



The Insolvency
Service

Annual Plan 2019-2020

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Chief Executive's Foreword

Welcome to the Insolvency Service's Annual Plan and budget for 2019-20. In here, we will tell you about our plans for the year ahead. But before that, I'd like to reflect on the last twelve months.

At this point last year, we were handling the biggest trading insolvency the UK had ever seen, when Carillion collapsed putting a huge number of jobs and critical public services in jeopardy. Since that time, we've secured employment for the majority of former Carillion employees and ensured that those services continued with minimal disruption. That has been a huge success for the agency but is only part of what we do.



We've seen increased demand for most of our services, such as bankruptcy applications or redundancy claims, and all this is happening whilst we are at the mid-point of our transformation to our new target operating model. It has been very challenging to tackle all of that while making sure the quality of those services does not slip. As a result, you might expect that the engagement of our people would have suffered. It did not.

I am proud to report that, in the face of these competing difficulties, our overall engagement actually increased and we are also now Civil Service High Performers for the majority of survey themes. That achievement, alongside delivery of new financial and case management systems at the start and end of the year respectively, really shows the hard work, dedication and passion of our people. I'd like to take this opportunity to thank them for all their efforts.

Looking ahead, external economic factors suggest we could face rising demand for our services. We will continue to deliver critical projects that move us towards our future operating model as well as beginning work on the implementation of Breathing Space, a government manifesto commitment that once again sees the agency leading the way in supporting those in financial distress. In this plan, you will see our commitment to deliver ongoing high-quality services and a summary of our major objectives for the year ahead. Once again, we are expecting to deliver key upgrades to much of our infrastructure to make us more flexible and resilient and to modernise our working environment.

In summary, we expect the year ahead to be challenging, but with the people we have working together as one service – I am confident we can achieve it.

Dean Beale
Interim Chief Executive

Chair of the Board's Foreword

I have had the pleasure of being part of the Insolvency Service board for over five years and the considerable honour to have been Chair since January 2017. In that time, I have been impressed both with the agency's ambitions and its ability to deliver on those aspirations. During my tenure we have planned, developed and begun to implement a multi-year change programme to deliver a refreshed target operating model across all of our services.



In the last year, we have made significant strides towards our future, with plans coming to fruition to deliver a modernised financial management application, and a new case management system for our Redundancy Payments Service. These systems underpin our ability to work more efficiently which, in turn, means we can harness them to deliver improved services for our users. In the next twelve months, we will continue that journey as we replace our core IT infrastructure and systems and commence work on delivering the government's Breathing Space agenda, which is seen as a lifeline for those in financial difficulty.

It truly is an exciting time to be part of the agency. This is an organisation which, over the last year, has seen its public profile raised higher than ever before, with our work, particularly on the Carillion insolvency, putting the Insolvency Service on the front page of many national newspapers. In that regard, I was extremely pleased to see the team's work recognised at the Turnaround, Restructuring & Insolvency Awards, where the agency won 'Insolvency Team of the Year'. Working together with the private sector, they saved over 11,000 jobs and ensured critical services continued at hospitals, prisons and schools.

I see first-hand the passion and pride of so many people working across the agency at all levels when I travel the country to meet those directly delivering our services to the public and this makes me very proud. As a Board, we seek to hold several of our Board meetings each year at various regional offices and one of the most enjoyable aspects of my job is to talk to so many employees, listening to their ideas and hearing their commitment to our work.

In this plan you will find our outlook for the year ahead: the objectives we intend to achieve and the strategic challenges facing us in a volatile economic climate. The nature of the sector in which we work is, indeed, extremely challenging, and driven by factors outside our control. Now more than ever, our services are vital in supporting a healthy economy, whether that is by helping individuals who are placed out of work at short notice or returning funds to circulation fairly following an individual or corporate failure.

Weakening economic growth and rising corporate debt, as we are now seeing, can often indicate a looming increase in demand for our services. These are risks that myself, the Board and the senior management team of the agency must plan for and act to manage over the next year. However,

I take very significant comfort that in seeking so to do, we have so many highly skilled and dedicated people at the agency working with us who are committed to ensuring we respond to these challenges.

Stephen Allinson

Solicitor and Licensed Insolvency Practitioner
Chair of the Board of the Insolvency Service

1. Delivery framework

1.1 Strategic delivery

The Insolvency Service is the government agency that provides public services to those affected by financial distress or failure.

