



The Insolvency  
Service

## ANNUAL PLAN 2014-15

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## A Our purpose

The Insolvency Service provides the frameworks and delivers the public services that deal with insolvency and the misconduct that can accompany or lead to it, as well as wider corporate abuse leading to market distortion. Our activities span personal and company insolvency, and investigations into live companies.

Our overarching aim is a corporate and insolvency system that is regarded as fair and which gives investors, lenders and creditors confidence to take the commercial risks necessary to support economic growth. We:

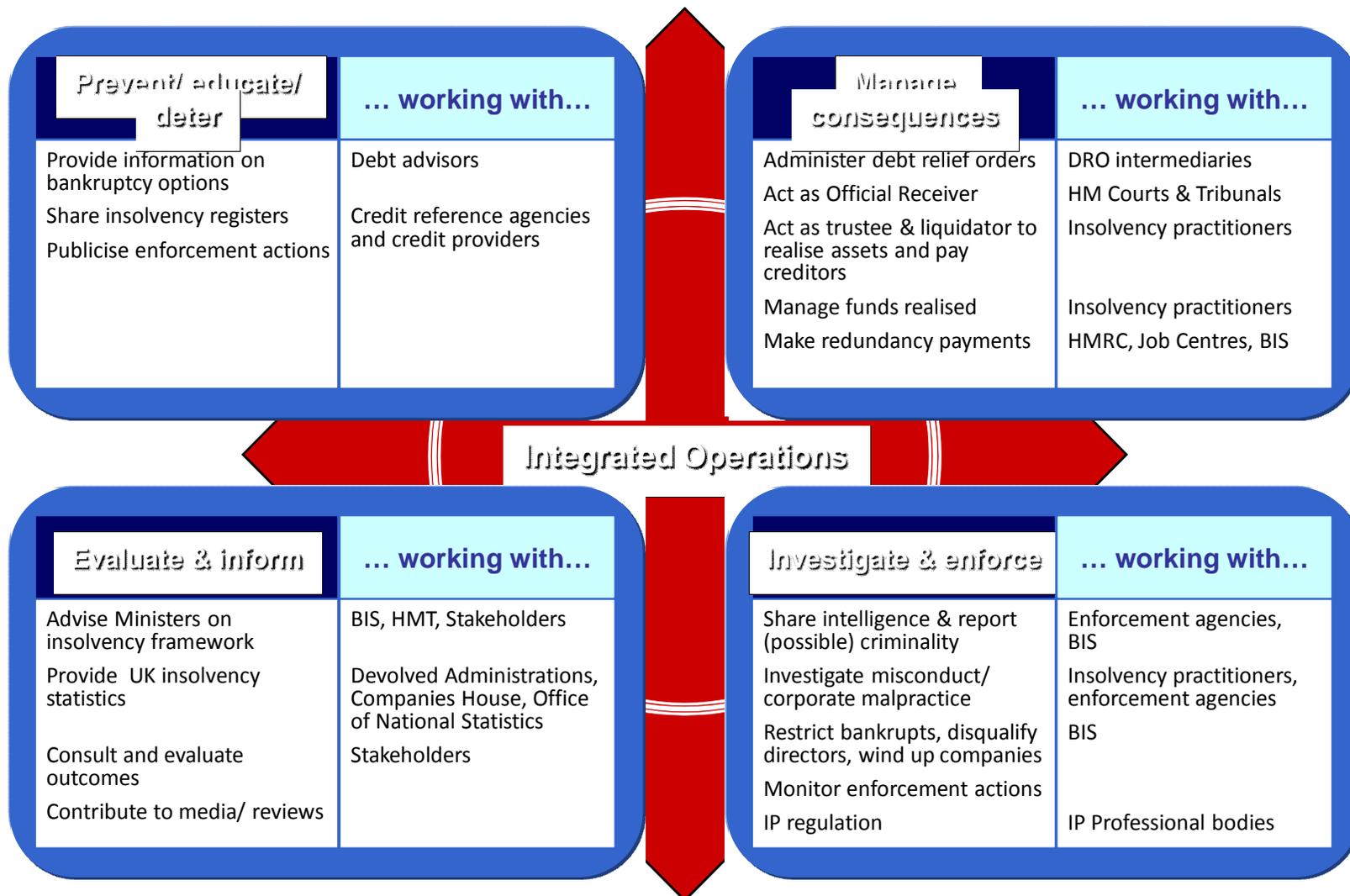
- ensure that effective options and support exist for companies and individuals in financial distress, so that they can take early action either to recover or to minimise losses;
- administer bankruptcies/ liquidations, including the realisation and distribution of assets to creditors;
- deal with corporate malpractice and misconduct through effective investigation into companies and individuals abusing the system, disqualification of directors and restrictions on bankrupts, and building awareness of our enforcement actions;
- manage the consequences of insolvency, e.g. through managing payments to employees made redundant;
- evolve and maintain regulatory oversight of the insolvency system;
- advise Ministers on the insolvency regime; and
- make processes as efficient as possible e.g. to deliver best value and to optimise outcomes.

