>(519)</b>	<b>(651)</b>	<b>(812)</b>	<b>(993)</b>
			<b>7,676</b>		<b>8,039</b>
<b>Taxpayers' Equity</b>					
General Fund	13		<b>7,167</b>		<b>7,658</b>
Revaluation Reserve	14		<b>509</b>		<b>381</b>
			<b>7,676</b>		<b>8,039</b>

The notes on pages 56 to 80 form part of these accounts.



**Richard Brook**

Chief Executive and Public Guardian Designate

5 July 2006

## Cash Flow Statement

for the year ended 31 March 2006

	Notes	2005/06 £'000	2004/05 £'000
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	15	<b>934</b>	<b>(33)</b>
<b>Capital Expenditure and Financial Investment</b>			
Tangible fixed assets additions	8/11	<b>(495)</b>	<b>(1,150)</b>
		<b>(495)</b>	<b>(1,150)</b>
<b>Financing</b>			
Advances on Funding Account	13	<b>(420)</b>	<b>1,202</b>
		<b>(420)</b>	<b>1,202</b>
<b>Increase in Cash in the Year</b>	10	<b>19</b>	<b>19</b>

The notes on pages 56 to 80 form part of these accounts.

## 1. Statement of Accounting Policies

### 1.1 Basis of preparation

These accounts have been prepared in accordance with the 2005/06 *Financial Reporting Manual (FreM)* issued by HM Treasury.

The accounting policies contained in the *FreM* follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. 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 the Agency for the purpose of giving a true and fair view, has been selected.

The Agency's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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

Management has a reasonable expectation that the Agency has adequate resources through future funding from the DCA to continue in operational existence for the foreseeable future. For this reason, the going concern basis is adopted in preparing the accounts. On implementation of the MCA the functions of the Court of Protection and PGO will transfer to the new Court of Protection and the OPG. The Public Guardian will have responsibility for the functions of the OPG and administrative functions for the new Court of Protection and therefore the assets and liabilities of the PGO will transfer to the OPG as a going concern.

### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs.

### 1.3 Income recognition

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided on a full-cost basis to external customers, net of fees remitted (see note 1.4) and net of VAT.

Operating income represents:

Appointing and Supervising Receivers	Fees charged under the Mental Health Act 1983 for monitoring Private Receivers.
Enduring Powers of Attorney	Fees charged under the Enduring Powers of Attorney Act 1985 for registration of Enduring Powers of Attorney.
Receivership	Fees charged under the Mental Health Act 1983 for the Chief Executive of the Agency acting as Receiver of last resort for certain patients; re - introduced under the Court of Protection (Amendment) Rules 2004 which came into force on 1 June 2004.

The annual administration fees for Mental Health (Appointing and Supervising Receivers) and Enduring Powers of Attorney are recognised at the point fees are due. A year-end adjustment is made to accrue fee income for each client's account.

Other income includes charges for services provided to The Children and Family Court Advisory and Support Service (CAFCASS), recoveries in respect of outward secondments to Liberata UK Limited work carried out on behalf of the Court Funds Office and income received for sub-letting offices to CAFCASS.

Consolidated Fund Extra Receipts (CFERs) do not form part of income, but are treated as a creditor and paid over to the Consolidated Fund.

#### 1.4 Court of Protection fees remitted

The Court may remit or postpone fees where it is of the opinion that it may cause hardship to the donor (or dependants) or the circumstances are otherwise exceptional, under the Court of Protection (Amendment) Rules 2001 (Rule 83). It also allows the Court to remit fees where the cost of calculation and collection would be disproportionate to the amount involved.

The decision to remit fees lies with the Court. The Lord Chancellor has appointed members of the Agency's staff as Nominated Officers to act on behalf of the Court, subject to the directions of the Master of the Court of Protection.

#### 1.5 Deferred Income

Deferred income is that proportion of payments received which relates to services to be provided after the balance sheet date. Where the payment represents contributions to the funding of tangible fixed assets, the income will be realised to the Income and Expenditure account over the period of the underlying contracts determining these amounts.

## 1.6 Pensions

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

## 1.7 Consumables

Consumables purchases (stationery and office supplies) are not considered material and are written off in the Income and Expenditure account as they are purchased.

## 1.8 Leases

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

Other leases are regarded as operating leases and the rentals are charged to the Income and Expenditure account on a straight-line basis over the term of the lease.

## 1.9 Notional and other non-cash charges

Notional and other non-cash charges are included in the Income and Expenditure account to reflect the full cost of the Agency's services, in line with the *FreM* and HM Treasury's Fees and Charges Guide. These charges include:

### Cost of capital charge

The cost of capital charge is a notional charge, which reflects the cost of capital utilised by the Agency. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for amounts due to be surrendered to the Consolidated Fund (CFERs) and cash balances held at the Office of HM Paymaster General (OPG), where the charge is nil;



## DCA headquarters' support charges

The notional overhead charges for certain support functions provided by the DCA; and

## External auditor's remuneration

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

### 1.10 Bad Debts

Bad debts are written off when identified or after a period of three years has elapsed from the date of becoming doubtful, whichever is the earlier. A general provision for doubtful debts is made based on the age of trade debtors as at the end of the financial year.

### 1.11 Tangible Fixed Assets

Tangible fixed assets are stated at cost, including any costs such as installation directly attributable to bringing the asset into working condition. Expenditure on tangible fixed assets over £1,000 is capitalised. Where an item costs less than the prescribed limit, but forms an integral part of a package whose total value is greater than the capitalisation level, then the item is treated as a tangible fixed asset.

Tangible fixed assets have been stated at current cost using appropriate indices published by the Office for National Statistics (Business Monitor MM22). This is based on the modified historical cost accounting convention, which requires the revaluation of certain fixed assets in line with HM Treasury's *FreM*.

Revaluations above the depreciated historic cost of a tangible fixed asset are credited to a revaluation reserve. Amounts equivalent to the depreciation charge on the revaluation element are then credited to the Income and Expenditure account to offset the total depreciation charge on that tangible fixed asset based on the revalued amount. Any downward revaluation of tangible fixed assets below the depreciated historic cost is charged directly to the Income and Expenditure account. Otherwise, it is offset against any balance in the revaluation reserve relating to that particular asset.

### 1.12 Depreciation

Tangible fixed assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful lives.

Assets under construction are not depreciated until the asset is brought into use or reverts to the Agency respectively.

Estimated useful lives are as follows:

Leasehold Improvements	Remaining lease period
Furniture	10 years
Equipment	5 to 7 years
Computers	5 to 7 years

### 1.13 Value Added Tax (VAT)

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

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

### 1.14 Provisions

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 3.5%).

### 1.15 Private Finance Initiative (PFI) transactions

The Agency has a contract under the Government's Private Finance Initiative (PFI) for the provision of financial and other services. PFI transactions have been accounted for in accordance with Technical Note No 1 (Revised), entitled *How to Account for PFI Transactions* as required by the *FreM*.

Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI payments are recorded as an operating cost. Where the Agency has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract. Where at the end of the PFI contract a property reverts to the Agency, the difference between the expected fair value of the residual assets on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year.

Where the balance of risks and rewards of ownership of the PFI property is borne by the Agency, the property is recognised as a tangible fixed asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

## 1.16 Third-party Assets

The Agency holds as custodian certain assets belonging to third parties (receivership clients). These are not recognised in the accounts since neither the Agency nor government more generally has a direct beneficial interest in them. Note 25 prepared on a payments and receipts basis shows the assets held at the balance sheet date.

## 2. Income

	<b>2005/06</b> <b>£'000</b>	<b>2004/05</b> <b>£'000</b>
<b>2.1 Operating income</b>		
Court of Protection fees	<b>14,966</b>	<b>14,738</b>
	<b>14,966</b>	<b>14,738</b>

Court of Protection fees are shown net of £1,063,000 (2004/05: £1,401,000) fees remitted under the Court of Protection (Amendment) Rules 2001 (Rule 83) (see note 1.4).

## 2.2 Other income

Charges for services provided:

CAFCASS	<b>158</b>	<b>184</b>
Court Funds Office	<b>636</b>	<b>-</b>
Deferred income	<b>49</b>	<b>49</b>
Miscellaneous	<b>15</b>	<b>15</b>
Recoveries in respect of outward secondments (see note 3.1)	<b>162</b>	<b>208</b>
Rental income	<b>123</b>	<b>123</b>
	<b>1,143</b>	<b>579</b>

### 3. Staff numbers and costs

#### 3.1 Staff costs consist of:

	2005/06	2004/05
	£'000	£'000
Salaries and wages	8,158	7,705
Social security costs	594	561
Superannuation	1,368	956
Agency/temporary staff	1,678	1,679
Contract staff	52	63
<b>Total Gross Costs</b>	<b>11,850</b>	<b>10,964</b>
Less recoveries in respect of outward secondments (see note 2.2)	(162)	(208)
<b>Total Net Costs</b>	<b>11,688</b>	<b>10,756</b>

3.2. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Public Guardianship Office is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2003. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2005/06, employers' contributions of £1,368,000 (2004/05: £956,000) were payable to the PCSPS at one of four rates in the range of 16.2% to 24.6% of pensionable pay, based on salary bands (the rates in 2004-05 were between 12% and 18.5%). The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2006-07, the salary bands will be in a range between 17.1% and 25.5%.

The contribution rates are set to meet the cost of the benefits accruing during 2005-06 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

3.3. The average number of whole-time equivalent staff employed (including senior management, staff on inward secondments, agency/temporary staff and contract staff; but excluding staff on outward secondments) during the financial year was as follows:

By function:	<b>2005/06 Number</b>	<b>2004/05 Number As restated</b>
Operations	<b>369</b>	<b>361</b>
Business Strategy & Innovation	<b>14</b>	<b>11</b>
Finance	<b>28</b>	<b>27</b>
Total	<b>411</b>	<b>399</b>
Total Staff (including outward secondments)		
	<b>2005/06 Number</b>	<b>2004/05 Number</b>
Civil Servants	<b>335</b>	<b>317</b>
Agency/Temporary Staff	<b>73</b>	<b>81</b>
Contract Staff	<b>3</b>	<b>1</b>
Civil Servants on outward secondments to Liberata UK Limited	<b>3</b>	<b>5</b>
Total	<b>414</b>	<b>404</b>

**3.4** Staff costs (see note 3.1) include the salary costs of the Master of the Court of Protection. The Master is the Judicial Head of the Court of Protection and he is a member of the Judicial Pension Scheme. The salary costs of the Master were:

	<b>2005/06 £'000</b>	<b>2004/05 £'000</b>
Salaries and wages	<b>117</b>	<b>113</b>
Social security costs	<b>13</b>	<b>13</b>
	<b>130</b>	<b>126</b>

#### 4. Other operating costs

	2005/06	2004/05
	£'000	£'000
Cash losses and ex-gratia payments	89	135
Consumables	187	147
Maintenance	655	384
Other running costs	352	323
Postage	161	262
Rates (Includes rates rebates of £937,000)	(694)	234
Rentals under operating leases:		
Rental of accommodation	913	913
Utilities	206	122
Visitor services	875	638
	<u>2,744</u>	<u>3,158</u>

#### 5. Notional and other non-cash charges

	2005/06	2004/05
	£'000	£'000
Bad debts	41	62
Cost of capital charge	248	280
DCA Headquarters' support charges:		
E-Delivery Group	2,288	2,224
Facilities Management Group	990	1,038
Other	1,009	1,562
Depreciation	947	863
Diminution in value of tangible fixed assets	78	96
External auditor's remuneration	58	97
Increase/(decrease) in provision for doubtful debts	23	-

PFI contract prepayment charge	<b>260</b>	<b>260</b>
Provision for liabilities:		
Provided in the year	<b>235</b>	<b>395</b>
Prior year under provisions/ (provisions written back)	<b>2</b>	<b>(195)</b>
	<b>6,179</b>	<b>6,682</b>

There is no external auditor's remuneration for non-audit work.

## 6. Fees and Charges

The Agency is required, in accordance with HM Treasury's Fees and Charges Guide, to disclose results for the areas of its activities undertaken throughout the financial year, where fees and charges were made.

A subsidy is provided as planned to ensure clients are not denied access to services through the inability to afford the requisite fees. The calculation of cost recovery includes expenditure for claims and losses charged to the Income and Expenditure account.

### Fees and Charges

(by business segment)

	<b>Appointing and Supervising Receivers</b>	<b>Receivership</b>	<b>Enduring Powers of Attorney</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operating income	<b>12,402</b>	<b>353</b>	<b>2,211</b>	<b>14,966</b>
Fees remitted	<b>412</b>	<b>510</b>	<b>141</b>	<b>1,063</b>
Total Income	<b>12,814</b>	<b>863</b>	<b>2,352</b>	<b>16,029</b>
Total Expenditure (see below)	<b>15,304</b>	<b>1,769</b>	<b>2,179</b>	<b>19,252</b>
(Deficit)/surplus before Exceptional Items	<b>(2,490)</b>	<b>(906)</b>	<b>173</b>	<b>(3,223)</b>
Cost recovery (%)	<b>84%</b>	<b>49%</b>	<b>108%</b>	<b>83%</b>



## Adjusted Expenditure

Total Expenditure	20,773
Less Other Admin Income	(1,143)
Financial Losses	(44)
Marketing & Research Costs	(28)
In year Bad Debts	(64)
Mental Capacity Act Costs	(262)
Judicial Recharge	(20)
Reported Income & Expenditure Account	<u>19,252</u>

## 7. Analysis by administration and programme

For public expenditure control purposes the income and expenditure of the Agency is classified between administration and programme. Whilst this classification is reflected in the Operating Cost Statement of the Resource Accounts prepared by the DCA, the Agency considers it to be inappropriate for its executive agency accounts. For this reason the Agency has taken advantage of the dispensation offered by the *FreM* for supply financed agencies, which are not whole departments, to adopt a Companies Act format for their Income and Expenditure Statement.

