



The Insolvency
Service



2022/23 ANNUAL
PLAN



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The Insolvency Service Annual Plan 2022/23

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Joint introduction from the Chief Executive and the Chair

We are pleased to introduce the Insolvency Service Annual Plan for 2022 to 2023. Last year we launched our five-year strategic plan, and this plan sets out our priorities for the second year of that strategy. It focuses on how we will support businesses and citizens and deliver against the Government's priorities while the cost of living is increasing, and the global economic situation is uncertain.

We made good progress in the first year of our strategy and we will build on that as we work towards our ambition to be at the centre of a fair, efficient, and effective insolvency system that is a global leader in insolvency solutions for citizens and for businesses. A system that is supported by a profession that is recognised for the highest professional, technical, and ethical standards when carrying out its work.

We will continue to put customer satisfaction at the heart of our services. As part of that, we will improve on our core objective to support those in financial distress as we work with partners to develop recommendations to improve the personal insolvency regime. We will also improve the processing of redundancy payments to ensure people impacted by redundancy are not left without vital funds for any longer than necessary.

In the aftermath of the pandemic, we will continue to support economic confidence and tackle financial wrongdoing by focusing on Covid-19 Financial Support Scheme misconduct, taking robust enforcement action where it is warranted. We will also help small business by continuing to develop a suite of tools to provide education and guidance to company directors to help prevent companies from becoming insolvent.

This year we will begin the transformation of our workplaces which will enable us to modernise the service we give our customers and how we operate across the agency. Over the next five years we plan to move from 21 sites to 11 Regional Centres that will provide multi directorate, multipurpose offices with options for both individual and collaborative working across England, Wales, and Scotland.

As well as providing flexible and modern offices for our customers and people, this initiative will deliver significant savings of £2.9 million every year for the next 5 years, and an estimated overall saving of £23 million.



We will continue to support economic confidence and tackle financial wrongdoing by focusing on COVID-19 Financial Support Scheme misconduct



Transforming our workplaces will also support our contribution to national government targets and international agreements on sustainability and improve the environmental, social, and economic sustainability of the Agency.

Our ambitious plans will be successfully delivered by our dedicated, professional, and flexible workforce supported by modern technology and our investment in skills.

This will be a challenging year, but we are confident that we can achieve the objectives set out in this ambitious plan and deliver the quality services and excellent support that our customers and stakeholders expect.



Dean Beale
Chief Executive Officer



Mark Austen
Chair, Insolvency Service Board

Insolvency Service Key Statistics

New insolvency cases received



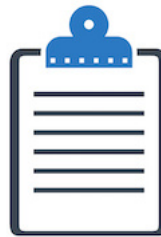
30,359

Online bankruptcy orders



6,669

Creditor petition bankruptcies



1,089

Debt Relief Orders



22,601

Redundancy payment requests



44,895

Days to action redundancy payment



12

Directors disqualified for misconduct



802

Directors disqualified for 10 years or more



6%

Bankruptcy restrictions



316

Live company investigations



167

Criminal prosecutions



111

Dividends returned to creditors



£42.7m

Reports to creditors within 15 days



95%

Customer satisfaction



TBC

Annual Plan Highlights

For our customers we will:

- 1** Issue a call for evidence on how to improve the personal insolvency regime to ensure that it works as effectively as possible for the 100,000 people a year who become insolvent and their creditors.
- 2** Continue the development of a Company Health Check Toolkit which will help directors by flagging the early indicators of possible insolvency, and signpost where to find expert help.
- 3** Work with stakeholders to develop proposals to reform the insolvency practitioner regulatory regime following our consultation which ended in March. We will also publish the results of our planned consultation on incorporating UNCITRAL model laws on cross border insolvency to help our insolvency regime deliver the best outcomes for our stakeholders nationally and internationally.
- 4** Look to improve the way our customers do business with us by continuing to develop our customer digital services to automate more processes and, improve customer access to information via a dedicated portal.
- 5** We will embed new customer satisfaction measures to improve our overall rating on how customers feel about doing business with us to 84%.