We work alongside partners from the public, private and voluntary sectors to achieve our goals.



Fair insolvency system - Supporting growth

Giving confidence - Minimising burdens



## B BIS priorities

The Insolvency Service supports delivery of the BIS vision of strong sustainable and balanced growth.

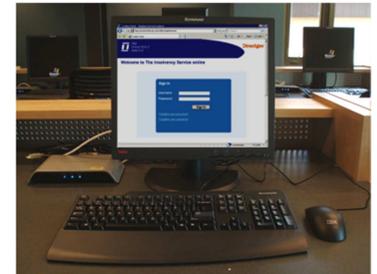
We contribute to the delivery of the following BIS outcomes:

**An effective consumer framework delivering growth and consumer welfare**, with minimum regulatory burdens on business: We help provide relief for individuals from unsustainable debt and ensure that the processes take account of their needs as well as the interest of their creditors.

**A positive regulatory environment for business**: Ensuring that corporate insolvency routes work efficiently and fairly tackling corporate misconduct effectively helps promote long lasting confidence. We are also contributing to the Red Tape Challenge (RTC) the pan-Whitehall programme to reduce the cost of compliance with regulation, drawing on contributions from business and other stakeholders.

**An effective insolvency framework**: We advise Ministers on proposals for changes to insolvency law. We are also responsible for investigation and civil enforcement activity when it appears that the failure is the result of misconduct, and for payment of redundancy entitlements when there are insufficient funds in an insolvent estate.

**A wider business environment that supports growth**: We work closely with BIS and other enforcement agencies to tackle corporate malpractice that leads to market distortion. We also advise Ministers on the legislation on financial misconduct that can accompany or lead to insolvency.



## B Our impacts

In a dynamic economy, entrepreneurialism and a drive for business growth will be accompanied by financial failures as well as successes. At an individual level, particularly in a difficult economic climate, there will always be people who overly stretch themselves.

The financial and social impacts of insolvency can be significant. The Insolvency Service plays a crucial role in handling these professionally and mitigating the issues.

The UK insolvency regime is one of the best in the world, consistently ranked in the World Bank's Top 10. Sustaining this high level of performance means continued improvement: learning from our front-line experience, responding to government priorities and adopting innovations such as digital services.

Our goal is a UK insolvency regime that is:

- supporting growth, because investors/ lenders are confident when taking commercial risks;
- accessible and fair for those who need it;
- tackling abuse of the insolvency systems; and
- efficient, by prompt recycling of funds and by minimising regulatory burdens and processes.

### **Our priorities for the next 12 months deliver...**

#### **Enhanced confidence in our insolvency regime by:**

- Improving stakeholder confidence in the effectiveness of our enforcement actions by directly tackling misconduct and publicising outcomes to maximise the deterrent effect.
- Introducing measures to strengthen regulatory oversight of Insolvency Practitioners and the regime for Director misconduct (subject to legislative time).