If the *FreM* format for an Operating Cost Statement had been adopted, the analysis of the deficit for the year would have been as follows:

	31 March 2006		31 March 2005	
			As restated	
	£'000	£'000	£'000	£'000
<b>Administration costs</b>				
Staff costs	11,633		10,625	
Other operating costs	2,744		3,158	
Notional and other non cash charges	6,179		6,682	
Gross administration costs	20,556		20,465	
Other income	(1,143)		(579)	
Net administration costs		19,413		19,886
<b>Programme costs</b>				
Staff costs	217		339	
Fees remitted	1,063		1,401	
Gross programme costs	1,280		1,740	
Operating income	(16,029)		(16,139)	
Net programme income		(14,749)		(14,399)
<b>Deficit for the year</b>		4,664		5,487

## 8. Tangible fixed assets

	Leasehold Improvements	Furniture	Equipment	Computers	Assets Under Construction	Total
	£'000	£'000	£'000	£'000		£'000
<b>Cost or valuation</b>						
At 1 April 2005	4,570	754	470	1,364	-	7,158
Additions	-	-	-	478	314	792
Revaluation	110	18	(3)	(75)	-	50
At 31 March 2006	<b>4,680</b>	<b>772</b>	<b>467</b>	<b>1,767</b>	<b>314</b>	<b>8,000</b>
<b>Depreciation</b>						
At 1 April 2005	1,732	462	313	193	-	2,700
Provided in year	621	61	61	204	-	947
At 31 March 2006	<b>2,353</b>	<b>523</b>	<b>374</b>	<b>397</b>	<b>-</b>	<b>3,647</b>
<b>Net book value</b>						
At 31 March 2006	<b>2,327</b>	<b>249</b>	<b>93</b>	<b>1,370</b>	<b>314</b>	<b>4,353</b>
At 31 March 2005	2,838	292	157	1,171	-	4,458

Leasehold Improvements represents the refurbishment of the Agency's headquarters at Archway. The Archway Tower Relocation Project was completed on 1 April 2002 and depreciation is being charged on Leasehold Improvements from this date over the remaining lease term.

The majority of the IT equipment used by the Agency is provided by Liberata UK Limited through the ARAMIS PFI contract (see note 19).

## 9. Debtors

	31 March 2006	31 March 2005
	£'000	£'000
<b>Amounts falling due within one year</b>		
Accrued income	2,623	2,529
Input VAT recoverable	63	67
Prepayments	64	62
Prepayment on PFI contracts (see note 19)	195	260
Staff debtors	59	35
Trade debtors	1,573	1,665
	<hr/> 4,577	<hr/> 4,618
<b>Amounts falling due after more than one year</b>		
Prepayment on PFI contracts	-	195
	<hr/> 4,577	<hr/> 4,813

The prepayment on PFI contracts represents the net book value of certain IT assets owned by the Agency that were transferred to Liberata UK Limited, with the start of the ARAMIS PFI contract on 1 May 2002 and additional assets subsequently acquired. This is being released to the Income and Expenditure account over the life of the ARAMIS PFI contract (see note 5).

Trade debtors are shown net of a provision for doubtful debts of £88,000 (31 March 2005: £65,000).

## 10. Cash at bank and in hand

	31 March 2006	31 March 2005
	£'000	£'000
Balance at 1 April	270	251
Net cash inflow	19	19
Balance at 31 March	<u>289</u>	<u>270</u>
Of this amount the following balances at 31 March are held at:		
Office of HM Paymaster General (OPG)	<u>289</u>	<u>270</u>
	<u>289</u>	<u>270</u>

## 11. Creditors

	31 March 2006	31 March 2005
	£'000	£'000
<b>Amounts falling due within one year</b>		
Accruals/Trade creditors	529	443
Deferred income	49	49
Tangible fixed asset creditors	<u>314</u>	<u>17</u>
	<u>892</u>	<u>509</u>
<b>Amounts falling due after more than one year</b>		
Deferred income	<u>132</u>	<u>181</u>
	<u>1,024</u>	<u>690</u>

Deferred income relates to the capital contributions received from the sub-under lessee (CAFCASS) towards its share of the Leasehold Improvements. This is being released to the Income and Expenditure account over the Agency's lease term (see note 2.2).

## 12. Provisions for liabilities and charges

	<b>Early departure costs £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
Balance at 1 April 2005	170	642	<b>812</b>
Provided in the year	-	235	<b>235</b>
Prior year under provision	-	2	<b>2</b>
Provisions utilised in the year	(70)	(460)	<b>(530)</b>
Balance at 31 March 2006	100	419	<b>519</b>

### Early departure costs

The Agency meets the additional costs of benefits beyond the normal PCSPS benefits, in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The Agency provides for this in full when the early retirement programme becomes binding on the Agency by establishing a provision for estimated payments discounted by the real rate set by HM Treasury (currently 3.5%).

### Other

The above provision represents potential liabilities for financial losses on cases that the Agency, in accordance with FRS 12, considers should be recognised at the balance sheet date. The provision covers financial losses (see Statement on Internal Control).

A further specific provision of £235,000 has been made in the current financial year, reflecting all known cases where legal advice indicates that it is probable that the claim will be successful and the amount of the claim can be reliably estimated. The timing and amount of any payments to be made in respect of the overall provision of £419,000 established is uncertain.

Cases that are less likely to succeed or cannot be estimated reliably are disclosed as contingent liabilities in note 20.

### 13. Reconciliation of deficit for the year to changes in the General Fund

	Notes	2005/06 £'000	2004/05 £'000
Deficit for the year		<b>(4,664)</b>	<b>(5,487)</b>
Notional charges			
Cost of capital charge	5	<b>248</b>	<b>280</b>
External auditor's remuneration	5	<b>58</b>	<b>97</b>
Balance of Funding Account			
DCA headquarters' support charges	5	<b>4,287</b>	<b>4,824</b>
DCA Funding		<b>(420)</b>	<b>1,202</b>
Net decrease in general fund		<b>(491)</b>	<b>916</b>
General Fund at 1 April		<b>7,658</b>	<b>6,742</b>
General Fund at 31 March		<b>7,167</b>	<b>7,658</b>

### 14. Revaluation Reserve

	Notes	31 March 2006 £'000	31 March 2005 £'000
Balance at 1 April		<b>381</b>	<b>261</b>
Arising on revaluation during the year		<b>128</b>	<b>120</b>
Balance at 31 March		<b>509</b>	<b>381</b>

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.