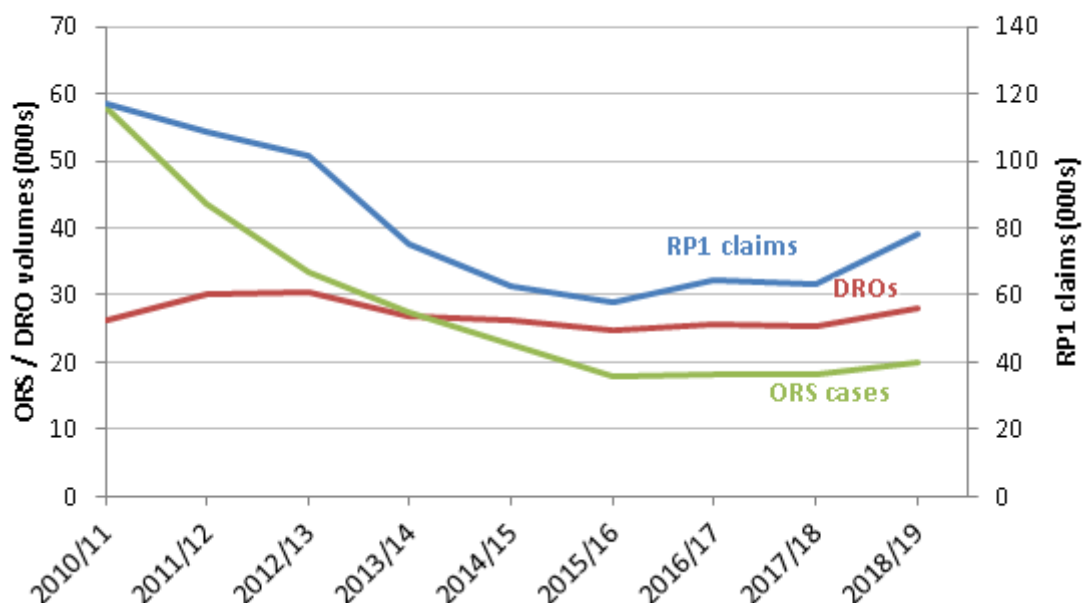
We provide the frameworks that deal with insolvency and the financial misconduct that sometimes accompanies or leads to it. Our aim is a corporate and personal insolvency regime which is regarded as fair and that gives businesses and investors confidence to take the commercial risks necessary to support economic growth.

Our core purpose is to deliver economic confidence; we do this by:

- supporting those in financial distress
- tackling financial wrongdoing
- maximising returns to creditors

We are delivering economic confidence against a backdrop of considerable change, both external and internal. Over the past decade, official receiver case volumes (bankruptcy cases and companies in compulsory liquidation) have fallen considerably, requiring us to adapt to a new insolvency landscape and model our resources accordingly. However, our expectations are that this downward trend has ended as demand for these services has been increasing again over the last two years, particularly in cases where an individual applies for their own bankruptcy. We have also seen a similar increase in demand across other services, including applications for Debt Relief Orders and a particularly sharp increase in claims for redundancy. This can be seen in the illustration.

Demand for our services



This increased demand coincides with increasing levels of corporate and personal debt, combined with slower economic growth in the UK. Looking ahead, we observe that the Office for Budgetary Responsibility has revised down its forecast for near-term economic growth, while international bodies such as the OECD¹ and IMF² both point to weakening growth in advanced economies, with the OECD highlighting increased corporate debt as a particular risk to the global economy³. The UK's exit from the European Union carries with it additional uncertainty.

These external factors arrive at a time of significant internal challenge as we head into another year of delivering our ambitious change programme, designed to implement a modern, flexible operating model across all our frontline services. These changes, whilst challenging to design and deliver, are critical – both for the future financial sustainability of the agency and delivery of improved services. Successfully delivering these changes while maintaining the high level of performance our service users expect is a significant undertaking for the agency and our people.

The change journey so far

Three years ago, we began our work to design and plan implementation of a fundamentally different, modern organisational design and target operating model. Since that time, we have delivered a number of significant improvements to systems and infrastructure, and are now firmly on our way towards that goal.

During 2019-20, we will deliver further key infrastructure changes. The pace and scale of change is highly ambitious, and this year will be the busiest (and thus most challenging) period in our change journey as we finalise phase one and build the infrastructure required for phase two.

This work underpins our comprehensive transformation that will:

- result in the modernisation of our service delivery
- ensure that we continue to meet our service users' evolving needs
- provide value-for-money services
- achieve future financial stability

¹ <http://www.oecd.org/newsroom/oecd-sees-global-growth-slowing-as-europe-weakens-and-risks-persist.htm>

² <https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019>

³ <http://www.oecd.org/corporate/risks-rising-in-corporate-debt-market.htm>

In 2019-20, the following elements will support the delivery of our purpose:

Processes

Our change programme will touch on every part of the agency as our journey progresses. Over the next twelve months, we will implement further changes identified from the review of our key functions and processes.