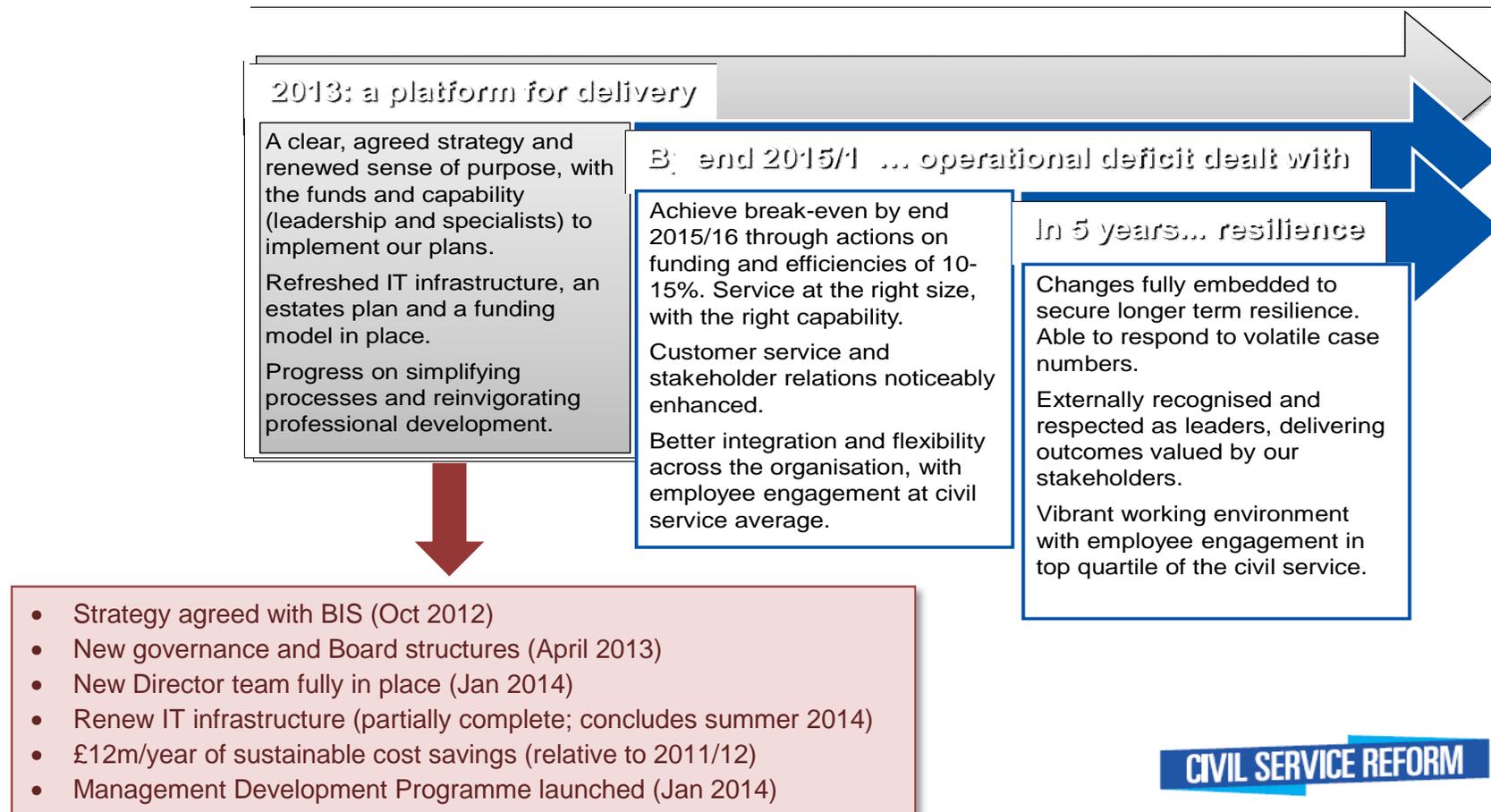
#### **Improved customer experience and process efficiency by:**

- Implementing digital services for Redundancy Payments and starting work to enhance digital delivery of Debt Relief Orders.
- Driving efficiencies to improve returns to creditors and maintaining high levels of customer service.
- Introducing measures (subject to legislative time) to remove unnecessary complexity and cost in insolvency law.
- Implementing recent legislation on security of supply, which responds to stakeholder feedback.
- Preparing for introduction in 2015-16 of simpler access to bankruptcy for debtors through debtor petition reforms.
- Renewed customer guidance and web content, using customer insight to ensure clarity and effectiveness.