## 15. Reconciliation of deficit for the year to net cash outflow from operating activities

	Notes	2005/06 £'000	2004/05 £'000
Deficit for the year		<b>(4,664)</b>	<b>(5,487)</b>
Adjustments for notional and other non-cash charges:			
Deferred income	2.2	<b>(49)</b>	<b>(49)</b>
Cost of capital charge	5	<b>248</b>	<b>280</b>
DCA headquarters' support charges	5	<b>4,287</b>	<b>4,824</b>
Depreciation	5	<b>947</b>	<b>863</b>
Diminution in value of tangible fixed assets	5	<b>78</b>	<b>96</b>
External auditor's remuneration	5	<b>58</b>	<b>97</b>
Prepayment on PFI contracts	5	<b>260</b>	<b>260</b>
Provision for liabilities:			
Provided in the year	5	<b>235</b>	<b>395</b>
Provision written off (back)	5	<b>2</b>	<b>(195)</b>
Adjustments for movements in working capital other than cash:			
(Increase) in debtors	9	<b>(24)</b>	<b>(622)</b>
Increase/(decrease) in creditors falling due within one year	11	<b>86</b>	<b>(269)</b>
Use of provisions	12	<b>(530)</b>	<b>(226)</b>
Net cash outflow from operating activities		<b>934</b>	<b>(33)</b>

## 16. Capital Commitments

Contracted capital commitments as at 31 March 2006 for which no provision has been made are nil. Other commitments for which no provision has been made amounted to £2,478,000 (2004/05: £2,000,000), which relate to the funding for investment in the Mental Capacity Act implementation.

## 17. Commitments Under Operating Leases

Annual commitments under operating leases to pay future rentals during the financial year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires:

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 March 2006</b>	<b>31 March 2005</b>
	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expiry within one year	-	-	-	-
Expiry within two to five years	<b>913</b>	<b>913</b>	-	-
Expiry thereafter	-	-	-	-

## 18. Other financial commitments

The Agency has entered into non-cancellable contracts (which are not Leases or PFI contracts), for the further development of the MERIS programme. The payments to which the Agency is committed during the next financial year, analysed according to the period in which the commitment expires, are as follows:

	<b>31 March 2006</b>	<b>31 March 2005</b>
	<b>MERIS</b>	<b>MERIS</b>
	<b>£'000</b>	<b>£'000</b>
Expiry within one year	<b>150</b>	<b>150</b>
Expiry within two to five years	-	<b>150</b>
Expiry thereafter	-	-
	<b>150</b>	<b>300</b>

These amounts are exclusive of recoverable VAT.

## 19. Commitments under PFI contracts

The minimum commitments payable under non-cancellable contracts during the next financial year are:

	<b>31 March 2006</b> <b>ARAMIS</b> <b>£'000</b>	<b>31 March 2005</b> <b>ARAMIS</b> <b>£'000</b>
Expiry within one year	<b>890</b>	<b>1,379</b>
Expiry within two to five years	-	<b>890</b>
Expiry thereafter	-	-
	<hr/> <b>890</b>	<hr/> <b>2,269</b>

These amounts are exclusive of recoverable VAT.

The PFI commitment relates to the contract for the provision of financial and other services. The amounts shown assume payments due in the next financial year are unchanged in future years. Future annual payments may in fact vary by unknown amounts in accordance with a formula based on operating requirements.

The Agency has entered into one PFI arrangement with ARAMIS. The ARAMIS PFI contract with Liberata UK Limited is for the provision of the following major services: Helpdesk Services, Desktop Services, Change Management, Contract and Service Management, Management of Applications Support and Operations. These services are an extension of the current ARAMIS agreement with the DCA, which is for the provision of accounting management information and corporate IT services to the Court Service and DCA headquarters. The contract was signed on 27 March 2002, but commencement of the contract was deferred to 1 May 2002, and it expires in December 2006. The majority of assets underlying the services provided are deemed to be off-balance sheet under FRS 5. The capital value of the DCA contract is currently estimated to be £39.5m out of a total expected contract value of £207.0m. At the start of the contract certain IT assets owned by the Agency transferred to Liberata UK Limited, which created an initial prepayment of £0.981m. Due to the implementation of the MERIS programme, additional IT assets had to be acquired, resulting in an additional prepayment of £0.395m. These prepayments are being released to the Income and Expenditure account over the life of the ARAMIS PFI contract. The outstanding balance is disclosed in the debtor's note (see note 9).

## 20. Contingent Liabilities

The Agency does not recognise any further liabilities over and above those provided for in the accounts, (see note 12), however, there remains a risk that further liabilities may be identified.

## 21. Related Party Transactions

The Agency is an executive agency of the DCA. The Department is regarded as a related party. During the financial year the Agency had various material transactions with the Department. In particular the Agency's payroll cash flow (and accounting for advances and recoveries of salaries) was managed by the Department. In addition, the Department also provides Headquarters support including internal audit services to the Agency.

The Agency also works for the Court of Protection by implementing its orders and decisions. The Court is regarded as a related party. In addition to the work carried out by the Agency, the Chief Executive of the Agency and certain staff are nominated officers of the Court and are entitled to carry out a limited number of functions under the Mental Health Act 1983 subject to directions given by the Master of the Court of Protection pursuant to section 94(1) of that Act. The Court's budget is also managed by the Chief Executive of the Agency, in consultation with the Master of the Court of Protection.

The Agency also had transactions with other government departments and entities. Most of these transactions have been with CAF/CASS, which is the sub-under lessee of the Agency's rented accommodation at Archway Tower. Income received from CAF/CASS in the year 2005/06 amounted to £330,000 (2004/05 £356,000) (see note 2.2).

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

## 22. Post-balance sheet events

There are no post-balance sheet events.

## 23. Financial Instruments

FRS 13, *Derivatives and Other Financial Instruments*, requires disclosure of the role that financial instruments have had during the financial year in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which government departments are financed, the Agency is not exposed to the degree of financial risk faced by business entities.

Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Agency has very limited powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Agency in undertaking its activities.

As permitted by FRS 13, debtors and creditors, which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

### Liquidity risk

The Agency's net revenue resource requirement is financed by resources voted annually by Parliament to the DCA, just as its capital expenditure largely is. It is not therefore exposed to significant liquidity risks. However, within the normal Parliamentary supply procedure, the Agency has to budget for resources (both revenue and capital) in the nine-month period preceding the financial year in which it will be granted.

### Interest-rate risk

100% of the Agency's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest, and it is not therefore exposed to significant interest rate risk.

### Foreign currency risk

The Agency's exposure to foreign currency risk is not significant.

## 24. Accountability

### Fees remitted

There were 3,187(2004/05: 3,377) cases where fees were remitted. The total value was £1,063,000 (2004/05: £1,401,000).

