

Insolvency Service Statistics:

User Engagement Feedback

August-November 2013



# Insolvency Service Statistics

# Response to User Feedback, August-November 2013

## Summary

1. In line with the requirements of the *Code of Practice for Official Statistics* (“the *Code*”), the Insolvency Service conducted a user engagement exercise between August and November 2013. This comprised an online survey and a follow-up meeting with survey respondents. We are grateful to those who took the time to respond.
2. The feedback we received on the content, presentation and publication of Insolvency Service Official Statistics was on the whole very positive. Users have identified a number of additional requirements, many of which accorded with our existing plans; though this exercise has enabled us to re-assess the priority we will give to the development of our Official Statistics publications.
3. Since we conducted the survey, we have implemented two changes to the quarterly *Insolvency Statistics* release: we have made the headline statistics available in CSV format, and provided a breakdown of insolvencies using the Standard Industrial Classification 2007.
4. Our future development plans include:

* linking data from administrative systems owned by the Insolvency Service and Companies House with the Inter-Departmental Business Register, which if successful would enable company insolvencies to be broken down by location, size and age;
* publication of new Official Statistics relating to investigation and enforcement activities, for example numbers of disqualifications of company directors, and bankruptcy restrictions orders;
* improving the signposting on the Insolvency Service website to archive data and documents relating to sources, quality and methodology, within the constraints of the GOV.UK platform if the statistics are hosted there in future;
* reviewing the commentary and explanatory notes accompanying our Official Statistics publications
* subject to agreement from Companies House and the Department for Business, Innovation and Skills, publishing the number of Members’ Voluntary Liquidations in England and Wales on a quarterly basis; and
* when resources allow, compiling an update to the *Profiles of Bankrupts* publication, which we were told was especially useful to academic and other researchers.

## Background

1. The Insolvency Service currently produces three regular statistical publications:

* [*Insolvency Statistics*](http://www.insolvencydirect.bis.gov.uk/otherinformation/statistics/insolvency-statistics.htm), a quarterly release that contains numbers of new company and individual insolvencies in England and Wales, Scotland, and Northern Ireland;
* [*Individual Insolvency Statistics by Region*](http://www.insolvencydirect.bis.gov.uk/otherinformation/statistics/regionalstatisticsmenu.htm), an annual release that provides a breakdown of individual insolvencies in England and Wales by region, local authority area and parliamentary constituency from 2000 to date; and
* [*Individual Voluntary Arrangement Outcome Statistics*](http://www.insolvencydirect.bis.gov.uk/otherinformation/statistics/IVAs/ivas.htm), an annual release that provides termination and completion rates for individual voluntary arrangements (IVAs) registered each year from 1990 to date.

1. The *Insolvency Statistics* publication was assessed in 2010 by the UK Statistics Authority,[[1]](#footnote-1) and designated as “National Statistics” in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the *Code of Practice for Official Statistics*.[[2]](#footnote-2) Designation can be broadly interpreted to mean that the statistics:

* meet identified user needs;
* are well explained and readily accessible;
* are produced according to sound methods, and
* are managed impartially and objectively in the public interest.

1. Once statistics have been designated as National Statistics it is a statutory requirement that the *Code* shall continue to be observed. Key requirements include Principal 1: Meeting User Needs and Protocol 1: User Engagement. These are reproduced in Annex A, but to summarise, they set out an requirement on the Insolvency Service to:

* engage effectively with users of Official Statistics;
* identify users and the uses they make of the statistics;
* seek and act on feedback from users relating to the presentation of the statistics, and accompanying commentary, datasets and metadata; and
* consult users before making changes that affect statistics.

1. The Insolvency Service conducted a formal *Consultation on Insolvency Statistics* between July and October 2010, immediately after the UK Statistics Authority’s assessment,[[3]](#footnote-3) followed by meetings with users of statistics in January 2011. Between then and 2013, the Insolvency Service has continued to engage with users on an informal basis.
2. In order to engage more formally with users of its statistics, the Insolvency Service invited responses to an online survey, which was open between 2 August and 13 September 2013. The survey questions focussed on the uses made of Insolvency Service Official Statistics releases; their presentation; how they are published; user needs that were unmet; and comparisons with related statistics and reports produced by others. The scope of the survey included not only the *Insolvency Statistics* National Statistics release, but also the *Individual Insolvency Statistics by Region* and *Individual Voluntary Arrangement Outcome Statistics*. The survey questionnaire can be found at Annex B.
3. Responses were invited from those who are routinely alerted to the publication of statistical releases; Insolvency Service employees; and individuals who had made an enquiry to the Statistics Team in the 12 months preceding the survey. A link to the survey was also highlighted on the front page of the *Insolvency Statistics* publication on 2 August, and shared through the Insolvency Service’s Twitter account.
4. 63 individuals responded to the survey, either on their own behalf or on that of their organisation. 7 individuals attended a follow-up meeting at the Insolvency Service’s headquarters in London in November 2013.
5. We are very grateful to those that took the time to respond to the survey.