## C Our strategy

Our strategic “Direction of Travel” was outlined in 2012. Our plans build on achievements to date. We continue our focus on deficit reduction, dealing with the added pressure from continued falls in insolvency case numbers. Alongside this, our attention is increasingly focussed on those actions supporting long term resilience for the agency: that includes enhanced profile and external relationships, improved funding models, better delivery tools and reinvigorated investment in capability.



## C Our strategy

**Over a 3 – 5 year period** (from 2013/14 to 2017/18) we will create a stronger, more resilient organisation that is demonstrably delivering value for money and able to respond to volatile changes in demand.

Our strategy aligns with the broader ambitions of Civil Service Reform, taking advantage of many wider initiatives underway across the civil service ([www.civilservice.gov.uk/reform](http://www.civilservice.gov.uk/reform)).

Initial phases involve tackling legacy issues, while sustaining our high standards of customer service. Substantial progress is being made although we still have further to go in this regard. A major goal is to achieve operational break-even by the end of 2015/16 (the first full financial year at break even is 2016/17). Continued falls in insolvency cases add to the challenge.

By 2017/18, our success will be recognised by how we:

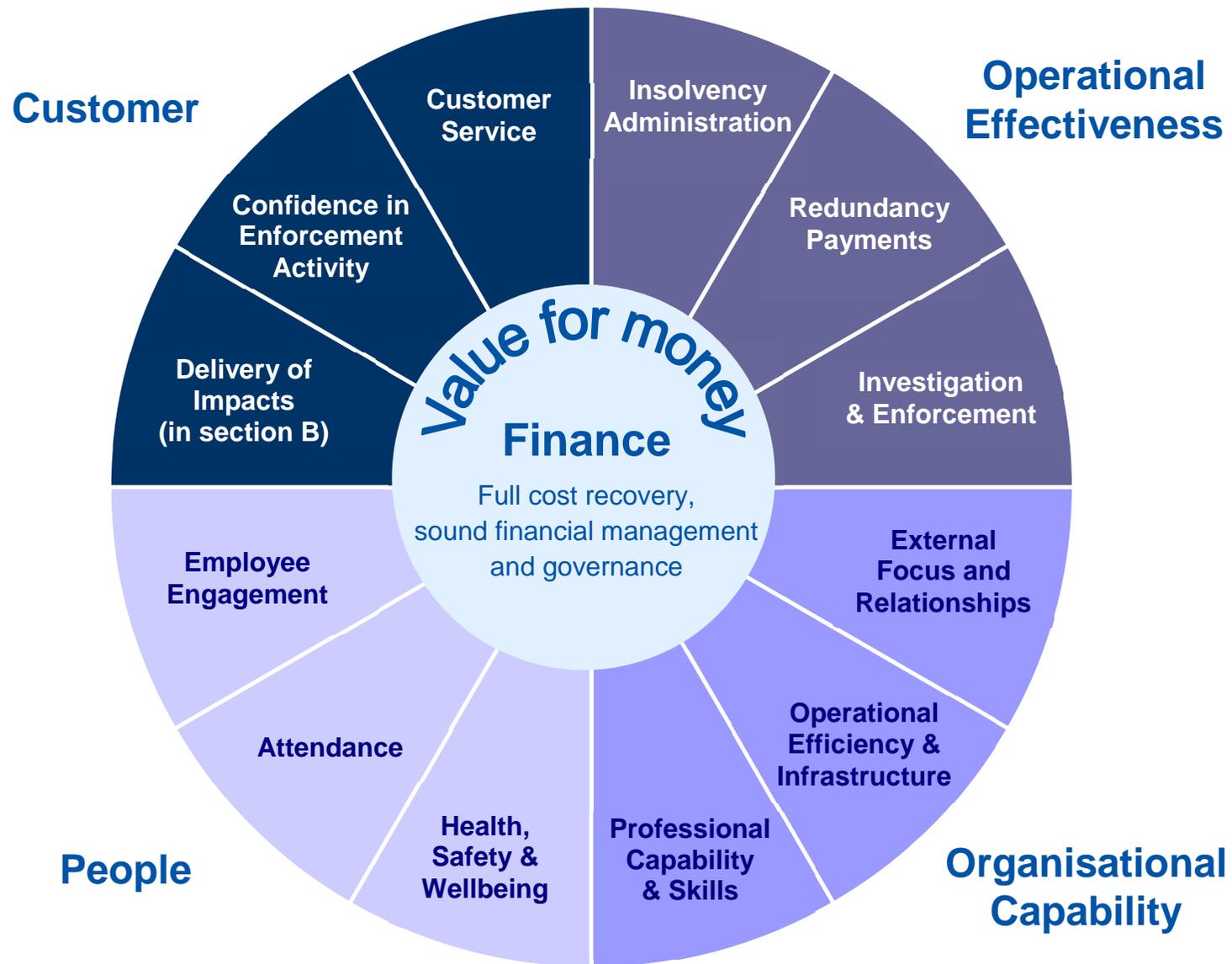
- **... are delivering outcomes valued by our stakeholders.** Our leadership in the insolvency sector will be recognised, customers will benefit from digital service provision, and we will have a robust funding structure in place.
- **... draw on our tremendous talent.** We will be more integrated and working flexibly across internal boundaries. We will have reinvigorated and sustained our investment in skills and capability. Continuous improvement thrives.
- **... deliver efficiently and effectively.** People will have the skills and tools to do their job well. We will have simplified processes, rationalised estates, and a smaller, more professional, corporate centre.