For example, in 2018-19 we undertook a full review of our official receiver function. This year, we will trial and assess the benefits our plans aim to deliver. Specifically, moving away from 'cradle to grave' case ownership and implementing functionalised teams that can flex up or down are key elements of our target operating model. Additionally, looking at more efficient use of our resources and exploring options for automation will all feature in the work this year. This proof of concept will be critical in ensuring we can better respond to changes in levels of demand for our services. The outputs from the trial will inform our future case management systems, paving the way to fully embed efficiencies from the redesign of our processes.

Created in 2018-19, our dedicated Continuous Improvement team has been a great success and the level of interest from colleagues has led us to expand the team. Doing so will allow us to harness our people's considerable passion to drive more efficient processes across every area of our work.

We will also trial improvements arising from a comprehensive review of our core investigation processes, bringing similar functions together to create centres of excellence and focus our corporate insolvency investigation work within a single team. Additionally, we are expanding our civil litigation function, reducing our reliance on external solicitors and making more efficient use of the funding we receive for this work.

Finally, maximising returns to creditors is a core objective of the agency. This year, we have partnered with the private sector to ensure our official receivers submit the high volume of claims held by bankrupt estates relating to Payment Protection Insurance (PPI) mis-selling, in advance of the Financial Conduct Authority's deadline (29 August 2019), and then distribute funds back to creditors.

Our service users

We will continue to meet the changing needs of a wide range of people affected by insolvency or with an interest in the sector, including:

- people who are made bankrupt or apply for a Debt Relief Order
- those owed money in an insolvency
- those seeking redundancy payments
- directors of failed companies
- victims under The Victims' Code
- the insolvency practitioners appointed in insolvency proceedings

Gathering more feedback from those who use our services will help us to better understand their needs, critically evaluate our performance and identify further areas for improvement. We will put in place the infrastructure required to implement a single point of entry for the vast majority of our telephone enquiries, smoothing user and stakeholder interactions with us and enabling us to handle their queries more efficiently.

People

Our people are the agency's greatest asset, and we are very proud of our successes in the 2018 People Survey where we achieved the agency's highest-ever engagement index score. It also saw us become a Civil Service High Performer across six themes and 2019-20 will see us review and act on that feedback – including delivery of a comprehensive workforce strategy aligned to our target operating model.

We plan to invest in our people by delivering a more efficient and expansive learning offer for our investigation professionals, aligned with the cross-government counter-fraud initiative. Doing so ensures that our people are highly trained and able to deploy expertise across a range of disciplines, such as investigations into companies following insolvency, companies still trading and criminal matters.

Building on the good work last year to improve our internal communications, we will continue to listen to our people and apply that feedback to drive even greater engagement. We will also ensure that our people are kept up to date on the changes ahead and that we recognise the teams and individuals behind our successes.

A fundamental aspect of our change journey has been ensuring our people play a major role in developing new processes and structures. We will continue to draw colleagues from the full breadth of the agency into our portfolio projects, utilising their unique insights and experiences to deliver more effective and efficient services.

Policy

The agency has led the way in transforming the debt solution landscape, with Debt Relief Orders widening access to debt relief to those priced out of bankruptcy and removing the courts from the debtor bankruptcy process. This year, we will expand our ability to support individuals in financial distress by commencing work, with colleagues across government, to implement a new Breathing Space option for people in problem debt. This would give those struggling with debts a period of up to 60 days' protection from creditor enforcement action, allowing them to seek debt advice and enter a sustainable solution to their financial problems. This, along with the implementation of a new Statutory Debt Repayment Plan, will be a major piece of work in partnership with HM Treasury.

On corporate insolvency, we will continue to develop the proposals announced in the government's August 2018 response to our consultation on insolvency and corporate governance. When parliamentary time allows, we will bring forward measures to ensure greater accountability of directors in group companies when selling subsidiaries in distress, strengthened powers for office-holders to recover assets, widened investigatory powers for the Insolvency Service to look into director conduct when a company is dissolved, and a package of new procedures to support business rescue.

We will also work this year to continue to gather evidence to help determine whether the powers in the Small Business, Enterprise and Employment Act 2015 to regulate pre-pack sales of businesses to connected persons and to introduce a single regulator for the insolvency practitioner profession should be used by government or allowed to sunset.

In response to Brexit, we will be working closely with our stakeholders to ensure the insolvency regime continues to work effectively after the UK leaves the EU, supporting businesses in distress and providing the best outcomes possible for creditors, investors and employees.

Infrastructure

2019-20 is a major milestone in our change journey. Over the next twelve months, we will deliver critical updates across our entire supporting infrastructure, from our core IT platform and case management systems, through to right-sizing our estate and providing new tools to help our people work flexibly and more efficiently. We will fully embed and drive efficiencies from our new Redundancy Payments

case handling platform, using the greater flexibility this brings to refine our processes and drive improvements for service users.

We are also intending to relocate our London office, driving greater value for money by moving out of our expensive Whitehall location whilst providing a better, modern working environment for our London-based people.