### Cash losses

There were 47 (2004/05: 128) cases involving cash losses totalling £331,000 (2004/05: £480,000).

### Special payments

There were 285 (2004/05: 203) special payments totalling £228,000 (2004/05: £62,000).

## 25. Third party assets

The Agency holds as custodian certain assets belonging to third parties. These are not recognised in the Accounts since neither the Agency nor government more generally has a direct beneficial interest in them.

The Chief Executive of the Public Guardianship Office has a duty as Receiver of Last Resort (Receiver) to account for clients' financial position in a manner which ensures accuracy and efficiency and allows for timely recording and reporting. The Chief Executive is therefore responsible for the effective stewardship of clients' assets and monies including the maintenance of proper financial control and accounting systems.

The Chief Executive responsibility remains until another Receiver is appointed and assets transferred or in the event of a client's death, the client's nominated Personal Representative accepts transfer of assets to them. Once a new Receiver or Personal Representative has been appointed the Chief Executive has custodial responsibility of assets until the actual transfer has taken place.

The assets held have declined significantly during the financial year due to a reduction in the number of last resort cases being administered. This decline will continue as this activity is being progressively migrated out to external Receivers.

The assets held at the balance sheet date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below. The number and category of other assets held where it has not been practical to ascribe a monetary value is shown in a table at note 25.3.

	<b>31 March 2006</b>	<b>31 March 2005</b>
	<b>£'000</b>	<b>£'000</b>
PGO Bank Balances	476	1,537
Court Funds Office	2,899	11,747
Total Cash Balance (Note 25.1)	<b>3,375</b>	<b>13,284</b>
Listed Securities - valued at market values (Note 25.2)	<b>1,627</b>	<b>3,508</b>
<b>Total</b>	<b>5,002</b>	<b>16,792</b>

## 25.1 Cash Balance Breakdown

	<b>31 March 2006</b>	<b>31 March 2005</b>
	<b>£'000</b>	<b>£'000</b>
The cash balance at 31 March 2006 comprises:		
Bank of England	63	98
Court Funds Office	2,899	11,747
Girobank	11	6
Other	-	6
Paymaster General	402	1,427
	<b>3,375</b>	<b>13,284</b>
Of this amount the following balances were held at:		
Bank of England	63	98
Court Funds Office	2,899	12,961
Girobank	17	21
Paymaster General	491	1,671
	<b>3,470</b>	<b>14,751</b>
Outstanding Payments as at 31 March 2006:		
Bank of England	-	-
Court Funds Office	-	1,214
Girobank	6	15
Other	-	(6)
Paymaster General	89	244
	<b>95</b>	<b>1,467</b>



## 25.2 Securities

	<b>31 March 2006 Total £'000</b>	<b>31 March 2005 Total £'000</b>
Value as at 1 April	3,508	12,765
Additions	855	974
Disposals	(2,851)	(10,231)
Revaluation	115	-
Value as at 31 March	<u>1,627</u>	<u>3,508</u>

## 25.3 Other significant assets

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised physical assets, being number and asset category as listed below:

	<b>31 March 2006</b>	<b>31 March 2005</b>
Unlisted financial assets	49	198
Residential property	34	66
Other property assets	-	3
Chattels	1,194	1,064

# Five-year Financial Record

A financial comparison since the formation of the PGO on 1 April 2001 is as follows:

	2001-02	2002-03	2003-04	2004-05	2005-06
	£'000	£'000	£'000	£'000	£'000
Total Expenditure (Less Other Income)	25,201	24,990	25,079	20,225	19,630
Operating Fee Income	(8,936)	(9,896)	(11,846)	(14,738)	(14,966)
Agency Deficit	16,265	15,094	13,233	5,487	4,664
Cost Recovery	43%	45%	62%	81%	83%

## Source:

Annual Report and Accounts 2001/02 – Income and Expenditure Account and Fees and Charges Note.

Annual Report and Accounts 2002/03 – Income and Expenditure Account and Fees and Charges Note.

Annual Report and Accounts 2003/04 – Income and Expenditure Account and Fees and Charges Note.

Annual Report and Accounts 2004/05 – Income and Expenditure Account and Fees and Charges Note.

Annual Report and Accounts 2005/06 – Income and Expenditure Account and Fees and Charges Note.

# Operational and Customer Services Statistics

**KPI 1 Description:** - We will increase the satisfaction of our customers in the delivery of our services as measured by customer surveys throughout the year

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>• To ensure that our customers are satisfied with the services available and with the standard of service delivery, and to provide customer feedback to inform strategy.</li> <li>• To enable monitoring of the organisation's management of customer expectation. All customer groups are represented.</li> </ul>	<p>Results calculated by the Survey providers using appropriate methodology</p>	<p>Annual report and analysis of survey data gathered across a 12-month period</p> <hr/> <p>Reports on individual customer areas received on a quarterly basis</p>

10 This figure includes EPA client results

	Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
	<b>a)</b> We will achieve an overall customer satisfaction rating covering professional and lay Receivers, of at least 75%, as measured by our annual customer survey.	55% Weighted	69% Weighted <sup>10</sup>	Not met 72% Weighted <sup>10</sup>
	<b>b)</b> We will reduce dissatisfaction amongst each of our different customer groups (lay, local authority and professional Receivers, and EPA attorneys) by 10%	Not a target for 2003/04	Not a target for 2004/05 <b>Dissatisfaction</b> EPA - <b>6%</b> New Lay Receivers - <b>18%</b> Existing Lay Receivers - <b>14%</b> Local Authority Receivers - <b>22%</b> Professional Receivers - <b>26%</b>	Not met <b>Dissatisfaction</b> EPA - <b>9%</b> New Lay Receivers - <b>17%</b> Existing Lay Receivers - <b>11%</b> Local Authority Receivers - <b>28%</b> Professional Receivers - <b>25%</b>

**KPI 2 Description:** - We will increase the proportion of effective visits when the Lord Chancellor's Visitor visits

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>• To ensure that clients are supported by visits from the independent Lord Chancellor's Visitors at the most appropriate times while under the jurisdiction of the Court of Protection.</li> <li>• To ensure that the confidential information provided by the Visitor, together with any recommendation, is acted on promptly so that the client's needs are met.</li> </ul>	<p>Totals of visit reports received in specified period where Visits undertaken within six months and Certificate of Action returned within calendar month of the Visit.</p>	<p>Internal Organisation Data sourced from CASREC/ACCESS LCV Reporting System.</p>

	Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
	<b>New Clients</b> <b>a)</b> We will visit all new clients within six months of the Order appointing the Receiver being sent; we will also initiate any necessary action arising from the visit within one calendar month	Not a target 2003/04	Not a target 2004/05	Met
	<b>b)</b> We will visit 10% of clients within 12 – 18 months of a short order direction	Not a target 2003/04	Not a target 2004/05	Met
	<b>Existing Clients</b> <b>c)</b> We will visit a minimum of 9,500 clients using the following criteria:  <b>i.</b> 10% of clients within 18 months of a case transfer direction  <b>ii.</b> Annually where the Chief Executive of the PGO is the Receiver	Not a target 2003/04	Not a target 2004/05	Met 9,789 Visits

**KPI 2 Description:** - We will increase the proportion of effective visits when the Lord Chancellor's Visitor visits cont.