For our people we will:

- 1 Continue to grow our membership of the Government Counter Fraud profession, grow our internal legal expertise, and ensure more of our people obtain insolvency industry qualifications.
- 2 Enhance our career offering, with at least 5% of our people undertaking apprenticeships during the year, and continue to build our flexible capable workforce in line with our new people strategy
- 3 Undertake a review of our appraisal system to improve both the consistency and quality of our people performance management helping us to improve our overall business performance and ensuring people can reach their full potential.
- 4 Introduce Heads of Profession within our different specialisms working with cross-government profession teams to increase skills and expertise so that all our people are a member of at least one of the Civil Service Professions

For our organisation we will:

- 1 Complete the remaining elements of a significant programme of work to update our technology and then increase focus on its optimisation to ensure we are operating effectively and securely across the full range of our applications
- 2 Develop our forensic computing capabilities to ensure we deliver the best support for our investigation functions and work towards obtaining an ISO accreditation to ensure our internal capability is compliant with pending regulatory changes.
- 3 Commence an Investigation and Enforcement Services internal flexibility project to build the flexibility and resilience needed to respond to priorities identified in future Strategic Assessments.
- 4 Start to implement our new agency data strategy that will improve operational decision making and management.
- 5 Develop an agency sustainability strategy that encompasses objectives and targets aligned with the BEIS Sustainability Strategy and the international Sustainable Development Goals
- 6 Reduce the structural financial deficit in our Official Receiver Services by increasing income where appropriate and reducing costs.
- 7 Continue delivery of our strategic project portfolio, estimated to deliver benefits of £61.8 million by 2024/25

Our plan for the second year of our agency strategy

The strategic themes in the Insolvency Service's five-year strategy, launched in November 2021, set out how we will make our agency fit for the future and seek to improve the insolvency regime to ensure it supports the UK economy.

1

Strengthen our system regulation and improve the insolvency framework



The Insolvency
Service

...ing economic confidence

We will ensure the continued development and delivery of high-quality policy and regulatory initiatives that keep the insolvency framework fit for purpose delivering the best possible outcomes for our stakeholders and customers.

This year we will:

- Issue a call for evidence on the personal insolvency regime. With over 100,000 individual insolvencies each year, it is essential that the regime operates as effectively as possible for those impacted and a call for evidence will help to determine whether there are aspects that could be improved, to ensure a clear accessible user journey for people in financial distress and fair outcomes for creditors.
- Develop proposals to reform the insolvency practitioner regulatory regime following our consultation on reforms to the regulatory framework. We will obtain cross Government agreement to announce the outcome of the consultation and proposed way forward and develop suitable powers for implementing any changes.
- Publish the outcome of our consultation on incorporating two further UNCITRAL model laws on cross border insolvency into UK law, enhancing the UK's ability to conduct cross border insolvency in a more effective way. This will help retain its position as one of the best insolvency regimes in the world, returning more to creditors and more quickly than many other jurisdictions.

We will ensure ongoing provision of high-quality data and analysis to inform agency decision making and wider government initiatives, looking for ways to improve the provision of management information and the service offered.

We will:

- Publish a research report on Corporate Insolvency and Governance Act (CIGA) 2020. This will explore how the measures introduced by CIGA are being used and if the policy objectives have been achieved. This will feed into a wider evaluation of the Act in 2023.
- We will also publish the findings from our research into the impact on landlords of Company Voluntary Arrangements on larger retail, hospitality, and leisure businesses.

We will ensure the regulatory framework continues to work as effectively as possible with robust oversight of the way Recognised Professional Bodies (RPBs) regulate insolvency practitioners.

We will:

- Continue to work closely with the RPBs addressing issues that might arise, recognising the uncertainty that has inevitably accompanied the Government's consultation on the regulatory framework whilst ensuring that the regime continues to operate effectively.
- Conclude a thematic review on monitoring by RPBs of Insolvency Practitioners' engagement with the Redundancy Payment Service and publish the report.

2

Strengthen our reputation and impact in investigation and enforcement



We will continue to ensure a level playing field for business and tackle financial wrongdoing by utilising our powers to take appropriate enforcement action and where possible seek financial recoveries as we emerge from the COVID-19 pandemic.

We will:

- Focus on Covid-19 Financial Support Scheme misconduct, identifying cases where both civil and criminal enforcement action is appropriate and take recovery action through compensation orders where possible and appropriate to do so.
- Develop our forensic computing capabilities through a hybrid solution using in-house and external expertise to ensure we deliver the best support for our investigation functions and works towards obtaining an ISO accreditation to ensure our internal capability is compliant with pending regulatory changes.
- Review, and where appropriate refine, our Enforcement Strategy to ensure we focus our enforcement activities on the priorities identified in our annual Strategic Assessment

We will ensure our people can build their expertise, with defined career paths in their chosen investigation and enforcement specialisms.

We will:

- Continue to grow our membership of the Government Counter Fraud profession, allowing our people to build their skills and further their careers.
- Grow our internal legal expertise by expanding specialist training to more of our paralegal officers.