## Survey Results and Our Response

### Users of Insolvency Service Official Statistics

1. There were 63 respondents to our survey. Some responded in a personal capacity, with others responding on behalf of their organisation (and others responding anonymously). They included individuals from: elsewhere within the Insolvency Service; Government Departments; insolvency practice; R3 (the trade body for insolvency practitioners); press/public relations; academia; banking and insurance services; economic research; local government; and members of the public.
2. A range of uses were made of Insolvency Service Official Statistics, and users could broadly be grouped into those who used Insolvency Service Official Statistics to:

* **obtain information on latest numbers and trends in insolvency** – for example, to prepare press releases, keep up to date with trends, and personal interest; and
* **feed in to own / organisational analysis** – for example, for academic research, economic analysis, business intelligence.

1. The former group of users tended mostly to use press releases, which contain headline statistics and commentary. The latter group additionally made use of the detailed tables that accompany the press releases. These groups accordingly had differing – though not necessarily conflicting – views of our Official Statistics products, and how they should be developed in future.

### Additional Statistics

1. We asked whether users would like any tables added or removed from our Official Statistics. None asked for any tables to be removed. There were some areas where a number of users had identified additional needs, for example:

* **company insolvencies** – further breakdowns by region / local area, age, size, market value, industry; as well as statistics on Members’ Voluntary Liquidations
* **individual insolvencies** – further breakdowns by parliamentary constituency, credit rating, type of creditor petitioning in a bankruptcy case, cause of failure for individual voluntary arrangements; as well as an update to the “Profiles of Bankrupts” series
* **publication / data accessibility** – making it easier to find archive data and background information (e.g. on quality and methodology), providing data in comma separated variable (CSV) format, and increasing the publication frequency from quarterly to monthly.

1. Table 1 provides further detail on the requests made, and our response. (Some individual respondents additionally made very detailed requests, which owing to their nature fall outside the scope of what we would expect to publish routinely. These are excluded from the table.)
2. Aside from the requests from survey respondents, we also intend in due course to publish additional statistics relating to investigations and enforcement, for example on numbers of disqualifications of company directors and bankruptcy restrictions orders. These are likely to be presented separately from the quarterly *Insolvency Statistics*.