KPI Purpose	Calculation method	Data Source
See page 84	See page 84	See page 84
	<p>% calculated by dividing the number of visit reports received where a visit has been carried out within six months of the request and necessary action has been taken within one month of the visit instructions issued and multiplying the quotient by 100.</p>	<p>Internal Organisation Data sourced from CASREC/ACCESS LCV Reporting System</p>
	<p>Physical count of documents</p>	

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>iii.</b> a repeat visit after three years where a Receiver is still in place</p> <p><b>iv.</b> a repeat visit when necessary based on recommendations made by the Lord Chancellor's Visitor; and,</p> <p><b>v.</b> other visits directed by the Court of Protection or requested by the PGO.</p>	-	-	-
<p><b>Effective Visits</b></p> <p><b>d)</b> We will achieve 80% effective visits over the year. An effective visit is one where:</p> <p><b>i.</b> the visit is carried out within six months of the request being made; and,</p> <p><b>ii.</b> recommended action is initiated within one calendar month of the visit.</p>	79%	74%	Met 83.6%
<p><b>e)</b> To increase the sample of telephone interviews with Receivers or persons present at the visit from 10% to 20% by July 2005</p>	Not a target 2003/04	Not a target 2004/05	Not Met <sup>11</sup>

<sup>11</sup> This project stopped as most Receivers were unavailable for contact during the day. Therefore we have replaced this with postal questionnaires.



**KPI 3 Description:** - We will maintain an effective system to collect and review accounts, and will use this process to review the case management regime to ensure that it is meeting the needs of each customer and client

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>• To ensure effective prompt monitoring and auditing of a Receiver's dealings with a client's finances as directed by the Court of Protection.</li> <li>• To facilitate a regular review of all related and case management issues.</li> <li>• To give the appointed Receiver a timescale within which to account and to provide a deterrent against financial abuse.</li> <li>• To review the effectiveness of the receivership and to recommend any changes that may be required to the Court of Protection.</li> </ul>	<p>% performance against target calculated by dividing number of accounts lodged by number of accounts due to be lodged and multiplying the quotient by 100.</p>	<p>Case data held on internal data management system – 'CASREC'</p>
	<p>% performance against target calculated by dividing number of furthered-on accounts reviewed by total number of furthered-on accounts and multiplying the quotient by 100.</p>	
	<p>% performance against target calculated by dividing number of furthered-on accounts reviewed by total number of furthered-on accounts and multiplying the quotient by 100.</p>	

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>a)</b> To collect 60% of accounts, in all cases where an account is properly due, within two calendar months of the accounting end date</p> <p>85% within four calendar months of the accounting end date</p> <p>95% within six calendar months of the accounting end date</p>	<p>72%</p> <p>91% (target for 2003/04 was 80%)</p> <p>100%</p>	<p>72.99%</p> <p>Met 89.35%</p> <p>100% (target for 2003/04 was 100%)</p>	<p>75.7%</p> <p>93.5%</p> <p>Met 96.1%</p>
<p><b>b)</b> To complete the review of, or to have requested further information for, 100% of accounts within 20 working days of receipt</p>	<p>100%</p>	<p>Met 100%</p>	<p>Met 100%</p>
<p><b>c)</b> To complete the review of 75% of furthered-on accounts (i.e. those where further information is needed) within 30 working days of the request for additional information</p>	<p>Not a target 2003/04</p>	<p>Not a target 2004/05</p>	<p>Met</p>
<p><b>d)</b> No case will have two accounts outstanding unless the Court of Protection has directed otherwise</p>	<p>Not a target 2003/04</p>	<p>Not a target 2004/05</p>	<p>Met</p>

## KPI 4 Description: - We will deliver an improved service to clients

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>• To improve all operational aspects of service delivery to clients and customers by setting challenging timescales, many shorter than the published Charter Standards, for aspects of service perceived by customers as priorities.</li> <li>• To manage customer expectation realistically having regard to the sensitivity of procedures which allow access to the funds of incapacitated clients.</li> <li>• Correspondence: purpose is to inform the customer as early as possible about court directions, procedural guidance or requests for information</li> </ul>	<p>% performance against target met is calculated by dividing the number of items dealt-within a specified period by total number of Items due to be dealt-with and multiplying the quotient by 100.</p>	<p>Internal organisation data sourced from stats worksheets held electronically &amp; KPI ACCESS database also held electronically.</p>

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>Correspondence (includes letters faxes and emails)</b>  <b>a) Respond to:</b></p> <p><b>i.</b> 20% of correspondence within five working days of receipt</p> <p><b>ii.</b> 80% of correspondence within 10 working days of receipt; and</p> <p><b>iii.</b> 98% of correspondence within 15 working days of receipt</p>	<p>Not a target 2003/04</p> <p>Not a target 2003/04</p> <p>97% (target 2003/04 was 95%)</p>	<p>56.2% (target 2004/05 20%)</p> <p>77.2% (target 2004/05 50%)</p> <p>96.5% (target 2004/05 95%)</p>	<p>Met 63.9%</p> <p>Met 80.8%</p> <p>Not Met 92.8%</p>

**KPI 4 Description:** - We will deliver an improved service to clients cont

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>Release of funds: purpose is to implement court direction for release of client's funds for his/her benefit as early as is commensurate with necessary protective measures</li> </ul>	see page 90	see page 90
<ul style="list-style-type: none"> <li>Applications for receivership: purpose is to obtain and issue court's directions regarding appointment of Receiver and outlining extent of his powers and duties and to put in place such protective regime as court directs as early as possible while giving the client the opportunity to express his views</li> </ul>	% target met is calculated by dividing the number of applications dealt-within a specified period by total number of applications due to be dealt-with and multiplying the quotient by 100.	