Sustainable resourcing

Over the next twelve months, we will develop and deliver a future workforce strategy, ensuring we strike a balance between an experienced, highly skilled workforce and capability to respond flexibly to changes in level of demand for our services. We will also continue to offer a range of apprenticeships, providing a pipeline of talented individuals who we hope will progress within the agency.

This year, we will publish our five-year Strategic Business Plan, ensuring our stakeholders are fully sighted on our long-term ambitions.

We will continue to deliver within the scope of the 2015-20 spending review and begin to prepare for the next spending review, whilst developing more efficient ways of supporting our frontline operations to deliver greater value for money.

The following sections of this plan provide further detail on our work and our objectives for 2019-20.

For clarity, and to provide a clear link to how we will deliver economic confidence, we have aligned our activities and performance measures with our core purpose and its three supporting strands (supporting those in financial distress; tackling financial wrongdoing; maximising returns to creditors).

The plan concludes with how our people, infrastructure and resources support and strengthen our service delivery, followed by a summary of the agency's 2019-20 budget.

2. Ministerial targets

Our externally published targets are set by Ministers and drive our performance against the needs of our service users and stakeholders. Our Ministerial targets are shown in the table below. These targets represent the agency's key functions and the levels of service we aim to provide to those who use them. Additional Annual Plan targets that support our purpose can be found within subsequent sections of this Plan.

Ministerial target		2018-19 target	2018-19 performance	2019-20 target
Delivering economic confidence	Percentage of users ¹ who are satisfied with the Insolvency Service	85% or greater	84%	85% or greater
Supporting those in financial distress	Average calendar days taken to action a redundancy claim	14 days or fewer	12.2 days	14 days or fewer
Tackling financial wrongdoing	Average time taken to obtain a disqualification	21 months or fewer	19.9 months	20 months or fewer
	Average time taken to obtain a bankruptcy restriction	10 months or fewer	8.6 months	10 months or fewer
	Average time taken to instigate a criminal prosecution	24 months or fewer	25.9 months	24 months or fewer
Maximising returns to creditors	Percentage of reports to creditors issued within 15 calendar days of an attended interview ²	90% or greater	92.6%	91% or greater
	Total value distributed to creditors ³	£55m or greater	£61.3m	£60m or greater
Financial management	Expenditure to be managed within budget	Achieve	Achieved	Achieve

1 a) Debt Relief Order debtors; b) approved intermediaries; c) bankrupts; d) directors of insolvent companies; e) redundancy payment claimants; f) institutional creditors; g) non-institutional creditors; h) insolvency practitioners.
2 Or where a decision is made that no interview is required or the agreed point of non-surrender.
3 Excludes distributions relating to Carillion

3. Delivering economic confidence

3.1 Objectives

The Insolvency Service provides an internationally respected insolvency regime that helps to rescue struggling businesses and allows those in unmanageable debt to make a fresh start. This year, we will continue to deliver against the legislative framework for our regime and work closely with ministers to develop and deliver policy changes.

Our work is fundamental in supporting the wider Department for Business, Energy and Industrial Strategy's (BEIS) single departmental plan, and particularly in ensuring businesses are run responsibly and transparently. Part of BEIS' plan includes "Bring forward measures to strengthen the corporate governance of companies in insolvency and to improve safeguards for employees, suppliers and others in partnership with the Insolvency Service and Companies House"¹ and we commit to delivering against this.

In 2019-20, the agency's work will support core elements of BEIS' plan as we help build, improve and maintain business and investor confidence and drive responsible business practices. We also support a thriving labour market and a competitive business environment, underpinned by effective governance and, where relevant, enforcement action.

Our work aligns with the government's plans for "a truly Global Britain"². Following the exit of the UK from the European Union, we will work to ensure that the UK's world-class insolvency regime continues to operate effectively.

We will work in conjunction with BEIS to strengthen corporate governance and the insolvency framework. Alongside partners in government, we are working to deliver Government's manifesto commitment to introduce a new Breathing Space scheme, designed to encourage individuals experiencing problem debt to seek debt advice. This breathing space will give the right to legal protections from creditors by freezing enforcement action, interest, fees and charges for 60 days in order to obtain professional debt advice and seek an appropriate debt solution. Additionally, Statutory Debt Repayment Plans (SDRP) will be developed to enable individuals to enter into an agreement to repay their debts in full in a more manageable way over an extended period, whilst receiving legal protections from creditor action during this period. The development work on these new options for debtors will commence this year.

We continue to provide robust oversight of the work of the Recognised Professional Bodies (RPBs) that are responsible for the regulation of insolvency practitioners, using our oversight powers to ensure that the regulatory objectives are met.