**Our priorities for the next 12 months** reflect these strategic goals, and take steps towards them by:

- Identifying improved funding models, to ensure a more stable income profile and setting clear expectations on associated outcomes.
- Simplifying operational processes and improving management information, which when fully embedded will deliver over 10% efficiencies.
- Investing in critical enablers such as our IT and core delivery tools.
- Completing the rollout of our management development programme to develop leadership capabilities.
- Continuing to strengthen professional development, embedding digital, commercial, programme management and operational delivery skills to ensure that we maintain high quality front-line services.



## C Our targets



## C Our targets

The Insolvency Service's targets comprise two elements:

- **Externally published:** to demonstrate performance against the needs of our stakeholders and customers. At a time of considerable change for the agency, we have held targets at current levels to reflect our need to maintain existing high standards. We have raised our target on “confidence in enforcement activity” to reflect stakeholder expectations and the need to build on progress being made.
- **Operational:** for internal use to enable the Insolvency Service Board to track progress against strategic goals and more detailed operational trends that are not published in parliament (e.g. progress on live investigations). We will, in addition, be tracking new operational and customer metrics that can form a benchmark for future externally published targets.

Externally published targets		2013/14 Target	2013-14 Forecast	2014-15 Target
Value for Public Money	Deliver against agreed budget, with sound financial management & robust governance		On target	Achieve
Customer/ Stakeholder Satisfaction	Customer satisfaction sustained in upper quartile of comparable public bodies (survey)	90%	96%	90%
	Confidence in enforcement activity (survey)	>66%	69%	69%
	Delivery of projects to enhance the insolvency regime and to improve customer experience (section B) (% of milestones achieved to time)		On target	80%
Operational Effectiveness	% of reports issued to creditors within 8 weeks bankruptcy / company cases	92 / 85%	97 / 92%	92 / 85%
	% of disqualification cases in which proceedings are instigated under 23 months	95%	99%	95%
	% of bankruptcy restrictions authorised within 11 months of insolvency	80%	92%	80%
	Action redundancy payment claims within 3 weeks / 6 weeks	80 / 92%	86 / 97%	80 / 92%
Operational targets				
Organisational Capability	Delivery of projects to achieve our strategic goals (section C) (% of milestones achieved to time)			80%
People	Take action on employee feedback, subsequently reflected in engagement index	>50%	49%	54%
	Attendance (annual working days lost)	7.0	7.7	6.0
	Health, Safety and Wellbeing (number of incidents)	40	17	20