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>Release of funds</b></p> <p><b>b)</b> We work with Receivers to ensure they have access to funds to support the client for a year at a time. Where requests for release of funds are made over and above this, we will give directions to the Court Funds Office (CFO), or dispatch directions to the Receiver within:</p> <p><b>i.</b> Five working days in 80% of cases and</p> <p><b>ii.</b> 10 days in 95% of cases; or explain why we cannot release funds.</p>	<p>Not a target 2003/04</p> <p>95%</p>	<p>73.1%</p> <p>94.4%</p>	<p>Not Met 78.7%</p> <p>Not Met 94%</p>
<p><b>Applications for Receivership</b></p> <p><b>c)</b> Providing we have all the appropriate forms and information required in support of an application, we will list a case for hearing and notify the applicant within 10 working days in 95% of cases;</p>	<p>Not a target 2003/04</p>	<p>99.7%</p>	<p>Not Met 93.1%</p>

**KPI 4 Description:** - We will deliver an improved service to clients cont

KPI Purpose	Calculation method	Data Source
see page 92	see page 92	see page 90
<ul style="list-style-type: none"><li>Closing cases: purpose is to transfer assets held by court to the properly identified personal representatives to wind up the receivership and determine any forfeit due from the Receiver as early as possible</li></ul>	% performance against target met is calculated by dividing the number of applications dealt-within a specified period by total number of applications due to be dealt-with and multiplying the quotient by 100.	see page 90

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>d)</b> The hearing date will be within 35 working days of the date the hearing was listed in 95% of cases</p> <p><b>e)</b> After the hearing, we will notify applicants of the outcome of the hearing and request any further information the Court requires within five working days in 95% of cases</p> <p><b>f)</b> We will issue orders within 10 working days in 95% of cases where all information and documents have been received.</p>	<p>Not a target 2003/04</p> <p>Not a target 2003/04</p> <p>92% (target 2003/04 issue within 25 days)</p>	<p>99.8%</p> <p>96.8%</p> <p>83.4%</p>	<p>Met 99.7%</p> <p>Not Met 91.1%</p> <p>Not Met 87%</p>
<p><b>Closing Cases</b></p> <p><b>g)</b> Where a client dies and we have a complete application for final directions, we will prepare and dispatch directions to transfer assets to personal representatives within:</p> <p><b>i.</b> 15 working days in 80% of cases,</p> <p><b>ii.</b> 20 working days in 98% of cases, and</p>	<p>Not a target 2003/04</p> <p>Not a target 2003/04</p>	<p>56.2% (Target for 2004/05 30%)</p> <p>Met 97.3% (Target for 2004/05 was 80%)</p>	<p>Met 88.9%</p> <p>Met 98.9%</p>



## KPI 4 Description: - We will deliver an improved service to clients cont

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>Enduring Powers of Attorney: purpose is to register an EPA to enable continuing valid use where the Court is satisfied that all is in proper order as early as possible after the expiry of the statutory period for formal objections.</li> </ul>	<p>% performance against target met is calculated by dividing the number of EPAs registered within a specified period by total number of applications due to be registered and multiplying the quotient by 100.</p>	<p>see page 90</p>
<ul style="list-style-type: none"> <li>Accuracy of orders: purpose is to ensure that orders incorporating the Court's directions under seal accurately convey the court's directions and are fit for purpose.</li> </ul>	<p>% error level is calculated by dividing number of requests received for amendments by total number of orders issued and multiplying the quotient by 100.</p>	
<ul style="list-style-type: none"> <li>Case transfer to short order regime: purpose is to ensure that where a case is identified as meeting the Court's criteria for the suspension of an existing receivership in favour of a less intrusive and more economical regime the necessary consultation and directions are made as early as possible.</li> </ul>	<p>% performance against target met is calculated by dividing the number of cases referred to CoP within a specified period by total number of cases identified for Short Order and multiplying the quotient by 100.</p> <p>% target met is calculated by dividing the number of cases actioned by total number of Directions issued by CoP and multiplying the quotient by 100.</p>	

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<p><b>Enduring Powers of Attorney</b></p> <p><b>h)</b> We will register and return 98% of correctly lodged EPAs, where there are no objections, within five working days of the end of the statutory waiting period.</p>	99%	96.3%	Met 100%
<p><b>Accuracy of orders</b></p> <p><b>i)</b> We will ensure that the level of orders returned with errors is less than 3%</p>	Not a target 2003/04	1.3%	Met 1.7%
<p><b>Case transfer to short order regime</b></p> <p><b>j)</b> In 85% of cases identified for consideration for a short order regime, the case will be referred to the Court of Protection within 15 working days for a decision to be made</p>	Not a target 2003/04	Not a target 2004/05	Met 96.7%
<p><b>k)</b> Where the Court directs a transfer, initiating action will be effected within 10 days of the decision in 95% of cases</p>	Not a target 2003/04	Not a target 2004/05	Not Met 93.9%

**KPI 5 Description:** - To demonstrate improvements in efficiency in value for money terms by meeting a Unit Cost target for undertaking each case in each of the three business streams as follows:

KPI Purpose	Calculation method	Data Source
<ul style="list-style-type: none"> <li>To ensure that clients in all key operational business areas receive value for money in relation to the services they need to use and that as far as is possible each pays only for the services he receives.</li> </ul>	<p>Aggregate of costs for EPA section which includes direct costs and overheads divided by Case load volumes.</p> <p>Aggregate of costs for fee generating areas of Protection Division which includes direct costs and overheads divided by case load volumes.</p> <p>Aggregate of costs for Receivership Division which includes direct costs and overheads divided by case load volumes.</p>	<p>Internal Organisation data held on "SAGE", "MERIS" &amp; "CASREC"</p>

Target 2005-06	Achieved to 31st March 2004	Achieved to 31st March 2005	Achieved to 31st March 2006
<b>a)</b> Enduring Powers of Attorney – £114.00	Not a target 2003/04	Not a target 2004/05	Met £108.00
<b>b)</b> Appointing and supervising Receivers – £540.00 per case	£503.00 (target was £535.00)	£442.00	Met £530.00
<b>c)</b> Receivership of last resort – £8,000 per case	Not a target 2003/04	Not a target 2004/05	Met £7,359.00

# Charter Standards

Our Charter Standards are the commitments we make to the people who use our services and the following details how we delivered on these commitments.

**1 We will reply to letters, faxes and e-mails within 15 working days.**

The standard for dealing with correspondence (including letters, faxes and emails) within the PGO was to respond to 98% of correspondence within 15 working days of receipt.

Overall performance for the year was 92.8% within 15 working days.

**2 We will see visitors to our office within 10 minutes, with or without an appointment.**

73% of visitors were seen within 10 minutes of arrival at Reception.

**3 We will answer all telephone calls within 30 seconds.**

Of the calls to Customer Services recorded, 76% were answered within 30 seconds.

**4 If you contact us for application forms or printed advice we aim to send them out within one working day.**

Of the requests recorded 100% were sent out within one working day.

**5 As long as we have all the forms and information we need to support the application, we aim to list a case for hearing and let you know within 15 working days, or tell you if we need more information.**

96% of cases were listed for hearing and the applicant notified within 15 working days where all appropriate forms had been received.

**6 We aim to set a hearing date that is within eight weeks of the date the hearing was listed.**

We set a hearing date within eight weeks in 99.9% of cases.