1 Excerpt from Department for Business, Energy and Industrial Strategy single departmental plan: <https://www.gov.uk/government/publications/department-for-business-energy-and-industrial-strategy-single-departmental-plan/department-for-business-energy-and-industrial-strategy-single-departmental-plan-may-2018>

2 Excerpt from the Government's Plan for Britain: <https://www.gov.uk/government/speeches/the-governments-negotiating-objectives-for-exiting-the-eu-pm-speech>

This year, we will continue gathering evidence on whether the changes to the regulatory system, introduced in 2015 to help ensure the effective oversight of insolvency practitioners, have been successful. This will help inform a decision on whether the power to establish a single regulator under Section 144 of the Small Business, Enterprise and Employment Act 2015 should be used. We will also continue to engage with stakeholders over regulatory issues including the way the IVA market operates, looking for ways to address any issues of concern.

Working closely with our stakeholder and user groups is important to us, and this year we will continue to develop our communication channels, using the intelligence we gather to evaluate our performance and to identify areas of focus. Alongside this, we will make more effective use of social media and refine our public-facing processes and guidance.

In recent years we have renewed our approach to gathering information from our stakeholders to support our evolution into a service-user-led organisation. We will continue to improve our online guidance drawing on user feedback and use of communication channels to actively engage with stakeholders. We will continue to refine the format of our popular, annual stakeholder forum Insolvency Live! to ensure its ongoing relevance to insolvency and debt sector practitioners.

3.2 Targets

Performance measure		2018-19 target	2018-19 performance	2019-20 target
3.2.1	Percentage of users who are satisfied with the Insolvency Service ³	85% or greater	84%	85% or greater

4. Supporting those in financial distress

4.1 Objectives

We provide a number of services that support those in financial distress, from our online adjudicator service, which removes the court from the debtor bankruptcy process, to our redundancy payments service, which provides vital funds to vulnerable individuals who find themselves out of work, often at very short notice and through no fault of their own.

We provide debt solutions to some of the most vulnerable people in society via Debt Relief Orders. Now in their tenth year, with over 250,000 orders made since inception, these are specifically aimed at those with low levels of unmanageable debt, minimal surplus income and little by way of assets. Demand for all of these services is on the increase; however, we will continue to deliver these services quickly and professionally, reducing the distress that financial difficulty brings.

As set out in the section on Strategic Delivery, delivering on the government's manifesto commitment to implement Breathing Space and Statutory Debt Repayment Plans will significantly expand support for those in financial distress. We will continue to review the personal debt landscape and, where relevant, explore options to further expand the wide range of support the agency provides.

Feedback from users has shown that we could do more to streamline contact with our organisation. In response to this, in 2019-20 we will merge and unify a number of communication channels into the agency, smoothing entry for those using our services. Alongside a comprehensive overhaul of our written correspondence to provide greater clarity at first contact, this will provide a more consistent, high-quality experience for all individuals who interact with us.

The agency is proud of the support we offer to those in financial distress, and over the next year we will build on the feedback received to further improve our services.

4.2 Targets

Performance measure		2018-19 target	2018-19 performance	2019-20 target
4.2.1	Average calendar days taken to action a redundancy claim ¹	14 days or fewer	12.2 days	14 days or fewer
4.2.2	Percentage of bankruptcy orders made by the Adjudicator within two working days	96% or greater	98%	97% or greater
4.2.3	Percentage of Debt Relief Orders determined with 48 hours	97% or greater	99%	98% or greater
4.2.4	Percentage of calls to agency enquiry lines that are successfully answered	95% or greater	92.5%	95% or greater
4.2.5	Percentage of calls to agency enquiry lines answered within 60 seconds	n/a (new)	n/a (new)	80% or greater

4.3 Change portfolio milestones

Project		Deliverable	Milestone
4.3.1	Breathing Space / SDRP	Complete discovery phase for Breathing Space / SDRP	Quarter two
4.3.2	Customer Contact	Contact Centre – contract awarded	Quarter two

¹ Ministerial target

5. Tackling financial wrongdoing

5.1 Objectives

Our investigation and enforcement activities are fundamental in giving individuals and companies the confidence to conduct business. We ensure that those found guilty of financial misconduct are robustly dealt with by bringing civil proceedings against individuals and companies in the public interest.

We have powers to investigate companies that are still trading and do so following receipt of complaints or other intelligence. These investigations often result in companies being wound up where there is a public interest in doing so, or in our making disclosures to other regulators and prosecuting authorities.

We are also responsible for protecting creditors and, in a small proportion of bankruptcy cases where we find cause to enquire further, we carry out investigations to ensure both creditors' and the wider public's interests are protected. Where we identify misconduct on the part of those subject to bankruptcy or Debt Relief Order proceedings, we seek restrictions on their ability to obtain credit in the future. Where we identify potentially criminal offences, we refer them to our enforcement teams (or other relevant authorities), which will prosecute appropriate cases.