We will continue to ensure a level playing field for business and tackle financial wrongdoing



We will improve the flexibility and resilience of the agency to respond to changing enforcement priorities and invest in our people to ensure they have the right levels of expertise to ensure successful investigations, prosecutions, and disqualifications.

We will:

- Commence an Investigation and Enforcement Services internal flexibility project to build the flexibility and resilience needed to respond to priorities identified in future Strategic Assessments.
- We will continue to provide transparency about our enforcement activities through regular publication of detailed data through our quarterly scorecard.

3

Sharpen our operating focus



We will ensure the best outcomes for those that use our services by driving further performance improvements. We will maximise returns to creditors and their benefits to the wider economy through improvements in our Business Services Division.

We will:

- Maximise the amount of Payment Protection Insurance realisations distributed to creditors by reviewing the distribution process to make it more efficient.
- Continue our work to improve the customer experience of those impacted by redundancy

We will assess what our customers think of us, embedding new customer satisfaction measures and improving our overall performance by achieving a survey score of 84% or greater

We will:

- Drive improvements in Official Receiver Services processes to increase efficiency
- Start to implement our new agency data strategy to improve operational decision making and performance management.
- Focus on maximising asset realisation in cases where creditors choose not to appoint an Insolvency Practitioner.

We will strengthen the reputation and expertise of Official Receivers and the services they provide.

We will:

- Continue our programme of offering professional qualification to our staff, ensuring more of our people obtain insolvency industry qualifications.
- Increase engagement with our key stakeholder groups and raise awareness of the Official Receiver's role.

We will deliver effective and efficient services to our customers and stakeholders through:

- Official Receivers returning funds to the economy by making 40,000 distributions to creditors and debtors, an increase of 25% from last year
- Issuing 85% or more of Breathing Space statutory notices electronically
- Issuing a report to creditors within 15 days of interviewing (or a decision that no interview is required) in at least 93% of bankruptcy and liquidation cases
- Processing redundancy payment claims in an average time of 14 days or less
- Making 95% of bankruptcy orders sought by individuals within 2 working days
- Determining 95% of Debt Relief Order applications within 48 hours
- Answering 95% of calls to our enquiry line and at least 85% within 2 minutes

4

Shape a new approach to prevent insolvency and rehabilitate through education and guidance



We will increase the capability and knowledge of company directors through the development of new resources and educational packages.

These will help directors make better decisions and will have a positive impact on the wider economy by reducing the number of avoidable insolvencies.

We will:

- Continue the development of a Company Health Check Toolkit which will help directors by flagging the early indicators of possible insolvency and where to seek advice.

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We will continue with the development of new resources and educational packages for company directors

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5

Strengthen and modernise our technology and infrastructure



We will modernise how we deliver our services to make it easier for our customers to interact with us and help us move towards being a 'digital first' service provider that is easy to do business with.

We will:

- Continue to develop our customer digital services to automate more processes, improve customer access to information via a dedicated portal, and reduce the number of customer enquiries.
- Maintain and build our customer 'net easy' score - 'Overall, how easy was it to complete your application/submit your information today?' and use the findings to help inform our future systems development

We will shape and modernise our technology to enable greater flexibility for our customers and our people. We will ensure our people have the right tools to carry out their roles effectively and collaboratively.

We will:

- Complete the remaining elements of a significant programme of work to update our technology and then increase focus on its optimisation to ensure we are operating effectively and securely across the full range of our applications.
- Enhance Teams collaboration by introducing more functionality to enable the organisation to operate more effectively across locations and with partners.
- Improve the user experience scores in the People Survey - 'I have the tools to do my job effectively'

We will continue to build confidence in the insolvency regime by making sure we have the right infrastructure and support arrangements in place to operate efficiently and enable strategic and operational decision making with trusted and sound analysis.

We will:

- Progress the design and development of a new case management system for Official Receiver Services and Estate Account Services that will automate more of our processes and improve our ability to extract valuable management information.
- Start to implement the agency's new data strategy to unlock the potential for our data to help us deliver better value for customers.

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We will shape and modernise our technology to enable greater flexibility for our customers and our people.

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6

Shape the agency as a great place to work



We will invest in our people and develop their skills to enable them to be the best professionals in their fields delivering excellent public service and which delivers on the ambitions of the Civil Service Modernisation and Reform agenda.

We will:

- Raise the quality and consistency of how we work through the adoption of the Functional Standards management standards.
- Introduce Heads of Profession to work in the agency and with cross-government profession teams to increase skills and expertise so that all our people are a member of at least one of the Civil Service Professions.
- Implement an agency wide skills tool to build understanding of the knowledge and capability of our people and increase our ability to flex our resources more effectively during periods of changing demands.