## D Governance and structures

As an Executive Agency, the Insolvency Service is fully accountable to Parliament through ministers, who nominate a member of the departmental management team to act on their behalf. BIS defines strategic context and overarching financial and operational controls, and approves our strategy and plans. Governance is formalised in a [Framework Document](#).

Day-to-day responsibilities are discharged through the Chief Executive (CE). As Accounting Officer, the CE has personal responsibility and accountability to Parliament for the organisation and quality of management within the organisation, including its use and stewardship of public assets. The CE is supported and challenged by the Insolvency Service Board.

The Board provides strategic leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. It is collectively responsible for the long-term success of the agency. This includes setting strategic aims and objectives, ensuring that necessary leadership and resources are in place to deliver these aims, challenging and supporting management performance, and reporting to BIS and externally on its stewardship. A broadly equal split of Executive and Non-Executive Board Members (NEBM) gives the appropriate balance of skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities.

The Insolvency Service adopts relevant principles and protocols outlined in the “*Corporate Governance in Central Government Departments: Code of Good Practice*”.

<b>Non-Executive Board Members</b> Chairman: David Ereira Pat Boyden, Derek Morrison, Rachel James Dame Elizabeth Neville, Richard Carter	
<b>Inspector General &amp; Chief Executive</b> Richard Judge	
<b>External Affairs</b> Anne Willcocks	<b>Operations</b> Graham Horne
Insolvency policy & frameworks (with BIS) Ministers & stakeholder relations External communications Insolvency Practitioner regulation	Operational strategy & delivery effectiveness Sustainability of technical quality & capability Delivery relationships Deputy Inspector General & Chief Executive
<b>Finance &amp; Commercial</b> Chris Pleass	<b>People &amp; Capability</b> Rachael Etebar
Financial mgt & reporting Commercial Corporate services & estates Audit and governance Board secretariat Business continuity	Talent & organisational development People policies Employee & TU relations Internal communications Health, safety & well-being



## D: Our offices (as at 01 April 2014)



- Birmingham
- Blackpool
- Bristol
- Cardiff
- Croydon
- Exeter
- Hull \*\*
- Leeds
- London
- Newcastle-upon-Tyne
- Norwich \*\*
- Plymouth
- Sheffield \*\*
- Southend
- Stoke-on-Trent \*\*
- Watford \*\*
- Birkenhead
- Brighton
- Cambridge
- Chatham
- Edinburgh
- Gloucester \*\*
- Ipswich
- Leicester \*\*
- Manchester
- Northampton \*\*
- Nottingham
- Reading
- Southampton
- St Albans \*\*
- Swansea \*\*

Note  
 \*\* Office to be relocated and closed during 2014/15



## E Acronyms and abbreviations

BIS	Department for Business Innovation and Skills
CE	Chief Executive
DRO	Debt Relief Order
EDCF	European Digital Capability Framework
HMCTS	Her Majesty's Courts and Tribunal Service
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
IIP	Investors in People
IP	Insolvency Practitioner
ISCIS	Insolvency Service Case Information System – the system used to administer bankruptcy and company cases
LTADT	Long Term Asset and Distribution Team
NEBM	Non-Executive Board Member
PPP	Planning, Performance and Projects
RPS	Redundancy Payments Services
RTC	Red Tape Challenge – a cross-government programme to reduce the cost of compliance with regulation
TU	Trades Unions
UNCITRAL	United Nations Commission on International Trade Law