Building on our successes last year, we will work in collaboration with Companies House to prosecute those who do not comply with the Person with Significant Control register requirements to drive compliance and increase transparency in corporate ownership and control for the public. Following delivery of a more streamlined targeting and triage process for investigation referrals in 2018, we have commenced an end-to-end review of our Section 6 disqualification investigation and enforcement process. By involving our experienced investigators in the planning stages, we have developed a set of proposals that will be tested through 2019-20 to ensure the redesigned processes are more efficient and flexible, whilst being considerate of the rights of the individuals subject to investigation. We will reinvest our efficiency savings in additional enforcement activities, enhancing our ability to tackle financial wrongdoing, increasing confidence in the marketplace and delivering greater economic benefit from our taxpayer funding.

This year, we will bring our investigator teams together within a single function, to build a centre of excellence and ensure we can flexibly deploy resource to meet varying demand for our services, or to address particular areas of public concern.

We have developed an in-house legal capability to issue legal proceedings against directors and individuals subject to enforcement action, which will provide a more consistent and cost-effective route to resolution. This, together with the core prosecution function, will be developed into a comprehensive Legal Services Directorate within the agency. Over the next twelve months, we will expand this highly skilled team further to provide wide-ranging in-house legal services. This will provide value for the taxpayer by reducing expenditure attributed to seeking external legal advice.

We are proud to say the agency is a founder member of the Government Counter Fraud Profession, which aims to help our people develop their skills, knowledge and experience as they join a wider counter-fraud community. This community will lead the fight against fraud and improve the detection and prevention of fraud in essential public services.

Also this year, we will deliver a comprehensive, end-to-end training programme for our investigation staff, giving them the key skills to identify and evidence misconduct across a range of corporate civil and criminal disciplines, whilst providing a more fulfilling career path for our people.

High-profile cases have been a major part of the agency's work in recent years and we will continue to investigate and, where appropriate, take action on cases in progress and in the future. Our work in this area is highly regarded and, supported by our robust oversight function, critical in protecting the public from further economic harm.

5.2 Targets

Performance measure		2018-19 target	2018-19 performance	2019-20 target
5.2.1	Average time taken to obtain a disqualification ¹	21 months or fewer	19.9 months	20 months or fewer
5.2.2	Average time taken to obtain a bankruptcy restriction ¹	10 months or fewer	8.6 months	10 months or fewer
5.2.3	Average months taken to instigate a criminal prosecution ¹	24 months or fewer	25.9 months	24 months or fewer

Enforcement outcome planning assumptions		Lower	Upper
5.2.4	Disqualifications	1,235	1,305
	Bankruptcy and debt relief restrictions	460	480
	Live companies' investigations	150	160
	Criminal Investigations resulting in a decision to prosecute	140	160

5.3 Change portfolio milestones

Project		Deliverable	Milestone
5.3.1	Investigations and Enforcement	Consolidation of corporate investigation function completed	Quarter two

¹ Ministerial target

6. Maximising returns to creditors

6.1 Objectives

In a healthy market-based economy there will always be individuals and businesses that fall into insolvency. Those who invest in, lend to, or trade with individuals and businesses need to know that, in the event of failure, there will be an efficient and fair distribution of all available assets. Maximising the value of those returns is a key element of our trustee and liquidator work and integral to delivering economic confidence.

The area in which we work is driven by external factors, and in prior years we have been unable to respond to the changing levels of demand as flexibly or rapidly as we would like.

Following an extensive analysis and design phase, this year we will trial improvements to our core official receiver case handling processes to ensure the changes deliver more efficient working practices whilst fully discharging the duties of the trustee. By bringing like functions together to create centres of expertise and undertaking multiple work streams simultaneously, we will be able to reduce waiting times and ensure action is taken swiftly following the making of a bankruptcy order. This will lead to a reduction in time spent handling cases and therefore costs incurred by those making use of our services.

We will also trial more flexible team structures and restructure our Public Interest Units, which will further enhance the new, modern ways of working that underpin our transformation programme. As part of this work, we will review how we handle assets, ensuring the action we take provides maximum benefit to creditors.

All of the above will allow us to respond quickly to varying levels of work, deploying proportionate resource whilst applying relevant expertise to ensure that we operate with greater efficiency.

Whilst the majority of cases handled by an official receiver have minimal or no assets of value, we strive to maximise realisations of those assets where they exist by, for example, ensuring those bankrupts who have sufficient disposable income to contribute to their debts do so. In 2019-20, we will further maximise returns by partnering with Deloitte to ensure we realise any amounts of PPI mis-selling compensation that current and former bankrupts are entitled to. These funds, in addition to our core realisation work, have driven over £100m in distributions to creditors in the last few years and our work this year is expected to significantly surpass that.