### Table 1: Additional needs identified by users of Insolvency Service Official Statistics

| **User need** | **Our response** |
| --- | --- |
| *Company insolvencies* |  |
| Breakdown by industry | We asked survey respondents specifically whether the level of detail in published tables showing insolvencies by industry was more than required, about right, or less than required. Six respondents said the level of detail was too little. We have in the 2013 Q3 release (1 November 2013) additionally included ‘experimental statistics’[[4]](#footnote-4) showing company insolvencies and sole trader bankruptcies using the Standard Industrial Classification 2007 (SIC2007). This is a harmonised industry breakdown used in other UK Official Statistics, with the top level of aggregation being common to statistics produced in the European Union. To produce these statistics, we have converted data from the Insolvency Service (and some data from Companies House)[[5]](#footnote-5) from SIC2003 to SIC2007. There are plans to input data onto the Insolvency Service’s administrative database in SIC2007 format, but these have been delayed owing to a major refresh of the Insolvency Service’s IT. |
| Breakdown by location  Breakdown by age of company  Breakdown by size (turnover / employment) | We are exploring the possibility of matching administrative data from the Insolvency Service and Companies House with the Inter-Departmental Business Register, which is a database of UK enterprises held by the Office for National Statistics (ONS). If successful, and we and users are satisfied that the number of unmatched companies is acceptable, this will enable breakdowns to be produced using these variables. Because these data have been provided to ONS on a confidential basis, any tables and analysis produced would need to be non-disclosive – i.e. it would not be possible to identify individual companies from the data. |
| Breakdown by market value | The Insolvency Service does not hold this information. In any event, the market value of a company can be subject to fluctuations, especially when the company’s insolvency becomes public knowledge. |
| Members’ Voluntary Liquidations (MVLs) | MVLs are a form of company winding-up, but where the company is solvent (can pay its creditors). As such, they do not fall under the scope of Insolvency Statistics. Companies House does, however, supply the Insolvency Service with the number of MVLs, which we have provided on request to users. Subject to the agreement of Companies House and the Department for Business, Innovation and Skills, we will publish the number of MVLs in England and Wales on a quarterly basis. This would be published separately alongside archive statistics. |
| *Individual insolvencies* |  |
| Breakdown by parliamentary constituency | The Insolvency Service published this breakdown on 11 December 2013. These data were not included in the July 2013 *Individual Insolvencies by Region* publication, as the population statistics at this level of disaggregation (which are required to calculate insolvency rates) were not published by the Office for National Statistics until 26 November 2013. |
| Breakdown by credit rating | The Insolvency Service does not hold this information. In any event, an individual’s credit rating can vary over time, and may differ between credit rating agencies. |
| Breakdown of bankruptcy creditor petitions by type of creditor | One individual made this request, which we do not plan to pursue at present. |
| Breakdown of IVA terminations by reason | Insolvency practitioners, who supervise IVAs, are not required to provide this information to the Insolvency Service. In the 11 December *IVA Outcomes* publication, we included information on the percentage of IVAs that terminate within *n* quarters of registration. |
| *Profiles of Bankrupts* update | The most recent publication in this series was in April 2009, covering the period 2005/06 to 2007/08.[[6]](#footnote-6) It contained information on, among other things, levels of debt and assets, number of creditors, marital status, and cause of bankruptcy. In 2010 the Insolvency Service introduced a new administrative database. Our Official Statistics have been based on this new database with effect from April 2011, so by April 2014 there will be three complete years of data on the new system which could be used to compile a new *Profiles of Bankrupts* publication. We are aware that this publication would be extremely useful to academic and other researchers, a point raised in our meeting with users in November 2013, but at present we do not have sufficient resources to compile it. We will review this situation regularly. |
|  |  |
| *Publication / data accessibility* |  |
| Easier to find archive data  Easier to find background information | The Insolvency Service website will be moving to the GOV.UK platform in April 2014. Some of the content, for example the Electronic Individual Insolvency Register, will not be moving. At this stage, it is not clear whether statistical content will move or not. In either case, we recognise that there could be better signposting to archive data and quality, methodology and related documentation, and we will make improvements. |
| Data in CSV format | We asked survey respondents specifically whether they would find it useful to have data in comma separated variable (CSV) format, and around a third responded that they would. In the 2013 Q3 release (published 1 November), we included a CSV file containing all headline quarterly statistics for England and Wales. These contain the same data as the published tables, going back to 1984 where available, but with all formatting removed. This makes it easier for users to re-use the statistics in their own analysis, removing the need to delete superfluous columns and rows. This approach could also be applied to breakdowns by industry, enabling users to filter by type of insolvency and industry code. |
| Monthly updates | The Insolvency Service does not have resources either to make the changes to statistical production processes to enable a monthly publication, or (having made those changes) to then produce the statistics on a monthly basis. |
| “Wizard tool” | We interpreted this request as meaning the provision of a data cube, from which users could produce their own bespoke tables and charts – see for example <https://statswales.wales.gov.uk/Catalogue>. In our view, the provision of a CSV file goes some way to meeting this requirement. Users can, in any event, request specific tables as needed. |

### Presentation and Commentary

1. For users of our statistics – particularly the group that refers predominately to the press release – it is important that the statistics are presented clearly in tables and charts, with sufficient commentary to draw attention to and explain the latest data and trends. We asked survey respondents about the balance of charts, tables and text in each of our three publications: the majority told us it was ‘about right’ in each case.



1. We also asked about the clarity of tables, charts and explanatory notes. Again, most respondents indicated they were content. Some respondents asked for additional series to be presented as charts, but did not specify which series.