We will make the agency an attractive place to work by developing a compelling employee value proposition and varied and interesting career pathways that include more apprenticeships to help us develop people with the skills we need. We will:

- Develop our bonus and incentive scheme that provides a wider range of reward benefits that will be more inclusive and competitive. This will contribute to improving recruitment and retention and improved engagement levels.
- Introduce Heads of Profession to work in the agency and externally with cross-government profession teams to increase skills and expertise so that all our people are a member of at least one of the Civil Service Professions.

- Undertake a review of our appraisal system to improve both the consistency and quality of our people performance management helping us to improve our overall business performance and ensuring people can reach their full potential.

We will create a new strategy and associated policies to improve the environmental, social, and economic sustainability of the agency and contribute to national government targets and international agreements on sustainability.

We will:

- Commit to an agency environmental policy to help us minimise the environmental impact of our operations.
- Undertake an agency sustainability review to identify improvement opportunities in areas such as our estate, waste, procurement, and sustainable travel.
- Develop an agency sustainability strategy that will include objectives and targets aligned with the BEIS Sustainability Strategy and the international Sustainable Development Goals.

Ensure at least 5% of our headcount will be apprentices

Fill 95% of roles filled against our resourcing profile

Improve our people survey scores across all the 9 themes of the 2022 people survey

7

Sharpen our financial model to ensure sustainability



We will seek to improve the financial sustainability and resilience of the agency by implementing more efficient and flexible operational processes across the agency, that are better able to respond to peaks and troughs in demand.

We will:

- Reduce the structural financial deficit in our Official Receiver Services by increasing income where appropriate and reducing costs, reducing the need for operational funding from BEIS above an agreed baseline, reflecting normal operational activity levels.
- Assess opportunities to introduce commercial models to flexibly manage surges in demand for our services.
- Review our existing fees and charges to ensure that they appropriately reflect the costs of delivering our services.
- Benchmark our central costs to ensure that they are appropriate for the future size and shape of the organisation.
- Manage organisational headcount so that we meet cross-Government targets.

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We will seek to improve the financial sustainability and resilience of the agency

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We will :

Ensure all relevant procurements include social value and sustainability evaluation criteria at a minimum of 10% of overall score

Meet or exceed the Government target of 33% of spend going to Small and Medium-sized Enterprises (SMEs) by March 2023

Pay 80% of supplier invoices within 5 working days

Pay 100% of supplier invoices within 30 calendar days

Where contacts meet the criteria, we will ensure all our suppliers adhere to the Prompt Payment Code

7

Our finances



The Agency's Spending Review settlement provides additional funding for our strategic investment and investigations and enforcement. In 2022/23, additional funding increases from £21.8m to £30.4m. Investment plans include development of our new case management system and modernising our IT systems and infrastructure. Increased funding for investigations and enforcement is targeted at tackling BBL fraud and investigating dissolved companies and tax avoidance schemes.

Based on our best estimate of case volumes we expect the deficit in our fee-funded Official Receiver Service to be £14m in 2022/23. We will take forward our ORS Financial Sustainability project which aims to tackle the deficit, reduce the exposure of the service to financial risk from volatility in demand and limit funding from government to cover shortfalls in fee income.



We will take forward work on our Official Receiver Services Financial Sustainability project to reduce the exposure of the service to financial risk



We expect Redundancy Payment Services volumes in 2022/23 to be like the levels seen last year (2021/22) and we have agreed funding with HMRC, on whose behalf we run this service, to ensure we can deliver to this level of demand. More widely, we will continue work to develop our longer-term financial plans, seeking to integrate the financial benefits of our change programme and other efficiency initiatives.

2022-23 Forecast

2022-23 Forecast: Operating Position	Budget £m
Income and Funding	
Case admin fee income	37.9
Other fee earning income	20.0
BEIS funded: Investigations, Legal Services and Policy	48.7
HMRC funding (ringfenced)	12.9
Capital funding	8.2
Total	127.7
Expenditure	
Operating Staff costs	83.6
Operating Non-staff costs	40.0
Capital expenditure	8.2
Total	131.8
Operating (Deficit)/Surplus	(4.1)
Spending Review Funding: Additional Investigation & Change Delivery	
Expenditure	
Breathing Space	1.5
Case Management System	7.3
Additional Investigation & Change Delivery	20.3
Capital Change Delivery	1.3
Total	30.4