6.2 Targets

Performance measure		2018-19 target	2018-19 performance	2019-20 target
6.2.1	Average calendar days to complete the first interview for debtor bankruptcies	8 days or fewer	6.8 days	8 days or fewer
6.2.2	Average calendar days to complete the first interview for creditor and complex debtor bankruptcies ¹	21 days or fewer	23.6 days	20 days or fewer
6.2.3	Average calendar days to complete the first interview for compulsory winding up cases ²	28 days or fewer	31.8 days	27 days or fewer
6.2.4	Percentage of reports to creditors issued within 15 calendar days of an attended interview ³	90% or greater	92.6%	91% or greater
6.2.5	Value of distributions to creditors ⁴	£55m or greater	£61.3m	£60m or greater
6.2.6	Percentage of payments from the Insolvency Service account made within two working days	97% or greater	98%	98% or greater

6.3 Change portfolio milestones

Project		Deliverable	Milestone
6.3.1	PPI	Submit all relevant PPI mis-selling claims by Financial Conduct Authority deadline	Quarter two

1 Calculated from date of notification of order by the relevant court

2 Calculated from date of notification of order by the relevant court

3 Or where a decision is made that no interview is required or the agreed point of non-surrender

4 Ministerial target

7. Stengthening service delivery

7.1 Objectives

People

Our people are the agency's greatest asset, playing a critical role in delivering our essential services and driving our performance. In 2019-20, we will further develop their skills, harness their enthusiasm and broaden their engagement.

Following the successes in the 2018 People Survey feedback, we are once again aiming to be a Civil Service High Performer across all themes of the engagement survey. This is a challenging goal, but one we feel confident in being able to deliver. We will do this in a number of ways.

First, we will deliver a comprehensive workforce strategy, ensuring we are flexibly resourced to meet varying levels of demand, reducing pressures on frontline colleagues whilst offering our people greater development and career progression options. Linked to this, we are taking forward actions from the refreshed Talent Strategy, such as continuing development of our senior leaders and high potential programmes, and focusing on developing and delivering an apprenticeship experience to be proud of, continuing to use the apprentices option as a mechanism to attract a diverse talent pool and build our skills for the future.

We will implement new development programmes for our people, including our Insolvency Service Investigator programme, taking new entrants to practitioner level within two years, as opposed to the current three years, whilst ensuring they have the right skills for the job. This will be delivered using modern training tools and methods, underpinned by Government Counter Fraud Professions principles. We will design and deliver a new Learning Strategy that will help us ensure that all our people have access to the right skills, at the right time, to develop within the agency or even outside it.

We know we have a workforce that is highly engaged in delivering for our service users, and by putting these people at the heart of our change programme, we will enable them to shape the agency's future. By continuing to embrace and develop our apprenticeship programme, we will seek to develop talented people who are committed to the agency and its work.

We aim to further improve our internal communications, ensuring our people have up-to-date information on the changes ahead to reduce uncertainty and demonstrate how their input is helping to shape the changes and improvements we are making. We will encourage them to get involved in our communications directly, by asking the people doing the work to be the ones telling the story, sharing their successes and giving their feedback.

We will continue to support our network of Engagement Champions and our leaders to improve staff engagement and make the Insolvency Service an even better place to work. We will also address the key findings from the 2018 People Survey and continue to listen to our people to drive even greater engagement.

Infrastructure

Our aim is to become one cohesive agency, greater than the sum of its parts, which provides efficient, high-quality services while delivering value for public money.

Our ambitious change programme is, by necessity, underpinned by updates to our core IT infrastructure. This year, we will finalise contractual agreements and begin delivery of key foundational elements across the range of our IT services. These enhancements are critical in supporting the vision for our future organisational design, providing greater ability for our people to work on the move, thereby increasing efficiency and ensuring our technology is more reflective of the world we operate in.

We will continue to take steps to right-size our estate footprint. Building on the success of consolidating our Birmingham location, we will relocate our London office to Stratford, maintaining a London location for ease of access whilst ensuring we minimise the disruption such events bring. This will drive considerable cost savings, in line with Government's initiative to relocate agencies outside of the prohibitive costs of Whitehall.

Our service users

While the agency continues to receive high satisfaction scores from those using our services, we are continually looking to improve. Over the last year we have made changes to the way our Customer Service Team works, investing in training and gathering better management information. We will use this information and user feedback to target areas for improvement, with a particular focus on updating and improving our guidance material and letters, and wherever possible using electronic means of communication.

As a result, this year we are introducing new, more stretching targets across all of our user enquiry lines: that we will answer 95% of calls received; and that 80% of all calls are answered within 60 seconds.

Financial position

In recent years, the agency has generated a financial surplus at year-end in large part due to income generated by recoveries from PPI mis-selling on bankruptcy estates. Whilst placing the agency in a healthy financial position, this masks the underlying challenge of delivering financial stability for the future, which our change portfolio and organisational redesign are working to address.