**7 We aim to let the applicant know the outcome and ask for any further information the court needs within 10 working days of the hearing.**

We notified 99.2% of applicants about the outcome of the hearing and requested any further information the court needed within 10 working days.

**8 We aim to issue the order appointing the Receiver, or short order, within 15 working days of receiving all the documents we need.**

We issued 89.9% of all short orders or orders appointing a Receiver within 15 working days.

**9 If you need to use a client's savings for their benefit, we aim to give a direction to allow access to the client's money within 15 working days, or explain why we do not agree to your request.**

We either issued directions allowing access to a client's money, or provided an explanation as to why the request was refused in 97.9% of requests.

**10 If the client dies and a Receiver was appointed, and we have received an application for final directions supported by a grant of probate or letters of administration (or equivalent), we aim to send directions, within 25 working days to transfer to the personal representatives all of the assets that we and the Court Funds Office hold under control.**

In all applications for final directions supported by a grant of probate (or equivalent), 99.9% were sent directions within 25 working days.

**11 If there are no problems with or objections to the registration of an enduring power of attorney, we will register and return it within five working days of the end of the 35 – day notice period which is laid down in the EPA act.**

Of the 14,986 that had no problems or objections to registration, 100% were returned within the target of five working days.

**12 We aim to acknowledge your complaint within two working days and give you a full reply within 15 working days. Or within 15 days we will explain why we cannot give a full answer and tell you when we will reply.**

Of complaints received we acknowledged 100% within two days and, 97.8% were sent a full reply within 15 working days.

During the year, the Adjudicator's Office has taken up 15 complaints (3.5% of the total number of complaints received by the PGO).

# Glossary of Terms

## A

**Accounting End Date (or Accounting Due Date)** The last day of the accounting period, which will either be the day before the anniversary of the date of appointment, or 5 April.

**Attorney** Person appointed by the donor to manage their financial affairs.

## C

**Case** The name used to describe proceedings, whether to appoint a Receiver, register an Enduring Power of Attorney or any other legal remedy, instituted by someone seeking the Court of Protection to exercise its jurisdiction under the Mental Health Act 1983.

**Client** The name the PGO uses to identify the mentally incapacitated person whose financial affairs are the subject of proceedings before the Court of Protection.

**Court Funds Office (CFO)** An office, which effectively provides banking services, accounting for money paid into Court and, where necessary, provides investment functions.

**Court of Protection (COP)** An office of the Supreme Court of Judicature whose function it is to protect and control the administration of property and affairs of persons who, by reason of mental disorder, are incapable of managing their own affairs.

## D

**Donor** The person who makes the EPA, assigning responsibility for their financial affairs, to an attorney.

## E

**Enduring Power of Attorney (EPA)** Document whereby a donor (a person who makes an EPA) appoints an attorney (a person appointed by a donor to act on his behalf in financial matters) to manage his financial affairs.

**Executive Agency** Part of a government department set up as a discrete operational unit to concentrate on providing a service to members of the public.

## F

**Fees** Amounts charged to clients for services provided by PGO.

## I

**Investment** To invest money is to use it to buy securities (shares, bonds etc.), cash (e.g. cash ISAs) and non-security items such as property.

## K

**Key Performance Indicator (KPI)** A measure of the Agency's performance in key areas of its business. (N.B. KPIs were formerly known as Key Performance Measures (KPMs).)

## L

**Lasting Powers of Attorney** Will replace Enduring Powers of Attorney and will include provision for a donor to appoint someone to make decisions on their behalf in relation to finance and property and/or health and welfare matters should they lose capacity to do so.

## O

**Open Days** Events organised by the PGO where staff, Receivers and clients can meet and where the PGO provides updates, advice, information and support. These events include a discussion with the caseworker and are run on a regular regional basis.

## P

**Panel Receiver** A person who has demonstrated that they have the skills and experience to act as Receiver in cases where there is nobody both willing and suitable who is known to the case, as an alternative to the PGO.

**Patient** The legal definition for a person who is mentally incapable of managing and administering their own affairs.

**Protection** The services provided to PGO clients where a Receiver other than the PGO itself is appointed to manage their affairs.

## R

**Receiver** Person appointed by Court to manage a client's financial affairs.

**Receivership** An appointment by the Court of Protection that authorises a person (the Receiver) to manage the financial affairs of a person who is, on medical evidence, mentally incapable of doing so for themselves.

## V

**Visit** A visit to the client made by a Visitor.

**Visitor** A person responsible for visiting our clients on behalf of the PGO.



# How to contact us

---

The Public Guardianship Office  
Archway Tower  
2 Junction Road  
London N19 5SZ

Document exchange: DX 141150 Archway 2  
Email: [custserv@guardianship.gsi.gov.uk](mailto:custserv@guardianship.gsi.gov.uk)  
Website: [www.guardianship.gov.uk](http://www.guardianship.gov.uk)

## General Contact Numbers

Customer Literature and Application Forms

9am – 6pm, Mon-Fri

Tel 0845 330 2900 (local call rate)

Fax 0870 739 5780 or 020 7151 7531 (callers outside UK)

## Text Phone

9am – 5pm, Mon – Fri

If you have speech or hearing difficulties, and you have access to a text phone, you can call the PGO text phone and a customer service operator will assist you.

Tel 020 7664 7755

## Enduring Power of Attorney (EPA) Helpline

9am – 5pm, Mon – Fri

Tel 0845 330 2963

Fax 0870 739 5799 / 020 7151 7550

For any other general enquiry,

Tel 0845 330 2900

For international calls

Tel +44 20 7664 7000

Photos from [www.johnbirdsall.co.uk](http://www.johnbirdsall.co.uk)

# Notes

---



public  
**guardianship**  
office

Published by TSO (The Stationery Office) and available from:

**Online**

[www.tso.co.uk/bookshop](http://www.tso.co.uk/bookshop)

**Mail, Telephone, Fax & E-mail**

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Fax orders 0870 600 5533

Order through the Parliamentary Hotline Lo-call 0845 7 023474

E-mail [book.orders@tso.co.uk](mailto:book.orders@tso.co.uk)

Textphone 0870 240 3701

**TSO Shops**

123 Kingsway, London WC2B 6PQ

020 7242 6393 Fax 020 7242 6394

68-69 Bull Street, Birmingham B4 6AD

0121 236 9696 Fax 0121 236 9699

9-21 Princess Street, Manchester M60 8AS

0161 834 7201 Fax 0161 833 0634

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

18-19 High Street, Cardiff CF10 1PT

029 2039 5548 Fax 029 2038 4347

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

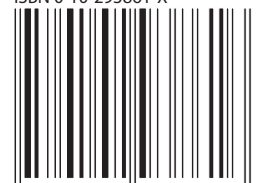
Fax orders 020 7219 3866

**TSO Accredited Agents**

(see Yellow Pages)

and through good booksellers

ISBN 0-10-293861-X



9 780102 938616