### Dissemination and Website

1. Most respondents were content with HTML, PDF and Excel format. Some users also told us that CSV format would be useful; we have already implemented this for our headline statistics.
2. Around a third of respondents were not able to locate statistics easily on our website, and told us they would like better signposting from the Insolvency Service website’s home page, and from the Publications page. Two respondents told us it was not easy to find historical data, and another found it difficult to find documents on our sources of data and methodology.
3. We will take this feedback on board. The Insolvency Service website will be moving to the GOV.UK platform in April 2014. Some of the content, for example the Electronic Individual Insolvency Register, will not be moving. At this stage, it is not clear whether statistical content will move or not. In either case, we recognise that there could be better signposting to archive data and quality, methodology and related documentation, and we will make improvements.

### Alternative Sources of Data

1. We asked respondents whether they also used data from other providers: around a third used data from organisations such as Experian, R3, RSM Tenon, PricewaterhouseCoopers and others. Most of these users were in the group that used Insolvency Service Official Statistics to feed in to their own analysis.
2. We asked these users to compare Insolvency Service Official Statistics with alternative sources of data. Around half of those respondents that used alternative sources told us that, compared to alternatives, Insolvency Service Official Statistics were more accurate and complete, more trustworthy, more relevant, more up-to-date, more accessible and clear, and more useful for their requirements.
3. Five respondents told us that data from alternative sources were more accessible and clear than those produced by the Insolvency Service, but did not provide specific comments. Based on this feedback, we will review the commentary and explanatory notes accompanying our Official Statistics publications.

# Annex A: Extracts from the Code of Practice for Official Statistics

## Principle 1: Meeting user needs

The production, management and dissemination of official statistics should meet the requirements of informed decision-making by government, public services, business, researchers and the public.

### Practices

1. Engage effectively with users of statistics to promote trust and maximise public value, in accordance with Protocol 1.
2. Investigate and document the needs of users of official statistics, the use made of existing statistics and the types of decision they inform.
3. Adopt systematic statistical planning arrangements, including transparent priority setting, that reflect the obligation to serve the public good.
4. Publish statistical reports according to a published timetable that takes account of user needs.
5. Publish information about users’ experiences of statistical services, data quality, and the format and timing of reports.

## Protocol 1: User engagement

Effective user engagement is fundamental both to trust in statistics and securing maximum public value. This Protocol draws together the relevant practices set out elsewhere in the Code and expands on the requirements in relation to consultation.

### Practices

1. Identify users. Document their statistical needs, and their wishes in terms of engagement.
2. Make users aware of how they can find the information they need.
3. Take account of users’ views on the presentation of statistics, and associated commentary, datasets and metadata.
4. Provide users with information about the quality of statistics, including any statistical biases.
5. Involve users in the evaluation of experimental statistics.
6. Seek feedback from users on their experiences of the statistical service they receive, data quality, and the format and timing of outputs. Review the feedback systematically.
7. Consult users before making changes that affect statistics (for example, to coverage, definitions, or methods) or publications. Consultations should be:

* Informed – by relevant central guidance on how consultations should be conducted; and by the views of user groups on the best means of obtaining views;
* Efficient – by balancing the importance of the issue and the likely impact of users’ views against the time and resources available, so as to obtain good value for money from the consultation process; by liaising and co-ordinating with other producers to avoid duplication of effort and to minimise burdens; and by exploiting different methods of consultation;
* Clear – by describing the consultation, and expressing the issues, as simply and concisely as possible; and by publishing the timetable for each consultation; and
* Responsive – by publishing the records of decisions and actions following a consultation, together with explanations for them; and by publishing individual responses, unless anonymity is requested.

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1. UK Statistics Authority (May 2010) *Assessment of compliance with the Code of Practice for Official Statistics: Insolvency Statistics (produced by the Insolvency Service), Assessment Report 44*. Available from: <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-44---insolvency-statistics.pdf> [↑](#footnote-ref-1)
2. UK Statistics Authority (January 2009) *Code of Practice for Official Statistics*. Available from: <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf> [↑](#footnote-ref-2)
3. The consultation document and the Government response can be found at: <http://www.insolvencydirect.bis.gov.uk/otherinformation/statistics/statistics-consultation.htm> [↑](#footnote-ref-3)
4. Experimental Statistics are new statistics that are undergoing evaluation [↑](#footnote-ref-4)
5. Companies House has been using SIC2007 since 2011, but some data it supplies to the Insolvency Service is still in SIC2003 format. [↑](#footnote-ref-5)
6. The Insolvency Service (April 2009) *Profiles of bankrupts: 2005/6 to 2007/8*. Available from: <http://www.bis.gov.uk/insolvency/evaluation-reports-pubs> [↑](#footnote-ref-6)