The scale and pace of change is ambitious but necessarily so, as PPI income is expected to diminish rapidly in future years. The changes implemented this year and over the next two years will help us ensure that the agency is on a stable financial footing and able to deal with a range of demand scenarios, enabling us to become a more scalable, flexible and resilient agency, delivering excellent value for money.

For this year, the key financial assumptions within our 2019-20 budget include:

- Official receiver case volumes at around 22,000 (compared to c.19,800 in 2018-19)
- BEIS funding allocation (for investigations and policy work) remains consistent with 2018-19
- BEIS will meet the agency's increased pension contributions obligations for 2019-20
- HMRC will meet the increased costs of delivering the Redundancy Payments Service, driven by higher than expected levels of demand
- HM Treasury will fund the cost of Breathing Space work undertaken by the agency in 2019-20

The agency's detailed budget can be seen at section 8 of this Plan.

7.2 Targets

People

Performance measure		2018-19 target	2018-19 performance	2019-20 target
7.2.1	Average working days lost per employee (sickness absence) ¹	7 days or fewer	6.4 days	6.3 days
7.2.2	Number of apprenticeships starts ⁱ	34	23	31 (2.3% of the England workforce)
7.2.3	Time to recruit	50 days or fewer	52.2 days	50 days or fewer
7.2.4	People Survey: Employee Engagement Index	An overall increase in engagement	62%	63% or greater
7.2.5	People Survey: My work	To become a Civil Service High Performer	79% (High Performers: 79%)	To become a Civil Service High Performer
7.2.6	People Survey: Organisational objectives and purpose		89% (High Performers: 87%)	
7.2.7	People Survey: My manager		79% (High Performers: 73%)	
7.2.8	People Survey: My team		85% (High Performers: 85%)	
7.2.9	People Survey: Learning and development		57% (High Performers: 59%)	
7.2.10	People Survey: Inclusion and fair treatment		84% (High Performers: 81%)	
7.2.11	People Survey: Resources and workload		78% (High Performers: 75%)	
7.2.12	People Survey: Pay and benefits		35% (High Performers: 37%)	
7.2.13	People Survey: Leadership and managing change		50% (High Performers: 55%)	

¹ Cross-government target

Complaints about our work

Performance measure		2018-19 target	2018-19 performance	2019-20 target
7.2.14	Percentage of complaints answered substantively within 10 days (less complex complaints)	85% or greater	92%	90% or greater
7.2.15	Percentage of complaints answered substantively within 20 days (more complex or relating to multiple aspects)	95% or greater	96%	95% or greater
7.2.16	Percentage of tier one complaint decisions ratified at tier two	n/a (new)	n/a (new)	75% or greater
7.2.17	Percentage of tier two complaint decisions ratified at tier three	n/a (new)	n/a (new)	90% or greater

Finance

Performance Measure		2018-19 target	2018-19 performance	2019-20 target
7.2.18	Expenditure to be managed within budget ²	Achieve	Achieved	Achieve
7.2.19	Percentage of supplier invoice payments within 5 working days ³	80%	85%	80%
7.2.20	Percentage of supplier invoice payments within 30 calendar days ²	100%	94%	100%

7.3 Change portfolio milestones

Project		Deliverable	Milestone
7.3.1	Estates	Relocate London office	Quarter two
7.3.2	End User Services	New networks in place including Wi-Fi in all offices	Quarter three
7.3.3	End User Services	Windows 10, Exchange, H and S Drive migration	Quarter four
7.3.4	End User Services	SIAM Service in Place	Quarter four
7.3.5	End User Services	New Contact Centre capabilities deployed	Quarter four
7.3.6	End User Services	Line of Business Applications migrated from Atos Data Centre	Quarter four

² Ministerial target

³ Cross-government target

8. Agency budget

Income/Funding	2018-19		2019-20
	Budget	Outturn	Budget
	£m	£m	£m
Case administration net	45.0	58.0	53.2
Over-recovery and write-backs (additional income)	8.8	14.5	9.9
Other fee-funded activity	15.9	21.6	18.9
BEIS funded: Investigations, Legal Services and Policy	41.0	40.7	40.8
HMRC funded: Redundancy Payments funding	7.0	7.0	7.7
BEIS Non-Cash funding	0.8	1.4	1.6
BEIS funding for employer's pension contribution increase	-	-	3.5
	118.5	143.2	135.6
Operating Expenditure			
Staff Costs – Permanent	70.1	64.8	81.4
Staff Costs – Non-permanent	5.7	4.4	4.0
	75.8	69.2	85.4
Office estate costs	11.0	9.8	10.4
Legal costs	7.4	15.0	6.1
IT costs	14.3	13.0	21.3
Other (incl. non-cash)	10.0	9.2	12.4
	118.5	116.2	135.6
Operating (Deficit)/Surplus	0.0	27.0	0.0